



<u>Committee and Date</u>
COUNCIL
13 January 2011

<u>Item/Paper</u>
8
Public

Responsible Officer: Jane Palmer
e-mail: jane.palmer@shropshire.gov.uk Tel: 01743 252748

BUDGET SCRUTINY – RESPONSE OF THE PERFORMANCE AND STRATEGY SCRUTINY COMMITTEE

1.0 Summary

1.1 This report details the comments made by the Performance and Strategy Scrutiny Committee during its scrutiny of the Council's draft Medium Term Financial Plan 2011/12 to 2013/14 at its meeting held on Friday 7 January 2011.

2.0 Recommendations

2.1 To take into account the comments made by the Performance and Strategy Scrutiny Committee in the Council's deliberations on the draft Medium Term Financial Plan.

REPORT

3.0 In considering the Council's draft Medium Term Financial Plan the Committee made the following comments:

- It was appreciated that the document was an important and useful summary of the effects of the sequence of Central Government announcements since mid 2010 and the Authority's responses to them. In particular the phased consideration of budget reductions and of in year grant reductions has meant that the budget preparation process has been very different from prior years and more difficult to follow, making the overall cumulative budget perspective less clear than some members would have liked.
- The budget savings for 2011/12 are substantial but must also be seen in the context of the need to reduce spending by a further £38M over the following two years.
- It was recognised that the actions being taken were being driven by what is being done nationally to Local Government finances.

- It was noted that Officers had followed procedures for the timely preparation of Equality Impact Needs Assessments during the course of the budget changes and that Council Officers had duly taken these assessments into consideration. These assessments were tabled at the meeting and are available for all Members to see in the library. Some Members felt that these documents should have been available prior to the meeting; this was not the view of all Members.
- There was support for the Council's former low level of reserves to be addressed and, in the context of the changed circumstances, the level of reserves should be substantially increased in future to provide a fallback of resources that would be available for the Council's use in times of need/emergency.
- Whilst recognising that the Council would target changes where they will have the least impact some Members felt that there is a need to mitigate the effect of any changes where their cumulative impact upon very vulnerable groups will be great.
- It was noted that the task of deciding on and then presenting the changes to the way in which services are provided, and changes to services themselves, over the coming period of the Medium Term Financial Plan will present significant challenges to the Council and Members alike. This needs to be carefully considered in the knowledge that some people in the population we serve will be impacted more than others by these changes and therefore care will be needed when designing, communicating and then implementing these changes.

3.1 In liaison with Cabinet, Scrutiny Committee Chairs will examine the process for future budget scrutiny.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet report on the draft Medium Term Financial Plan 2011/12 to 2013/14 - 22 December 2010

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights act 1998.

Environmental Appraisal

Risk Management Appraisal

Community / Consultations Appraisal

Cabinet Member: Councillor Keith Barrow

Local Member: All Members of Council