

MINUTES OF THE BUDGET PANEL
Monday, 18th February 2008 at 7.30 pm

PRESENT: Councillor Mendoza (Chair) and Councillors Cummins, V Brown, Gupta and John.

Apologies were received from Councillor J Moher.

Also present were Councillors Dunn and Dunwell.

1. Declarations of Personal and Prejudicial Interests

There were none.

2. Deputations

There were none.

3. Minutes of Last Meeting

RESOLVED:-

that the minutes of the meeting held on 7th February 2008 be received and approved as an accurate record.

4. Matters Arising

Further to a request made at the previous meeting, members were provided with a detailed breakdown of the proposed savings in the Adult Social Care budget.

5. Review of Fees and Charges for 2008/09

During previous discussion on the budget, Panel members had registered disappointment at the fact that they had not been given the opportunity to scrutinise the Review of Fees and Charges for 2008/09 report. Thus, it was agreed that this item should be included on the agenda for the current meeting and the work programme for the following municipal year. Introducing the report, Peter Stachniewski (Deputy Director of Finance and Corporate Resources) explained that in 2004 the Council had commissioned a best value review on fees and charges, following which it had been decided that they should be examined together rather than under various service area reports. With this in mind, members were nevertheless reminded of the difficulties involved in achieving an overall cohesive approach to fees and charges, given the diversity of service areas involved. The Panel were then taken through the fees and charges levied by the Council, covering areas such as parking and cemeteries. It was also explained that in recent years charging had been introduced for pre-planning advice, the disposal of bulky waste and furniture storage for those living in temporary accommodation.

Those present heard that a recent Audit Commission report had found local authorities to be inconsistent in their approach to fees and charges, even across comparable boroughs. The study had also highlighted the need for better information to be communicated to both councillors and the public on this matter. Whilst it was emphasised that there were a range of opportunities available to increase fees and charges revenue, members were reminded that any such initiatives would need to be consistent with the Council's Corporate Strategy and medium term financial strategy. They were also advised that external consultants had been commissioned to undertake work aimed at assisting officers in achieving the target of £1.5 million set for fees and charges revenue for the year 2008/09, as well as identifying new areas of potential income. It was further explained that aside from new areas of charging, the £1.5 million target was based on an assumed average increase of 4 percent on existing charges. These changes had been prompted to meet policy objectives.

The Deputy Director also reminded the Panel that whilst a number of areas of opportunity for future charging had been identified, these could only be taken forward as part of a wider review. Thus, for example, plans to introduce fees for staff usage of Council car parks would be developed as part of a new Staff Travel Plan due to be implemented later in the year. In addition, members were advised about plans to introduce fees for using credit cards in Council transactions, and advertising and sponsorship was emphasised as an area where the authority was not currently maximising revenue. Finally, it was clarified that once the current fees and charges policy was updated it would be brought before members for consideration.

The Chair opened discussion by commenting on the need to ensure that any drive to maximise fees and charges income did not result in unfairly high rates charged to residents, particularly where the Council was a monopoly provider. There followed a series of questions regarding the costs involved in commissioning an external consultant to carry out work on this matter. Duncan McLeod (Director of Finance and Corporate Resources) responded that this work had been divided into two phases, the first of which had been completed at a cost of £39k. It was further clarified that the Council had not as yet signed up for phase two, and was not under any obligation to do so. Members were also reminded that the £1.5 million so far identified would be recurrent rather than one off savings.

Whilst emphasising that the Council would be able to deliver on targets set for most areas, it was, however, acknowledged that this might not be possible in a limited number of areas, with advertising and sponsorship highlighted as one such example. Thus, whilst the Director was of the view that the Council generally had sufficient internal expertise to undertake further income generation projects, in areas such as this he

felt that external support might be highly beneficial. It was confirmed that each of the fees and charges proposals had been risk assessed.

