

**CABINET - THURSDAY, 19 JANUARY 2017**

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**COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (PERFORMANCE  
AND CUSTOMERS) – 11 January 2017**

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- 12. DRAFT 2017/18 REVENUE BUDGET AND MEDIUM TERM  
FINANCIAL STRATEGY (2018/19 TO 2021/22) (Pages 3 - 6)**

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## COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (PERFORMANCE AND CUSTOMERS) – 11 January 2017

### DRAFT REVENUE BUDGET 2017/18 AND MEDIUM TERM PLAN FINANCIAL STRATEGY 2018/19 TO 2021/22

The Overview and Scrutiny Panel (Performance and Customers) received the Draft Revenue Budget 2017/18 and Medium Term Plan Financial Strategy 2018/19 to 2021/22.

<b>1) Members were invited to comment on the overall draft Budget 2017/18 and the Medium Term Plan Financial Strategy 2018/19 to 2021/22.</b>	
a) A Member questioned the amount the Council has spent on hired staff. It was recognised that there will always be a need for hired staff.	Budgets are set based on a full establishment and if there are vacancies these budgets are used to cover hired staff costs. The main use of hired staff is in Operations and there is a process to recruit full time permanent staff.
b) In respect to rents of buildings, the Panel were unsure on how the Council are going to achieve decreasing the level of rent paid.	The main reason the Budgets for 2016/17 and 2017/18 are lower than the Forecast is due to County elections and the Referendum. These costs are recharged.
c) Regarding repairs and maintenance of buildings the Council owns, a Member was concerned that the Council have not budgeted sufficiently for the repairs and maintenance of all Council owned buildings including the bus stations.	Repairs and Maintenance budgets are built in to the base Budget for all services.
d) The Panel expressed concern that despite the detailed budget, they are still unsure of how it translates into services provided.	The Budget is prepared in line with the Corporate Plan and objectives.
e) In respect to the Community Service budget, a Member asked why salaries are rising as the service is undergoing a restructure and jobs will be lost.	The Budget has increased for pay awards and increments. The restructure has generated £3k in savings for 2017/18 but will increase after pay protection falls away.
f) Also in the Community Service budget, concern was expressed that the spend on other staff costs is forecast to be £36,075 this year (2016/17), yet the budget proposes a spend of £1,130 for future years. Members are unsure on how this would be achieved.	There has been a high level of overtime in 2016/17 to cover vacancies and sickness. For 2017/18 it is estimated that there will be no overtime and a fully staffed establishment.
g) There was concern that the fees and charges income for Community Services are not projected to increase over the period of the Medium Term Financial Strategy.	Fees and Charges are reviewed on annual basis and the MTFS will be updated as and when any increases are approved.

h) In relation to Customer Services, a Member asked if there needs to be contingency for severance payments however they were reassured that funding for severance payments would come from existing underspend.	Answered in comment.
i) The Panel questioned the necessity of pool cars and whether it was cheaper to pay mileage to Officers to use their own vehicles, however Members were informed that a cost benefit analysis was completed which found the Council are saving money through the use of pool cars and that the Council currently have the optimum amount of pools cars.	Answered in comment
j) A Member raised a concern that the budget is not accurate, considering the extra cost the ICT shared service this year (2016/17). The Member was reassured that the budget was a best estimate and that the problems with the shared service have been ironed out meaning a more accurate budget for 2017/18 and for the life span of the Medium Term Financial Strategy.	Answered in comment
k) In respect to the Leisure and Health budget, Members were informed that the service is more susceptible to national minimum wage adjustments as there are a number of lower paid officers in the service.	Answered in comment
l) Members were supportive of the spend on overtime and bank holiday increments for refuse collection officers to work bank holidays as this means that the resident is receiving a better standard of service. It was noted that the only disruption to the waste collection service would be at Christmas when work depends on when the tips are open.	Answered in comment
m) A Member was surprised to see no growth in the income of car park fees during the course of the Medium Term Financial Strategy.	Income, including fees and charges, are reviewed annually and form part of the 4 Year Efficiency Plan.

<b>2) Members were invited to comment on the savings and growth proposals</b>	
a) A Member questioned the necessity to introduce the post of Executive Assistant for the Leader and Cabinet. It was argued that the post would offer support for the Leader and Cabinet where currently general support is secured from the Executive Support Team, which is not sustainable.	Answered in comment
b) The removal of unauthorised posters from Cambridgeshire County Council street furniture was raised and this proposal is for the Council to make available some resources; it was noted that this should not be as an alternative to allowing Members and residents to remove unauthorised posters as and when they see it.	Answered in comment

<b>3) Members were invited to comment on the removal of Zero Based Budgeting savings as detailed in the report.</b>	
a) One Member was pleased to see the removal of the Bus Departure Levy from the list of Zero Based Budgeting savings proposals as they feared implementation of the Levy would result in the bus companies not using the bus stations and using the streets surrounding the stations instead therefore leading to traffic congestion. Although another Member suggested that the Bus Departure Levy should be reviewed.	Answered in comment
b) The Panel were content that the rise in car parking charges were not going to take place at the current time.	Answered in comment

<b>4) Members were invited to comment on the draft Capital Programme 2017/18 to 2021/22</b>	
a) The Panel were pleased to see the continued funding of Disabled Facilities Grants.	Answered in comment
b) Concern was expressed at the spending of £108k on the Civic Suite Audio Equipment and requested that this was looked into.	The system is particularly old and parts of the system are no longer manufactured, leading to costly and timely repairs. The main costs are for the Conferencing system, Projections and HDMI signalling. This is still subject to procurement.
c) A question was raised in regards to intangible assets and Members were informed this mainly related to software licensing. As there isn't anything budgeted for intangible assets from 2019/20 Members were concerned that renewal of the software licensing had not been taken into account.	Software licences are charged to revenue and are included in the MTFs. The Capital Programme for ICT is for new Projects.

<b>5) Members were invited to comment on the planned increase in Council Tax of 2% for 2017/18 and for the duration of the Medium Term Financial Strategy.</b>	
a) Some Members were supportive of a Council Tax rise so long as it was not greater than the cost of wage and pension increases.	Answered in comment. Also the report provides inflationary increases in para 4.4
b) One Member stated that they believed 2% was not an excessive amount to raise Council Tax.	Comment
c) Other Members held a different opinion regarding a 2% Council Tax rise as they argued that residents are struggling and that a Council Tax rise won't help. In addition, the question was raised could the Council reduce reserves from 15% to 10% in order to postpone any Council Tax rise.	The level of Reserves at 15% is prudent in the current climate but is reviewed on an annual basis.

<b>6) The Panel were invited to make any other comments it considered appropriate.</b>	
a) Members wanted to remind the Cabinet of the priorities they had identified at their previous meeting in December 2016. They include: CCTV, the non-disposal of car parks and car parking in general, grass cutting, weed killing, planning applications (how they are dealt with and for how long), dog fouling, trees (including the Tree Strategy and who manages that), gritting (recognised as a County Council function however still a priority for residents) and littering.	Comment