



# Council Excellence Overview and Scrutiny Committee

<b>Date:</b>	<b>Thursday, 26 August 2010</b>
<b>Time:</b>	<b>4.30 pm</b>
<b>Venue:</b>	<b>Committee Room 3 - Wallasey Town Hall</b>

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## AGENDA

### CALL-IN OF CABINET MINUTE 68 (22 JULY 2010) - AREA BASED GRANT

At its meeting held on 22 July 2010, the Cabinet considered the report of the Deputy Chief Executive/Director of Corporate Services in relation to Area Based Grant 2010/11 and Priorities for Future Years.

The report set out (1) the current position on Area Based Grant across the Council; (2) recommendations where the recently announced Government reductions in Area Based Grant for 2010/11 should be made and the implications of these; (3) sought Members views on the allocation of the remaining Area Based Grant for 2010/11; and (4) advised on the approach to be considered for future funding allocations. The Cabinet –

#### Resolved –

- (1) That Cabinet agrees the ABG reductions in 2010/11 of £3,927,000 as set out below:

Source	Amount
Uncommitted ABG with no or low impact to services (not frontline)	£1,837,000
Uncommitted ABG with medium impact to services (not frontline)	£1,073,000
Working Neighbourhood Fund	£1,017,000
<b>Total</b>	<b>£3,927,000</b>

**(2) That a review of all future ABG funding is undertaken as set out in paragraph 5.2 of this report.**

That decision has been called in by the Leader and Deputy Leader of the Labour Group, Councillor S Foulkes and Councillor P Davies on the grounds that “The report is misleading and plays down the actual impact of the cuts recommended.

Cutting over half a million pounds, for example, from the School Development Grant, which is used to raise the standards of teaching and learning in schools cannot be said to have no impact on front line services.

Children’s Services last year used £900,000 of uncommitted Area Based Grant to help reduce an overspend of £1.9m, of which £1.7m was due to increased spending on independent residential care for children. Cutting uncommitted grant will remove this flexibility and in so doing will have a direct impact on key frontline services.

There is a clear credibility gap between the priorities it says it is setting out to protect and the reality of what the Cabinet recommendations will mean.

A cut of £1.6m in the Working Neighbourhood Fund, for example, which is higher even than the cut recommended by the government, is in direct conflict with maintaining the Corporate Priorities both of mitigating the impact of the recession and reducing worklessness and of reducing the numbers not in employment, education or training.

Despite the much trumpeted dedication of this administration to consultation of all kinds, with staff, service users and the general public, there has been no consultation on these cuts at all, or any debate about their true impact. The reverse is true, with every effort being made to hide that impact.

It is not made clear that the way in which this report is written, and the recommendations are framed, means that the administration has now added a further £3.9m of additional cuts to be made to close the 2011/12 budget gap, which has already reached £24m and is rising fast, taking the total so far to nearly £28m, and this is before the full impact of the Comprehensive Spending Review is added to it.

The cuts in this year’s grant are fundamentally unnecessary, as recent growth figures have demonstrated, and a result of political dogma from the national Conservative Liberal Democrat coalition which puts ideological commitment to a smaller state above the interests of the nation and is prepared, in so doing, to jeopardise the country’s economic recovery by cutting too sharply too soon in order to achieve its ends over the course of a single parliament”.

1. **CHAIR'S OPENING REMARKS**
2. **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST/PARTY WHIP**

Members are asked to consider whether they have personal or prejudicial interests in connection with any item(s) on this agenda and, if so, to declare them and state what they are.

Members are reminded that they should also declare, pursuant to paragraph 18 of the Overview and Scrutiny Procedure Rules, whether they are subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

3. **EXPLANATION OF CALL-IN BY LEAD SIGNATORY**
4. **EVIDENCE FROM CALL-IN WITNESSES**
5. **EVIDENCE FROM CABINET MEMBER'S WITNESSES**
6. **SUMMING UP BY MOVER OF THE CALL-IN**
7. **SUMMING UP BY CABINET MEMBER**
8. **COMMITTEE DEBATE**
9. **COMMITTEE DECISION**