

APPENDIX G

FINANCE SCRUTINY COMMITTEE

The Finance Scrutiny Committee met on Friday 25th January 2002. The Leader and Deputy Leader of the Council attended the meeting to respond to questions from the Committee.

The Committee was asked to consider and comment on the following areas of the revenue budget:-

- Services not covered by other scrutiny committees
- Central Services
- General Items e.g. level of council tax, reserves etc

REVISED ESTIMATE 2001/02

The Committee NOTED:-

- a) That the revised estimate for 2001/02 in respect of those services not considered by other committees showed an underspend of £626,460;
- b) That the revised estimate for 2001/02 in respect of Central Services showed an underspend of £745,550;
- c) That the underspend in the Economic Well Being budget of £80, 020 amounted to 3% of that budget and that the key areas of the budget underspent were:-

i)	Research Activities	£15,000
ii)	Sector Action Plans	£15,000
iii)	European Strategy	£ 8,000
iv)	Rural Programme	£20,000
v)	Equestrian Strategy	£ 5,000
vi)	Marketing/Exhibitions	£10,000
vii)	Food Futures	£ 7,000
- d) That in respect of the overall position for the County Council's budget an underspend of £206,000 was now being forecast compared to a projected overspend of £163,000 when the Committee previously considered this matter in November 2001.
- d) That the withdrawal made from the County Fund of £3,425,000 was broadly in line with forecasts.

REVENUE BUDGET 2002/03

Arising from the discussion and questions put to the Leader and Deputy leader on the proposed revenue budget, the following points were made:-

Information Services Unit

The majority of the growth of £499,000 related to preparation for 'e-government'. The target set for local authorities by government was to have 100% of services capable of delivery by e-government by 2005.

A sum of £20,000 had been included to engage a consultant to advise on options for replacing the current PABX telephone system.

With regard to the lack of efficiency savings identified by the Unit, the Committee was advised that the Unit provided a support service to other Departments in developing new systems and improving existing ones. As such savings would normally be reflected in the budgets of departments. Another measure of efficiency was the ability of the Unit to respond quickly and effectively to the increasing demands being placed upon the Unit including e-government.

Regulatory Services

The growth was primarily to cover two key areas:-

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| £90,000 | to enforce new legislation in respect of animal welfare/disease control, curtailing activities of rogue traders, prevention of sale of alcohol to young people and increased frequency of inspection of food premises; |
| £42,000 | to cover part of the increased costs arising from the withdrawal by the City Council from joint arrangements in relation to the Public Analyst Service and Metrology Services; the balance of the increased cost of £134,000 has been met from within existing budgets. |

The second of these, the withdrawal by the City Council from joint arrangements, was an issue that affected a number of other services provided by the County Council.

The Committee was advised that the resources allocated to the Regulatory Services Department were deemed adequate to undertake the new additional duties without compromising existing services. However, the Committee was advised that the position would need to be reviewed in the light of any new regulation issued by DEFRA concerning licensing of livestock.

Chief Executive's Department

The growth proposals 'Policy Development' were for the employment of staff to undertake work in relation to:-

- i) the proposed development of a Public Service Agreement as outlined in the Medium Term Corporate Strategy; and
- ii) a response to the new Comprehensive Performance Assessment process to be introduced to assess all local authorities.

With regard to the £300,000 savings identified in the Training Budget this was the consequence of the losing the contract with the Employment Services Agency. The continued involvement of the County Council in external training activities was the subject of further consideration and a report would be submitted to the Cabinet in the next two months and the report would then be available for scrutiny.

Termination of Highway Agency Agreements

The Committee was advised that at this stage the Revenue Budget contained provision to cover the loss of the agency agreement with Hinckley and Bosworth Borough Council and the termination by North West Leicestershire District Council of its Highways Agency Agreement. The provision in future years will reflect the outcome of Highways Network Review which was expected to complete its work shortly.

Job Evaluation

The Committee was advised that discussion would be held with the trade unions with a view to a phased implementation of job evaluation in summer 2002. The provision in the budget of £1.5million was a part year figure based on the best estimates available. A report on the implementation of the Scheme would be submitted to the Cabinet shortly. That report would address issues relating to the 'pay curve', phased introduction of regradings and the length of the protection period. It was not possible to finalise the costs of the changes until these issues had been resolved.

With regard to the proposed organisational changes, it was intended they would be implemented on the same timescale.

Level of Balances

Provision had been made in the proposed budget to meet the anticipated demands on services and, given the previous track record and prudent approach of the Council the County Treasurer advised that, in his view, the level of the County Fund Balance at slightly in excess of £3million was adequate., In terms of future years' budget planning account needs to be taken of the steps by Central Government to revise the SSA system and the greater freedom given to the County Council by the removal of 'capping'.

Decision of the Committee

The Committee noted the information provided and commended the proposed revenue budget for 2002/03 to the County Council.

A separate note setting out the discussion of the Committee on the proposed budget of the Combined Fire Authority will be circulated to the Commission.