

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 24TH OCTOBER, 2016

PRESENT: Councillor K Groves in the Chair

Councillors H Hayden, S Lay, J McKenna,
S McKenna, D Nagle, A Sobel,
E Tunnicliffe and R Wood

27 Late Items

There were no late items or supplementary information presented at the meeting.

28 Declaration of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interests.

29 Apologies for Absence and Notification of Substitutes

Apologies for absence had been received from Councillors S Bentley, D Cohen and T Wilford.

Notification had been received that Councillor S Lay was attending as a substitute for Councillor S Bentley.

30 Minutes - 19 September 2016

RESOLVED – Consideration of the draft minutes from 19 September 2016 be deferred to the next meeting.

31 Executive Board Minutes - 21 September 2016

RESOLVED – That the draft minutes from the Executive Board meeting held on 21 September 2016 be noted.

32 Financial Health Monitoring

The Scrutiny Board considered the '*Financial Health Monitoring 2016/17: Month 5 (October 2016)*' report presented to Executive Board at its meeting on 19 October 2016.

The following were in attendance for consideration of this item:

- Doug Meeson – Chief Officer – Financial Services

- Neil Warren – Head of Corporate Finance – Strategy and Resources

The Chief Officer gave an outline of the report, which presented a projected an end-of-year overspend of £5M. This represented a worsening position than previously presented to the Board (a projected overspend of £3M) and was largely due to:

- higher than planned numbers of Looked After Children; and,
- Pressure on the Special Educational Needs Transport budget.

The Chief Officer stated the aim was to bring the overall budget back into balance, and the Medium Term Financial Strategy assumed a balanced budget for 2016/17. The half-year position would be reported to Executive Board in November 2016.

The Scrutiny Board discussed the information presented and a number of other matters, including:

- Concern that all Directorates identified 'risks of overspend' within the current Financial Year.
- Staffing budgets and the level of paid overtime
- The approach to risk management.
- The trend in budget spending following a similar pattern from previous years, where balanced budgets had been produced.
- The basis of staffing budgets for 2017/18 (i.e. no budgeted vacant posts).
- Whether underspending on staffing budgets represented a barrier to delivering services.
- The proportion of the overall Council budget now allocated to spending on Children's and Adult's services.
- The impact of the Council budget being less reliant on direct Government Grants and more reliant on other funding streams (such as fees and charges), making the overall financial position more volatile to in-year changes to income. As a result, a higher level of Council reserves may be required to deal with variations to budgets in future years.
- The generation of income through fees and charges was likely to become increasingly important to the Council's overall budget.

On conclusion of the discussion, the Chair thanked the officers for their attendance and contribution to the discussion.

RESOLVED –

- That the report and information presented be noted.
- That the Scrutiny Board maintains an overview of the financial health of the Council throughout the remainder of the year.

(NB Councillor D Nagle left the meeting at 11:30am and Councillor R Wood left the meeting at 11:50am, during consideration of this item)

33 Agency Staff Spending

The Head of Governance Services presented a report that detailed the Council's current spend on agency staff across the Council. The report also presented spending from previous years for comparison.

The following were in attendance for consideration of this item:

- Doug Meeson – Chief Officer – Financial Services
- Neil Warren – Head of Corporate Finance – Strategy and Resources

In considering the Council's overall spend on agency staff; the Board welcomed the cumulative reduction of over £6.5M from 2013/14. However, the Board expressed some concern that in some service areas, agency spending by August 2017 already exceeded the budget allocation for 2016/17.

In response, the Chief Officer highlighted the need to consider spending on agency staff in the context of overall spending on staffing. In some instances, agency staffing allowed different service areas to cope with known, or expected, peaks in demand during different parts of the year, without increasing the overall workforce.

Members queried the level of spend in Strategy and Resources, which appeared to increase from below £1M in 2013/14 to over £3M in 2014/15.

The Board agreed to give more detailed consideration to the different elements of the overall spend on agency staff and arrangements for the appointment and use of consultants.

RESOLVED – To note the information presented and give further consideration to spending on agency staff, as detailed above.

34 Chair's Update (October 2016)

The Chair gave a brief update on some of the activity undertaken since the last Scrutiny Board meeting, with specific reference to on-going discussions regarding:

- Commissioning.
- Procurement.
- Use of Contact Waivers

The Chair agreed to continue to undertake further work on the Board's behalf and report progress at future meetings.

RESOLVED – That the update provided by the Chair be noted.

35 Work Schedule

The Principal Scrutiny adviser presented the Scrutiny Board's proposed work schedule for the remainder of the municipal year 2016/17.

RESOLVED – That the work schedule presented be agreed, subject to any scheduling decisions necessary by the Chair.

36 Date and Time of Next Meeting

Monday, 21 November 2016 at 10:00am (pre-meeting for all Board members at 9:30am.)

The meeting closed at 12:05pm.