



Budget and Finance Overview and Scrutiny Committee

Tuesday, 8 November 2011 at 7.30 pm

Committee Room 4, Brent Town Hall, Forty Lane,
Wembley, HA9 9HD

Membership:

Members

Councillors:

Allie (Chair)
Mashari (Vice-Chair)
S Choudhary
Leaman
Naheerathan
HB Patel
Sheth
Van Kalwala

first alternates

Councillors:

Green
Harrison
Chohan
Brown
McLennan
BM Patel
Denselow
Kataria

Second alternates

Councillors:

Cummins
Hector
Moloney
Lorber
Mistry
HM Patel
Gladbaum
Daly

For further information contact: Peter Goss - Democratic Services Manager
020 8937 1353 peter.goss@brent.gov.uk

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www.brent.gov.uk/committees

The press and public are welcome to attend this meeting

Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members

Item Page

1 Declarations of personal and prejudicial interests

Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.

2 Deputations (if any)

3 Minutes of the previous meeting 1 - 4

4 Matters arising (if any)

5 Environment and Neighbourhood Services budget issues

The Director of Environment and Neighbourhood Services will attend the meeting to provide a presentation for Members on current budget issues facing this service.

Ward Affected: All Wards

Contact Officer: Sue Harper, Director of Environment and Neighbourhood Services

Tel: 020 8937 5192

sue.harper@brent.gov.uk

6 First reading debate on the 2012/13 to 2015/16 budget

Full Council will be holding its first reading debate on the 2012/13 budget at its meeting on Monday 21 November. The Director of Finance and Corporate Services will set out the financial issues that will form the background to that debate.

The Leader and Lead Member for Finance and Corporate Resources will attend the meeting to answer questions from Members.

Ward Affected: All Wards

Contact Officer: Clive Heaphy, Director of Finance and Corporate Services

Tel: 020 8937 1424

clive.heaphy@brent.gov.uk

7 Work programme

5 - 8

A copy of the committee's work programme is attached for comment and update.

Ward Affected: All Wards **Contact Officer:** Jacqueline Casson,
Senior Policy Officer
Tel: 020 8937 1134
jacqueline.casson@brent.gov.uk

8 Any Other Urgent Business

Notice of items to be raised under this heading must be given in writing to the Democratic Services Manager or his representative before the meeting in accordance with Standing Order 64.

9 Date of Next Meeting

The next scheduled meeting of the Committee is on 6 December 2011.



- Please remember to **SWITCH OFF** your mobile phone during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public.
 - Toilets are available on the second floor.
 - Catering facilities can be found on the first floor near the Paul Daisley Hall.
 - A public telephone is located in the foyer on the ground floor, opposite the Porters' Lodge

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MINUTES OF THE BUDGET AND FINANCE OVERVIEW AND SCRUTINY COMMITTEE Tuesday, 11 October 2011 at 7.30 pm

PRESENT: Councillor Allie (Chair), Councillor Mashari (Vice-Chair) and Councillors S Choudhary, Naheerathan, HB Patel, Sheth and Van Kalwala

Also Present: Councillors Butt and Cheese

Apologies were received from: Councillor Leaman

1. **Declarations of personal and prejudicial interests**

None declared.

2. **Deputations (if any)**

None.

3. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 13 September 2011 be approved as an accurate record of the meeting.

4. **Matters arising**

Minute 5 - Children and Families budget issues

With reference to the penultimate paragraph which referred to the level of reserves held by the Schools Budget as being around £7M, the Director of Finance and Corporate Services clarified that the schools delegated balances at the end of 2010/11 were £13M. This was the level of reserves relating to schools' individual budgets. By taking account of the overspend of around £5.7M on the central special educational needs (SEN) elements of the overall Schools Budget the net reserves position for the Schools Budget was around the reported £7M.

NOTED

5. **Adult Social Care budget issues**

Alison Elliott (Director of Adult Social Services) gave a financial overview of the adult social services budget by means of a Powerpoint presentation. She began by showing the savings target for adult social services of £9.8M plus a target to reduce the £1.2M overspend from 2010/11 which together amounted to 12% of the adult social services budget. She outlined the current financial position and organisation of the service. Alison Elliott explained where the key savings were being found - in commissioning to get the best service for the best price possible, in mental health by redesigning the community network scheme, adopting a more effective

placement strategy and redesigning support worker roles, through direct services by providing more community support through the personalisation of services and the customer journey with the redesign of adult social services and staffing levels so that a better service was provided at a more efficient and cheaper level. This approach would include enhancement of the reablement service which provided short term intensive support designed to allow people to live more independently in the longer term. Alison Elliott drew attention to the pressures on the budget and the actions being taken to deal with these. She referred to the historical problem of overspending and the continued risks to the budget. It was a demand led service with access to the service currently set at substantial and critical with no plans to change this. The service was dealing an aging population and Brent had an increasing number of children moving into adulthood. With a reducing budget it was not possible to continue to provide services as in the past. The less challenging issues had been tackled and it was now necessary to consider more radical ways of delivering services. Discussions were taking place with counterparts in the Health Service over how services could be commissioned more efficiently between the two services in order to meet demands but at less cost. Alison Elliot finished by saying progress had been good with a current projected overspend of £498,000 and she expressed confidence that the savings target would be met.

