

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 20 June 2010.

PRESENT: Councillor Brunton (Chair), Councillors Cole, Dryden, Kerr, C Hobson, McIntyre, Purvis, Sanderson, J A Walker and Williams.

OFFICERS: B Baldam, J Bennington, P Clark, J Shiel and P Slocombe.

**** APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Mawston, McTigue and Saunders.

** DECLARATIONS OF INTERESTS

Name of Member	Type of Interest	Item / Nature of Interest
Councillors Brunton and Dryden	Personal/Non-Prejudicial	Agenda Item 4: Capital Outturn and 4 th Quarter Review 2010/2011 in so far as it related to Levick Trust –Trust Members.
Councillor Brunton	Personal/Non-Prejudicial	Agenda Item 4: Capital Outturn and 4 th Quarter Review 2010/2011 in so far as it related to Acklam Grange School –School Governor.

REVENUE OUTTURN 2010 TO 2011

The Director of Strategic Resources presented a report concerning the final outturn position for expenditure against the 2010/2011 Revenue Budget.

Whilst the overall outturn was considered to be positive it was acknowledged that there were significant current pressures within services and inevitably there would be difficulties facing the Council given the level of budget reductions which had to be achieved over the next few years.

The Board was advised that a net budget saving of (-£416,000) was forecast for 2010/2011 within the general fund services which represented 0.30% saving against the £133,575 million 2010/2011 budget.

A detailed breakdown of gross expenditure and income budgets against projected expenditure and income outturns were outlined in Appendix A of the report submitted.

The Council had embedded within its budget monitoring procedures reporting on efficiency savings. It was confirmed that the Council had projected to exceed its efficiency savings target by (-£44,000) as detailed in Appendix B of the report submitted.

The report summarised the movements on reserves (Appendix D) and provisions (Appendix E) for 2010/2011.

The Board sought clarification and asked for further information on a number of areas.

It was acknowledged that one of the main area of budget pressure remained within Children, Families and Learning around Safeguarding (+£1,405,000). Reference was made to an element of additional funding secured from the Primary Care Trust in terms of their contribution in relation to children looked after. Whilst such an area was the subject of ongoing negotiation for future contributions the Board was mindful of the Government proposals to abolish Primary Care Trusts.

The Board's attention was drawn to the breakdown of placements during the year as shown in the report submitted which demonstrated that the numbers had levelled since April 2011 although the need for the situation to continue to be carefully monitored was acknowledged.

Although part of the agreed efficiency savings Members expressed disappointment at the closure of the Outdoor Activity Centre at Stainsacre but noted the availability of alternative service provision.

In response to a Members' question it was confirmed that further clarification would be provided in respect of savings shown of (-£71,000) in respect of the CAHMS service with particular regard to salary costs and recharges to other local authorities.

Confirmation was given that the savings which had been achieved in relation to Play schemes had not impacted on the number of schemes currently available.

Members specifically referred to the net pressure on Children's Agency Residential Schools of (+£1,391,000) and expressed concern that such a figure was not offset by the identified efficiency savings. In response the Board was advised of the realigned budgets to cope with such a demand led service but the potential wider ramifications of reduced funding in the public sector overall in Middlesbrough was acknowledged.

Members acknowledged the hard work of the Resources Department and other individual departments in dealing with the current challenging economic climate but reiterated their concerns with regard to the pressures around Safeguarding and the need for such an area to continue to be closely monitored.

In relation to the Social Care budget Members noted with concern that the economic downturn had continued to affect Ayresome Industries resulting in a net budgetary pressure of (+£426,000). Total sales for 2010/2011 had been £657,000 compared to a budgeted target of £1,266,000 and raw material costs had also increased considerably reducing the profit margin on sales. Reference was also made to a number of pressures which had been identified in relation to Ayresome Community Transport which was also subject to review.

Specific reference was made to a contingency provision of £1,538,000 which had been included in the Social Care budget to cover increases in demand led services in 2010/2011. The actual cost of increased demand in 2010/2011 was reported as £1,226,000, a net saving of (-£311,000).

In response to a Members' query regarding paragraph 47 of the report submitted the Director of Strategic Resources confirmed that such information would be clarified and Members' advised accordingly.

In relation to the Environment budget specific reference was made to pressure areas such as a shortfall in income in respect of the Golf Centre, the Highways Maintenance operation as a result of adverse winter weather and reduced income from car parking owing to the harsh winter, increased competition and reduced demand. In relation to car parking it was noted that such an area was the subject of a strategic review. It was confirmed that further details would be provided to Members in respect of the charges involved in respect of resident parking permits.

Following a Members' request for further clarification regarding significant pressures in relation to Waste Collection the Board was reminded that an efficiency saving to charge for replacement wheeled bins had not been approved but the high demand for such bins had continued. In commenting on a number of budget pressures in relation to Waste Collection it was noted that several issues were likely to be the subject of scrutiny review by the Environment Scrutiny Panel 2011/2012.

An indication was given of the efficiency savings which had been achieved in respect of the Regeneration budget the target for which had been over-achieved by £12,600 as outlined in the report.

In discussing the potential ramifications of reduced budgets over the next four years it was noted with concern the extent to which Regeneration was currently heavily reliant on Government funding.

Members commended the efforts by Officers in the Regeneration Department in seeking and being successful in attracting additional funding in the current difficult economic climate.

In considering the Corporate Services budget details were provided of circumstances where a debt would be written off following a vigorous process. It was noted that an increase in the level of outstanding property rental debt over two years old had resulted in the Corporate Service bad debt provision increasing by (+£45,000). It was intended to link budget monitoring with its Balance Sheet Management. The first stage of the process was to report on the aged debt across each service and the impact this may have on service budgets and bad debt provision. Members noted that this was an area likely to increase but that in comparison with other similar authorities Middlesbrough currently collected over 90% each year.

Members noted with concern the level of savings achieved as a result of staff costs.

ORDERED as follows:-

1. That the information provided be noted.
2. That further information be provided to Members as outlined.

FOURTH QUARTER – CAPITAL OUTTURN 2010/2011

A report of the Director of Resources was presented which provided an update on the Council's capital programme (2008/2009 to 2012/2013) based on the fourth quarter review of capital expenditure.

It was reported that the change in overall net expenditure across all schemes since the last review had resulted in a decrease of £3,000 in Council wide resources to support the capital programme (0.001% of the total programme) as outlined in Appendix A. Specific reference was made to significant variations to the programme in respect of the Tees Valley Bus Network and Middlehaven.

In terms of re-profiling capital expenditure, £18,627 million had been re-profiled from 2010/2011 to 2011/2012 and future years of which £4.383 million related to block budget provisions. Details were shown by service and individual scheme in the report submitted Appendices B and C.

In overall terms £0.434 million gross had been re-profiled from 2011/2012 and future years to 2010/2011. The details by individual scheme were outlined at Appendix C of the report.

Gross expenditure had increased from £327,899 million to £329,717 million and the level of under-programming at Quarter 4 was currently estimated at £4,788 million (1.45%). The overall programme position as at Quarter 4 review was shown as Appendix E of the report.

ORDERED that the information provided be noted.