



<u>Committee and Date</u>
COUNCIL
24 February 2011

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

Responsible Officer:
e-mail:

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 adequacy of provisions and reserves 2011/14, the strategic framework of priorities for reshaping the role of the Council and redesigning service delivery, the draft Medium Term Financial Plan 2011/12 to 2013/14 and the Capital Strategy 2011/12 to 2014/5.

2.0 Recommendations

2.1 To take into account the comments made by the Performance and Strategy Scrutiny Committee in the Council's budgetary deliberations.

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3.0 Provisions and Reserves 2011/14

3.1 In considering the adequacy of the Council's provisions and reserves, the proposed level of reserves and the new methodology of applying risk scores to assess the level was considered. The majority of members felt that, given the changed risk environment in which the Council now finds itself, it was prudent to build reserves up from the low level with which the Council had been comfortable in easier economic times. A minority view was put forward that the proposed levels were too high and it was suggested that they be reduced in view of the current economic difficulties facing the Council and the need to find more savings over the next 2 years. The majority view however recognised the importance of the Council having money available in the event of unexpected pressures..

4.0 Medium Term Financial Plan – Strategic framework of priorities for reshaping the role of the Council and redesigning service delivery

- 4.1 The Committee recognised the need for changes in service delivery to transform the way the Council operates in future to deliver services during a period of major cuts in Government funding and the resultant overall spending reductions to the Council. The key role of Scrutiny in the processes of this transformation was welcomed by members as is further explored in the following section of this report..
- 4.2 Following some proposals by a member, the committee considered at length the implications arising from this paper for the future role of Local Joint Committees in developing the Council's approach to localism, community involvement in the service changes and community working generally. In addition it was felt important that the role of Town and Parish Councils be clearly defined by the Council in ensuring the creation of and the sustaining of "flourishing local communities" which will be essential in the smooth delivery of the changes to come.
- 4.3 The evolving relationship between the Council, LJsCs and Town and Parish Councils was agreed as playing a key part in ensuring that full and meaningful consultation takes place in the future. Members had different views as to the current effectiveness of LJsCs and it was broadly agreed that good practice evident at some must be more widely developed across all.
- 4.4 The role of Members was also discussed. The importance of local members as "Community Leaders" was considered in the context of the changes to come in the Council's service offers. Members were of the view that, were necessary, capacity building needs to be undertaken and support given to help ensure members are fully able to carry out this crucial role.

5.0 The Medium Term Financial Plan 2011/12 to 2013/14

- 5.1 Changes to the role, structure and operating model of the Council were considered together with the framework for the Medium Term Financial Plan, the revision of savings targets for 2011/12 and the framework for further spending reductions in 2012/13 and 2013/14. It was understood that the intention behind the proposals had been drawn up with the intention of having the least possible impact on service provision whilst constituting a major rethink and long-term vision for the future role of the Council In the delivery of what have to date been considered it's services.
- 5.2 The Committee considered that the results of the budget simulator 2011/12. The priorities emerging will be part of the evidence to be used as a basis for the development of the future scrutiny work programme to be determined at a future meeting of the Scrutiny Chairs. It was noted that this meeting will be expedited as a matter of urgency in view of the matters referred to below (5.4).

- 5.3 Members considered the view that reduced spending did not necessarily equate to reduced service levels and the Committee recognised the need for the Council to understand what it was seeking to achieve and how the desired outcomes of local people could be met. Referring specifically to the youth service, the Committee understood that young people would be involved in the necessary service reconfiguration and that although the methods of service delivery may change the output may not do so.
- 5.4 The four largest spending areas [excluding schools] were identified as areas for future scrutiny i.e. adult social care, children’s social care and safeguards, waste and highways and streetscene. Scrutiny Chairs intended to identify specific areas for future, thematic scrutiny and agree the way forward whilst seeking also to identify ways to ensure recovery and growth in promoting a ‘flourishing Shropshire’.

6.0 The Capital Strategy 2011/12 to 2014/15

- 6.1 Whilst recognising that the Council’s Capital Strategy had a more realistic and deliverable relationship with the revenue budget given that the impact of the revisions were targeted at removing projects funded by prudential, borrowing, the Committee stressed the need to ensure that the items included within the planned programme were those most appropriate to the overall objectives of the Authority. The Committee had no desire to encourage the formulation of a ‘wish list’ and every attempt needed to be made to ensure the inclusion of schemes that would result in measurable and demonstrable benefit. It was understood that schemes might be able to be put back into the programme at a later date and acknowledged the representations made relating to the Wem town regeneration scheme and a multi use games area in Broseley.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</p> <p>Cabinet report 19 January 2011 on the Adequacy of Provisions and Reserves 2011/14</p> <p>Cabinet reports 15 February 2011 on the Strategic framework of priorities for re-shaping the role of the Council and redesigning service delivery, the Medium Term Financial Plan 2011/12 to 2013/14 and the Capital Strategy 2011/12 to 2014/15</p> <p>Human Rights Act Appraisal The recommendations contained in this report are compatible with the provisions of the Human Rights act 1998.</p> <p>Environmental Appraisal</p> <p>Risk Management Appraisal</p> <p>Community / Consultations Appraisal</p>
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Cabinet Member: Councillor Keith Barrow
Local Member/s: All Members of Council