In answer to a question, Alison Elliott replied that 17½ was the age at which responsibility for dealing with the person was transferred from the Children and Families department to the Adult Social Care department but the funding to support that person was transferred upon them reaching 19 years age. She felt this was too late and that her service needed to be closer involved with the child at 14 years old. This was being considered. Alison Elliot also explained that in the past there had not been stringent enough tests carried out to ensure someone being supported by the Council was in fact a Brent resident. When it came to light that a person was properly the responsibility of another borough, that borough was given six weeks notice that responsibility would be passed over to it. In such cases, it was very difficult to recover past costs but efforts were made to do this.

In addressing the question as to how demand could be managed, Alison Elliott explained that the early results from the reablement service appeared to show that longer term costs could be controlled but that a longer assessment of this was needed. Also, if discussions with counterparts in the Health Service did not result in agreement on more efficient procurement then further consideration would have to be given on how savings could be made internally. The relationship with the voluntary sector was also being looked at and work was being carried out at a West London level.

In answer to a question around how the future transfer to the Council of responsibility for public health was being managed, Alison Elliott explained that there was a One Council project dealing with this but the details were still not clear. Clive Heaphy (Director of Finance and Corporate Services) added that there was no agreed definition of what constituted public health and different interpretations were being put on it. It was likely the Council would get around £25M to take on this function but whether this would be sufficient could not currently be validated. The Council viewed the public health function to be a largely preventative service, whereas up to now the Health Service had treated it as a medical function.

Members of the committee discussed how the level of need was assessed and the point at which the Council intervened in relation to when later more expensive care was needed. Concern was expressed over how the money allocated for care packages was monitored to ensure it was spent as intended. Whilst it was recognised that direct payments to clients offered them more freedom and choice, it also led to more financial risk. It was explained that advice was given to all those seeking support as to how they might access other services and that there were a number of checking mechanisms in place to ensure the money allocated was properly spent. One such mechanism that was proving effective was the issue of pre-paid cash cards which allowed for easier and more effective monitoring of how the money was being spent. It was hoped to expand the use of these cards. Clive Heaphy added that government proposals to pay people their benefit entitlement direct into their bank accounts from which they might choose not to use it for the purpose it was paid was a big issue that would need to be addressed.

It was explained to the committee that around 40-45% of the savings target had already been banked and the risks to achieving the other 55-60% had been identified and were being addressed. Part of the savings was being achieved by putting a freeze on recruitment. Attempts were being made to complete a risk assessment on this but the necessary management information was not currently available from the North West London Hospitals Trust. It was hoped that further discussions would elicit this.

A question was asked as to what proportion of the direct services budget the £750,000 savings being taken from it was. An undertaking was given to supply members of the committee with this information together with feedback on the outcome of the discussions taking place with the North West London Hospitals Trust.

The Chair thanked Alison Elliott and Altin Bozhani (Finance Officer) for attending the meeting.

6. **Budget update**

Clive Heaphy (Director of Finance and Corporate Services) reminded the committee that the forecast overspend in August was at £1.8M and therefore some corrective actions were required. The areas of overspend were in adult social care for the reasons explained under the previous item, children and families mainly in the area of placements and legal costs for children in care, environment and neighbourhood services because of the delay in implementing the library transformation project and a delay in agreeing the Veolia contract savings, finance and corporate services because of rising benefits administration costs and customer and community engagement due to the design team not meeting its income target because of less work being commissioned.

Clive Heaphy again warned of the need for the Council to make big cuts next year. He referred to the Government's recent announcement that it was making money available to support a Council Tax freeze for 2012/13 and the dilemma this posed to the Council because it would create a lower base level unless it was increased twofold the following year. This issue would be further considered. Other important aspects to planning the budget were having regard to the Council's move to the new civic centre in 2013 and recognising that 2014 was an election year. He

explained therefore that he was looking to present a three year budget that would be seeking to remove an additional £60-65M.

In response to questioning over what the financial implications were of the legal action being taken against the Council's decisions on the future library service, it was explained that no savings from this project had been included for the present year and alternatives were being considered. With regard to the costs of children being cared for, it was clear that controlling the costs was a difficult situation to deal with and support was being given to the department to identify where funding could be diverted into the service from other parts of the department.