Councillor V Brown wished to draw attention to a local newspaper article which she felt contradicted the information presented at the current meeting on the fees and charges issues. When asked to comment on the matters raised, the Deputy Director explained that the article related to increases in charges following a review of the cemetery service in 2006 and that the increases covered more than one year, not just the 2008/09 period covered by the report. Some of the increases quoted related to the introduction of additional services.

One councillor raised concerns about the length of time that it had taken for fees and charges to have been increased following the review of cemeteries, to which officers explained that a phased approach had been taken; thus, higher charging had been introduced in some areas in 2006, and others at a later date.

Councillor John expressed reservations about the likelihood of the local authority being able to substantially increase revenue through advertising and sponsorship. With reference to lamp post advertising, officers acknowledged that a number of applications taken to the Planning Committee had been rejected. Overall, officers stressed that a review of advertising and sponsorship income generation was due to commence in the near future, and in turn the Chair commented that it would be useful for this work to take into account best practice from other local authorities on this matter. Another Panel member also felt that it would be useful for members to receive a presentation on income maximisation from fees and charges at a future meeting.

Following discussion on the presentation of the current report, officers argued that the new approach of taking all fees and charges under one report was an improvement on previous arrangements, although a lot of information had to be absorbed. It was, however, acknowledged that in future the increases levied across different areas should be differentiated. It was also pointed out that whilst charging had been introduced for a number of pest control services, most rates were lower than average compared with other local authorities.

Members discussed the proposed plans to increase revenue through staff car parking arrangements. The Deputy Director explained that the aim was to reduce incentives to use private cars and various measures were being considered as part of the review. There followed a discussion about the current parking regime, and one Councillor was of the opinion that some staff were misusing the car parking permits made available at Council buildings in Controlled Parking Zones (CPZ). Officers noted that approximately 1500 permits were issued by the authority, half to staff members and half to partners such as health visitors. One Panel member also questioned when the original decision on parking permits had been taken. Whilst it was accepted by those

present that this was an issue of some concern, there was a general agreement that it would be more appropriate for this issue to be taken forward by the Overview and Scrutiny Committee.

RESOLVED:-

that the Overview and Scrutiny Committee be requested to establish a task group to explore further the issue of staff car parking arrangements.

6. Discussion on the Budget Panel Second Interim Report

Further to a question raised, the Director of Finance and Corporate Resources outlined various means through which the Council's budget was monitored.

Members then discussed whether they had any further recommendations to include in the Budget Panel Report before this document was finalised. The Chair highlighted the need to include a recommendation on fees and charges. In view of the ongoing issues regarding the Adult Social Care budget, it was also pointed out that the Panel's final report should make reference to the fact that members were concerned that the service area might not be able to deliver on the Transformation Programme, which would in turn have an adverse impact on the overall Council budget. Some Panel members registered concern about the Transformation Programme consultation process. Whilst it was generally agreed that this matter was beyond the remit of the Panel, it was nevertheless felt that the issue should be addressed by an appropriate Council body.

Given that this was the second year in which the Budget Panel had been in operation, the Director of Finance and Corporate Resources was asked for his views on how successful the scrutiny process on the Council's budget for 2008/09 had been. In response, he stressed that members had increased their knowledge base from the previous year, with the result being a rigorous scrutiny process. He also felt that building on their work from the previous year, the Panel covered a wider range of issues than previously. It was noted that the timetabling of a meeting to which all members were invited, had been a welcome addition to the Budget Panel work programme, particularly given that this session had been well attended, with a number of probing questions and points raised. The consistency of the membership of the Budget Panel between its first and second year was highlighted positively, a point that was endorsed by those members present. When asked whether he thought that the Panel had been successful in changing any of the figures in the budget, Mr McLeod reminded those present that the nature of the current budget meant that there was less growth and most of the savings had been agreed six months previously.

7. Date of Next Meeting

It was noted that the next meeting of the Budget Panel would be confirmed following the Annual Meeting of Full Council in May 2008.

8. Any Other Urgent Business

There was none.

The meeting ended at 9.00 pm

A MENDOZA
Chair

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