

**Decisions of the Budget & Performance
Overview & Scrutiny Committee**

22nd July 2010

Members

*Councillor Darrel Yawitch (Chairman)
Councillor Mark Shooter (Vice-Chairman)

Councillors:

* John Marshall	* Alex Brodkin (substituting for Julie Johnson)
* Hugh Rayner	* Alison Moore
* Brian Salinger	* Alan Schneiderman
* Brian Schama Daniel Seal	
* Rowan Turner (substituting for Mark Shooter)	

(* denotes member present)

Also attending:

Councillor Daniel Thomas Cabinet Member for Resources & Performance

1. MINUTES OF THE PREVIOUS MEETING

Councillor Brian Salinger requested that he receive responses to officers to the questions referred to in a Member's item at the 3rd June 2010 meeting.

RESOLVED – That the minutes of the meeting held on 3rd June 2010 be approved.

2. ABSENCE OF MEMBERS

Apologies of absence were received from Councillor Mark Shooter (for whom councillor Rowan Turner substituted), from Councillor Julie Johnson (for whom Councillor Alex Brodkin substituted) and from Councillor Daniel Seal.

3. DECLARATION OF MEMBERS' INTERESTS (INCLUDING WHIPPING ARRANGEMENTS)

There were no such declarations.

4. PUBLIC QUESTION TIME

None.

5. MEMBER'S ITEMS

None.

6. BUDGET AND FINANCIAL FORWARD PLAN

The Committee received a report outlining the key medium-term strategic and financial issues for the Council, information on the financial and business planning context and an explanation of the affect of the national context upon the finances of the Authority..

Members enquired as to the budget assumption of a 2.5% rise in Council Tax, and were informed that the it was understood that rises under 2.5% would be underwritten by the government, thus creating a 0% increase. The loss of BSF funding was making it more challenging to deal with secondary schools, although use of the money had been subject to stringent conditions. All frontline services were being asked to consider the impact the economic climate would have on possible greater demand for use of those services.

Officers confirmed that there would likely be redundancies in the current financial situation, and that a review was currently being conducted of severance policies. The authority had not instituted a freeze on employing new members of staff, but recruitment across the council was being carefully managed.

In stressing that Barnet's formula grant was dependent upon demographic information collected in the census, Members noted the campaign planned in conjunction with the Council's partners to encourage completion of the census form in 2011. Officers were aware of the risk that inaccurate demographic information would lead to an adverse affect on Barnet's formula grant.

In requesting that the Committee Scrutinise budget proposals relating to Adult Social Services and Children's Services in further detail, Members asked that information on any impact of greater service demand and potential benefit changes be considered by officers in their report.

RESOLVED –

- 1. That the Committee receive a further budget and financial forward plan report at its meeting of 27th October 2010, to include details and options on proposed savings.**
- 2. That the Committee conduct scrutiny around budget proposals relating to Adult Social Services and the Children's Service at its meeting of 27th October 2010.**
- 3. That the Committee request that the Council make appropriate efforts to ensure a high completion rate of the 2011 Census, to ensure that the**

7. TREASURY MANAGEMENT STRATEGY

The Committee received a report on Treasury Management issues, including the authority's treasury portfolio position, borrowing options and investment policy.

The Committee noted the Council's current approach to investment policy, and the restrictions on the type of deposits which could be made. Officers gave an explanation to the committee of the technical management of the Council's investments, including use of the Government's Debt Management Office.

The Committee was addressed by the Council's Treasury Advisors, who explained their advice to officers of the authority, and stated their belief that investments in UK retail banks was possible in the current climate, given their underwriting by the government.

In scrutinising the relative levels of borrowing and investing by the authority, the Committee stated that investments should be made based on a liquidity analysis of the requirements of the authority to maintain its cash flow. This would avoid incurring cost by only borrowing when required.

The Committee were satisfied that the current risk appetite of the authority was correct, and agreed to recommend to the Cabinet that it be maintained at its current level.

RESOLVED –

- 1. That the Committee request that officers undertake an analysis of the liquidity requirements of the authority.**
- 2. That the Committee suggest that surplus and excess cash beyond that required to meet the liquidity requirements of the authority be used to pay down borrowing if and where possible.**
- 3. That the Committee advise the Cabinet that the authority's risk appetite should be maintained at the current level.**

8. CABINET FORWARD PLAN

RESOLVED –

- 1. That the committee note the Forward Plan of key decisions.**

9. BUDGET & PERFORMANCE OVERVIEW AND SCRUTINY COMMITTEE

FORWARD WORK PROGRAMME

The Committee considered its work programme for 2010/11.

RESOLVED-

- 1. That the progress of the Committee's work programme in 2010/11 be noted.**
- 2. That reports on Quarter 1 Performance information, Parking Policy and Performance and the Estates Management Strategy be considered at the next meeting of the Committee on 1st September 2010.**
- 3. That a report on management of the Council's Information Systems be added to the Committee's forward work programme for 2010/11.**

10. ANY ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT

There were no such items.

The meeting concluded at 9:52 pm.