Discussion took place around the effects on the Council of the economy going into a double dip recession, the continuing negotiations taking place with Veolia on the waste contract and the Council's approach to Council Tax collection.

7. Update on the proposals in the Local Government resource review

Further to the report to the last meeting of the committee, Clive Heaphy (Director of Finance and Corporate Services) stated that from April 2013 the Council would have to be sure that it collected business rates effectively because the money would go direct into the Council's budget and any shortfall would have to be met by the Council. Referring to another Government proposal to abolish Section 106 payments and to introduce other forms of payment to encourage house building, Clive Heaphy explained that this could lead to conflicts over land use between house building and business use.

Upon the new scheme being introduced, any shortfall to the Council would be made up by a method of adjustments but it was not clear what would happen after that when radical changes might take place such as a major employer choosing to leave the borough or going out of business.

8. Work programme

The committee's work programme was noted.

9. Any Other Urgent Business

None.

10. Date of Next Meeting

It was noted that the next meeting of the committees would take place on 8 November 2011.

The meeting closed at 9.10 pm

J ALLIE
Chair

Budget & Finance Overview & Scrutiny Committee Work Programme 2011/12
Chair Cllr Allie

Date of Meeting	Purpose of Agenda item	Requested Information / Evidence	Invited witnesses	Notes
20 th July 2011	<p>To receive the report on the Budget Strategy 2012/13 – 2015/16.</p> <p>To discuss the work programme for 2011/12</p>	<ul style="list-style-type: none"> • Work Programme discussion 	Mick Bowden, Assistant Director, Finance and Corporate Services	
13 th September 2011	<p>Budget Update</p> <p>Children & Families Budget Issues</p>	<p>To provide member with information regarding the current budget position. To include an update on the One Council Savings</p> <p>Presentation on</p> <ul style="list-style-type: none"> • The departments current budget position • Budget pressures, and • Actions being taken to deal with those pressure 	<p>Clive Heaphy, Director of Finance and Corporate Services</p> <p>Krutika Pau, Director of Children and Families</p>	

	Update on the proposals in the Local Government Resources Review	To enable members of the Budget & Finance Overview & Scrutiny Committee to comment on the government proposals	Clive Heaphy / Mick Bowden	
11 th October 2011	<p>Budget Update including balances, approach to risk, One Council savings. Budget updates will pick up some of the issues listed at the end of the work programme</p> <p>Further update on the proposals in the Local Government Resource Review & the council's response</p> <p>Adult Social Care budget issues</p>	<p>To provide members with the latest budget information</p> <p>To provide further information on the proposals, the impact on the council and the council's response to the consultation.</p> <p>Presentation on</p> <ul style="list-style-type: none"> • The departments current budget position • Budget pressures, and Actions being taken to deal with those issues 	<p>Clive Heaphy / Mick Bowden</p> <p>Alison Elliott, Director, Adult Social Care</p>	
8 th November 2011	Environment & Neighbourhoods budget issues	<p>Presentation on</p> <ul style="list-style-type: none"> • The departments current budget position • Budget pressures, and • Actions being taken to deal with 	Sue Harper, Director of Environment & Neighbourhoods	

	To gain a clear understanding of the issues that will be discussed at the First Reading Debate at Full Council	<p>those pressures</p> <ul style="list-style-type: none"> • First Reading Debate Reports 	Clive Heaphy/Leader of the Council Lead Member for Finance & Corporate Resources	
6 th December 2011	<p>Budget Update</p> <p>One Council budget savings</p>	To provide members with the latest budget information.	<p>Clive Heaphy / Mick Bowden</p> <p>Phil Newby, Director of Strategy, Partnerships & Improvement/Peter Stachniewski, Interim Head of Programme Management Office</p>	
11 th January 2012	<p>Budget Update Including an update on the One Council savings</p> <p>Regeneration & Major Projects budget issues</p>	<p>A presentation on:</p> <ul style="list-style-type: none"> • The departments current budget position • Budget pressures, and • Actions being taken to deal with those issues 	Andy Donald, Director of Regeneration & Major Projects	

	HRA Reforms	To provide members with the latest update on reforms		
16 th February 2012	To discuss and comment on the Administration's draft budget. To agree the Panel's second interim / final report.	All Members will be invited to attend this meeting <ul style="list-style-type: none"> • A presentation on the administration's draft budget from the lead member • To include a response to the recommendations contained in the first interim report • The aim of this report is to respond to and make recommendations about the administrations draft budget prior to the Executive 	Councillor Butt	

Issues the committee would like to cover during evidence gathering:

LG funding

One Council Savings

Balances / Reserves

Approach to managing risk

HRA Reform

Service Directors

Redundancy costs- end figure from phase 1 & 2

Capital programme including approach and impact of unsupported borrowing