

OVERVIEW AND PERFORMANCE SCRUTINY FORUM MEETING

Thursday, 4th December, 2014

Present:-

Councillor Innes(Chair)

Councillors	Borrell	Hawksworth
	Burrows +	Tom Murphy
	Flood	Paul Stone
	Gibson	

Anita Cunningham, Policy and Scrutiny Officer
Barry Dawson, Head of Finance
Martin Elliott, Committee and Scrutiny Coordinator

+ Attended for Minute No. 47

45 DECLARATIONS OF MEMBERS' AND OFFICERS INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations were made.

46 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bagley, Bradford and Callan.

47 LEADER AND EXECUTIVE MEMBER FOR REGENERATION - GENERAL FUND REVENUE AND CAPITAL BUDGET MONITORING AND UPDATED MEDIUM TERM FINANCIAL FORECAST

The Leader and Executive Member for Regeneration and the Head of Finance presented a report on the General Fund Revenue and Capital Budget Monitoring and Updated Medium Term Financial Forecast.

The Head of Finance advised that the last budget monitoring report, covering the first four months of the year, showed that the original forecast surplus of £244k had changed to a deficit of £301k. The deficit was due in the main to a projected shortfall in car parking income of £100k, an increase in PPP (public/private partnership) pension costs of

£250k and a failure to deliver on some of the 'big ticket' savings targets such as PPP renegotiation, review of terms and conditions and voluntary redundancy savings totaling £200k.

The Head of Finance reported that since this forecast the situation had changed and this year's budget now showed a surplus of £9k due to the reduction of the projected shortfall in car parking income to £50k and that the PPP Pensions situation has been resolved allowing the budgeted cost of £250k to be removed. For future years the budget situation also showed an improving situation with predicted surpluses in future years due to the removal of the PPP Pension cost and projected income from the pooling of business rates.

The Head of Finance did however warn that the situation could change over the coming weeks with the announcement of the Local Government Finance Settlement and that the figures for this and subsequent years have made assumptions on the delivery of significant savings being achieved. Other areas of risk going into future years included the potential variances caused through the Business Rates Retention Scheme due to the impact of back-dated appeals, growth and Pooling, delivering the planned budget savings targets and medium term issues including the retendering of the Waste Collection Service being more expensive than the current contract and the changes to the Benefits Service when Universal Credit is fully implemented.

The Leader and Executive Member for Regeneration advised that during the recent consultations with Community Assembly members had been supportive of increasing Council Tax to preserve services when the context of the proportion of the Council Tax bill received by Chesterfield Borough Council was explained.

Members noted how pleased they were that the Leader and the Head of Finance attended the Community Assemblies during the Council Tax consultation and also that the consultation with the Community Assemblies had worked well with more residents participating than in previous years.

Members did however express concern at the narrow demographic of residents that attended and engaged in the consultation being predominantly older, and that younger residents and residents from the more deprived areas were under represented during the consultation. Members also noted that those residents attending were well informed

and understood that Chesterfield Borough Council only retained a small amount of the Council Tax bill, whereas this fact was not widely understood across the wider population of the borough.

The Leader advised that while he saw that Community Assemblies were functioning well and delivering on their planned objectives he was concerned at the lack of engagement of younger residents. Members agreed that younger residents are not currently engaged and lacked understanding on the role of Chesterfield Borough Council.

Members asked whether the Head of Finance had had confirmation regarding the situation regarding PPP Pensions. The Head of Finance advised that he had not yet had confirmation in writing but had been in contact with Derbyshire County Council who had confirmed the situation. Members also asked why the parking income had increased. The Leader noted that the revised figure was not an increase but a reduced shortfall due to budget re-profiling and corrections. He also advised that Saltergate multi-storey car park in particular was suffering due to its ageing infrastructure, the delays in the Northern Gateway Project and large empty buildings in the area like the empty Co-op building.

Members asked what options were being looked at to be possible areas for income generation. The Leader advised that the disposal of non income generating assets had been going well but that new ways of generating income and dealing with empty sites always needed to be looked at and that shared working with other organisations offered opportunities for income generation. Members asked several further detailed questions on specific parts of the report submitted.

Members thanked the Leader and Head of Finance for attending and presenting the report and for doing well in managing the Council's finances.

RESOLVED –

1. That the report on the General Fund Revenue and Capital Budget Monitoring and Updated Medium Term Financial Forecast be noted
2. That a progress report on budget setting be presented to members at the next meeting of the Overview and Performance Scrutiny Forum.

