

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Corporate Scrutiny Committee**
held on Friday, 2nd September, 2011 at Council Chamber, Municipal
Buildings, Earle Street, Crewe CW1 2BJ

PRESENT

Councillor J P Findlow (Chairman)
Councillor D Newton (Vice-Chairman)

Councillors G Barton, G Baxendale, B Burkhill, S Corcoran, W S Davies and
G Morris

Apologies

Councillors B Moran, D Topping and R Fletcher

126 **OFFICERS PRESENT**

Lisa Quinn - Director of Finance and Business Services.
Mark Nedderman – Senior Scrutiny Officer.

127 **MINUTES OF PREVIOUS MEETING**

RESOLVED – That the minutes of the meeting held on 12 July 2011 be
confirmed as a correct record and signed by the Chairman.

128 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

129 **PUBLIC SPEAKING TIME/OPEN SESSION**

There were no members of the public present who wished to speak.

130 **QUARTER ONE BUDGET MONITORING REPORT**

The Committee considered a joint report of the Director of Finance and Business
Services and Head of Policy and Performance containing a summary and
detailed information about the Council's financial and non financial performance
during the first quarter 2011/2012.

In summary, the quarter one position was as follows:

- Services were forecasting a £5.7 million against their budgets, after taking into account requests for fully funded supplementary revenue estimates
- Around £3.6 million of this figure could be mitigated by unallocated contingencies, capital financing under spend, and surplus grants.

- Services would seek to identify further remedial actions to address a net £2.1million budget shortfall.
- It was estimated that the general reserves at March 2012 would be approximately £18million
- There were risks that a substantial number of savings proposals included in the 2011-12 budget would not be fully achieved.
- The forecasted variance in capital programme of £18 million was largely explained by slippage, with costs being re-phased over future years.
- Debt was broadly in line with the position at the end of the 2010/2011 financial year
- 10 measures out of a basket of 10 from the retained former statutory indicators were performing on or above target.

Members of the Committee questioned the Director of Finance and Business services and Head of policy and Performance on the contents of the report and made the following recommendations.

RESOLVED –

- (a) That the committee believes that it is imperative that Cabinet takes early intervention measures to address the projected overspends highlighted in the quarter one budget report and accordingly, Cabinet be informed that whilst acknowledging that such early action will inevitably lead to pressures upon service delivery, the committee believes that Cabinet should be mindful to ensure that any remedial action taken to balance the budget should not have a negative impact on the quality of service offered to residents of Cheshire East and therefore, any actions taken now should include mitigating measures to avoid reductions in service.
- (b) That the committee has concerns about the projected reduction of car parking income of £227,000 which is attributed in the report to the current economic recessionary pressures and delays in tariff increase. The committee is also concerned about the projected reduction in income from fines of £213,000. The committee believes that this issue should be investigated as a matter of urgency to identify the underlying cause of the projected reduction in income and to investigate the anecdotal evidence that many car parks within the borough appear to have seen a dramatic decrease in use, whilst at the same time, on-street parking in town centres appears to have increased significantly.
- (c) That Cabinet be informed that this Committee is of the view that the importance of the asset challenge process cannot be overestimated, and accordingly, Cabinet should be encouraged to take measures to pursue this process with some vigour to ensure the Council maximises its potential to obtain capital receipts.
- (d) That the committee welcomes the option to capitalise up to £3million redundancy costs in 2011/12 but would not favour taking out external borrowing to fund this arrangement if at all possible.
- (e) That the committee regrets that performance information which is referred to in the last paragraph of section 1.5 of the report is not reported in full, although it is acknowledged that this information appears in the full cabinet report.

- (f) That the committee believes that the schemes listed at paragraphs 80 and 81, Queens Park Restoration and LTP Poynton Revitalisation Scheme have been treated in an inconsistent manner in that an overspend is envisaged in respect of transition works in the Poynton schemes and is deemed to be allowable, but any potential overspends in respect of Queens park are to be limited to only essential footpath work.
- (g) That the Director of Finance and Business services be requested to provide additional information about the Council's policy in respect of interest accrued on any unspent 106 monies.
- (h) That the Director of Finance and Business services be requested to provide the committee with a fuller explanation of the enhancements paid to teachers relating to early retirement, pension and redundancy costs in paragraph 17 costing £2.3 million per annum.
- (i) That Director of Finance and Business services be requested to provide further analysis on the impact of inflation on budget setting for 2012/13.

131 **WORK PROGRAMME PROGRESS REPORT**

The Committee considered a report of the Borough Solicitor containing the proposed Work programme for 2011/2012.

The work programme had been added to since the previous meeting of the Committee, following meetings held between the Chairman and Vice-Chairman and Leader of the Council and Procurement and Shared Services Portfolio holder on 1 August 2011 to reflect Cabinet priorities.

RESOLVED –

- (a) That the report be received;
- (b) That the item relating to Local Highways and Local Transport/ Liaison Committees be deleted from the work programme;
- (c) That the Senior Scrutiny Officer be requested to contact His Worship the Mayor regarding the new work programme item concerning support for the Mayoralty;
- (d) That the Director of Finance and Business Services be requested to submit a report to the next meeting of the Committee on Procurement.

132 **TRAINING REQUIREMENTS**

The Senior Scrutiny Officer asked the Committee Members to consider training requirements for the remainder of the civic year. He informed the Committee that the Scrutiny Chairmen's Group was in the process of putting

together a training plan, specifically for Scrutiny Members and was seeking suggestions to be included in a training programme.

RESOLVED – That the Senior Scrutiny Officer be requested to contact New Members of the Council to seek their views on training requirements.

133 **FORWARD PLAN - EXTRACTS**

The Committee considered items listed in the current forward plan.

RESOLVED – That the Forward Plan be received and noted.

The meeting commenced at 10.00 am and concluded at 11.50 am

Councillor J P Findlow (Chairman)