



FINANCE & GENERAL PURPOSES SCRUTINY SUB-COMMITTEE

MINUTES of the OPEN section of the meeting of the FINANCE & GENERAL PURPOSES SCRUTINY SUB-COMMITTEE held on Tuesday 4th February 2003 at 7.30 p.m. at the Town Hall, Peckham Road, London SE5 8UB

PRESENT: Councillor Toby Eckersley (Chair)
Councillor Lisa Rajan (Vice-Chair)
Councillors Fiona Colley, Stephen Flannery Eliza Mann (Reserve)
& Alison Moise.

ALSO PRESENT Councillor Lorraine Zuleta (Executive Member for Finance)

ALSO PRESENT: Robert Bollen – Corporate Strategy Officer
Ian Hughes – Head of Corporate Strategy
Alan Layton – Head of Corporate & Strategic Finance
Fitzroy Williams – Constitutional Support Officer

APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Jonathan Hunt, Gavin O'Brien and Andy Simmons.

CONFIRMATION OF VOTING MEMBERS

The Members listed as being present were confirmed as the Voting Members

NOTIFICATION OF ANY OTHER ITEMS WHICH THE CHAIR DEEMS AS URGENT

There were none.

DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Stephen Flannery declared a non-prejudicial interest in this item.

RECORDING OF MEMBERS' VOTES

Council Procedure Rule 1.17(5) allows a Member to record her/his vote in respect of any motions and amendments. Such requests are detailed in the following Minutes. Should a Member's vote be recorded in respect to an amendment, a copy of the amendment may be found in the Minute File and is available for public inspection.

The Sub-Committee considered the items set out on the agenda, a copy of which has been incorporated in the Minute File. Each of the following paragraphs relates to the item bearing the same number on the agenda.

MINUTES

RESOLVED:

1. That the Minutes of the meetings held on 13th January 2003 and 21st January 2003 be agreed and signed as a correct record of proceedings.

52. SCRUTINY OF REVENUE BUDGET 2003/04

The Sub-Committee noted its concern that the Budget Report had not been received by the Executive on 28 January 2003 as originally outlined by officers and that consequently was not available for scrutiny. Councillor Zuleta, Executive Member for Finance responded that changes in timescale had prevented the report being completed. Furthermore the Head of Corporate & Strategic Finance explained that the Government announcement on the Local Government Finance Settlement had only taken place on 3 February 2003 delaying production of the Budget Report and that the Government had previously been unclear about when it would make its announcement.

The Committee noted that IT systems had lead to enclosed letter to Councillor Zuleta of the 3rd December 2002, from the Sub-Committee being incorrectly dated. Officers were asked to ensure this problem was addressed.

Councillor Zuleta then provided a oral response to challenges set out in the letter of 3rd December 2002 from the Sub-Committee: this included :

- i. Details of the savings identified as a result of Best Value Reviews
- ii. That whilst the Executive had considered savings from the Community Housing Budget, its opinion was that the Council had a duty to respond to homelessness. However, areas of savings from this budget are still being sought.
- iii. It was Council policy to passport all education funding and that education remained a priority.
- iv. Setting out how the marketing budget and consultancy budget had been reviewed for potential areas of overspend, but that this review had revealed that the majority of funding was spent on recruitment, consultation and temporary staff.
- v. That the business re-engineering process, linked to the implementation of the Customer Call Centre, would be a key way of identifying savings. The example was provided of Liverpool, which the Executive has recently visited, where £15 million of savings had been identified during the implementation of its call centre. Councillor Zuleta outlined the importance of ensuring that staff were effectively informed and brought along with this process.

Councillor Eckersley then tabled a number of additional written questions. In response Councillor Zuleta outlined:

- i. That as part of the budget setting process the Executive had been looking for savings of £3.9 million, but had in fact identified £6.5 million, although over £2 million was being redirected to Social Services.

- ii. That at present there was a zero funding gap that meant that the Council would not be looking to set the Council tax higher than the 6.3% recommended by the Government and that this compared favourably as many London authorities were recommending increases in excess of 10%.
- iii. That on releases from provisions/reserves advice had been received from the Chief Financial Officer. It was stated by the Executive Member for Finance that there were unknowns such as the management of the Council's pension fund that could potentially have an affect on provision and reserves.
- iv. That the Executive had decided that there would be too much hardship experienced by those affected by moving faster towards reducing the deficit on discretionary Early Years Services. However, the Executive Member for Finance said that she would ask officers for a report on the uptake of Family Tax Credits.

Additionally, Councillor Fiona Colley asked why was the base budget different between the report received in November (£369 million) and 17 December (£378 million). Officers promised to supply a response.

Clr Zuleta agreed to make available for the meeting of Overview and Scrutiny on 6 February a written response to the questions raised by the Sub-Committee, along with details of savings made, more information on growth bids and the budget report.

RESOLVED:

1. Noted that up to date budgetary information was not available for the Sub-Committee.
2. Noted that the Sub-Committee received insufficient information at its meeting on whether Best Value Review implications had been taken on board, and hoped that Overview & Scrutiny Committee have the information in time for consideration at its meeting on the 6th February 2003.
3. That the Sub-Committee recommends that for next year a better protocol be developed for scrutiny of the Council's Revenue Budget, in line with paragraph 2.29 of the New Council's Constitutions Guidance Pack Volume 1, October 2001, Chapter 2.
4. That the Sub-Committee recommends that for 2004/05 budget, the Executive is invited to submit its initial budget and policy priorities to the Sub-Committee for discussion for July 2003.

REFERENCE FROM OVERVIEW & SCRUTINY COMMITTEE REGARDING REVIEW OF 'RECYCLING ARRANGEMENTS'

1. That the Sub-Committee thanks Overview & Scrutiny for the reference.
2. That the Sub-Committee notes the report.
3. That the Sub-Committee recommends that the Overview & Scrutiny Committee take the appropriate action on this matter.

53. **REPORT FROM COUNCILLOR ECKERSLEY ON THE VISIT TO WESTMINSTER CITY COUNCIL CUSTOMER CALL CENTRE**

This report was tabled and Members agreed that the item would be considered at the next meeting scheduled for Monday 10th February 2003 at 7.30 p.m.

The meeting ended at 9.29 p.m.

CHAIR:

DATE: