



MINUTES OF THE BUDGET AND FINANCE OVERVIEW AND SCRUTINY COMMITTEE **Tuesday, 6 December 2011 at 7.30 pm**

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

Also Present: Councillor Butt

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 8 November 2011 be approved as an accurate record of the meeting.

4. Matters arising

4.1 Adult Social Care budget issues

At the meeting of the committee held on 13 September 2011 members had asked for information about the proportion of the direct services budget the savings of £750,000 represented and the outcome of the discussions taking place with the North West London Hospitals Trust. Jacqueline Casson (Senior Policy Officer) reported that she had been informed that the direct services savings were 11% of the total direct services budget. Negotiations were still taking place with Central and North West London NHS Foundation Trust to ascertain the risks associated with a recruitment freeze. The trust had yet to provide the information requested and the recruitment freeze remained in place.

5. The One Council programme

Peter Stachniewski (Head of One Council Programme) introduced the report before the committee and explained that it principally dealt with the financial aspects of the programme because the One Council Overview and Scrutiny Committee had already considered the organisational aspects of the programme. The savings delivered from the programme in 2010/11 had amounted to £11.8M and it was

poised to deliver £27.8M in the current year which together amounted to 60% of the savings the Council was required to find. In the current year there were fourteen projects underway. Most were expected to deliver their targeted savings or where they were not, alternative savings had been identified. The one major area of concern was the £1M centrally held saving for the procurement project where measures were in the process of being identified for bridging the gap.

Peter Stachniewski stated that the focus was now on bringing forward the next tranche of fifteen projects into the programme. He pointed out that once savings from the projects had been achieved the savings were cumulative. The programme was currently in good order but the challenge now was to get the new projects moving forward for next year.

In answer to questions, Peter Stachniewski outlined the components of the review of employee benefits project. This comprised of three elements, the first being to standardise the payment of the London Weighting allowance, secondly to reduce the payment of overtime and other allowances, which was now running at £1.7M less than the cost in 2009/10, and the third was to move staff onto a Brent core contract. Regarding the projected savings from the Library Transformation project, he explained that the business case projected savings of £800,000 in a full year with £400,000 in the current year. However, because of the legal challenge the part year savings were having to be found from other areas of the Environment and Neighbourhood Department's budget.

A question was asked on how the diversity implications of each project were impacting on delivery of the programme. Peter Stachniewski replied that each project was required to produce a predictive equality impact assessment and, after delivery of the project, to undertake a retrospective equality impact assessment. In addition, arrangements were being put in place for the One Council programme board to receive quarterly monitoring reports on management of equality impacts across the programme. Peter Stachniewski undertook to supply to members some examples of impact assessments carried out.

Questions were asked around the volume of demand and how savings were achieved in the face of this. Phil Newby (Director of Strategy, Partnerships and Improvement) explained that the customer transformation project had to have the flexibility to allow the issues to become apparent as the project was worked through. The project had a savings target attached to it related to what it expected to achieve in future years as the transformation of the service took place. The point was added that it was difficult to predict future customer demand but the bringing together of channels of enquiry would help streamline the service. Current savings had primarily been achieved from the bringing together of the revenues and benefits service and the one stop shop service which was the first stage of the project.

Regarding the children's social care project, it was explained that this was a demand led service so the project was adopting an invest to save approach in order to prepare the service to be able to better manage demand. It was also reported that the National Youth Agency had been invited to produce an initial scope for the review of the youth service and this would be considered by the One Council programme board and developed into a business case to be one of the fifteen new projects being brought forward.

In addressing the concern expressed over how the Council planned to meet future demand, Peter Stachniewski explained that many of the projects were about changing the way the Council did things to make demand more manageable. Others had looked at the Council's management structure and although this had delivered the anticipated savings it was important to ensure it continued to do so.

Questions were asked about the impending transfer of the public health function to the Council. Phil Newby explained that efforts were being made to establish the baseline activities that comprised the field of public health and the level of spend but the problem was that the Government had yet to produce the framework and the budget was still to be announced sometime in December. In February of this year the Government declared the formula by which the public health functions would be channelled to the Council, with parts such as children's care, not being transferred for another two years. The intention was that once the Government produced the framework the Council would take on the transferred services and get an appropriate level of funding for that. Discussions had taken place at a West London level, contracts were being reviewed and the integration of projects such as the adult social care project were under consideration but the major risk remained that the Council would not be given the resources necessary to deliver the expected level of service.

It was acknowledged that there was a need to clarify the scope of some of the new projects which would be done as part of the early stages of the project management process. With regards to the traded services to schools project this was designed to bring consistency to the approach adopted for providing services to schools. Regarding the parking and highways projects, it was explained that each of these projects were in their early stages. Consideration would be given to how processes were carried out, reviewing the contracts and how the contracts were procured. The trade waste project presented some difficulties but was designed to look at how the level of trade waste entering the domestic waste chain could be reduced.

With regard to the commissioning of services from the voluntary sector, Phil Newby explained that some projects included discussing with the voluntary sector the delivery of the service. The Council was also engaged in discussions to support the voluntary sector following the demise of BrAVA.

It was explained to members that each project was discussed with the appropriate director to establish how it would be delivered, after which a business case was developed and anticipated savings identified. If any project failed to deliver the expected level of savings additional projects had to be identified.

In answer to a question concerning how much the Council spent on consultants, Peter Stachniewski explained that he did not have a figure to hand but that it amounted to a substantial sum. However, much of the spend consisted of spending on building design, IT projects and legal costs and there were also examples of wrong categorisation.

With regard to the civic centre project, it was explained that aims of the project would include exploring the commercial opportunities.

The Chair thanked Phil Newby and Peter Stachniewski for their attendance.

6. Central budget issues

Mick Bowden (Deputy Director of Finance and Corporate Services) tabled an analysis of the central items comprising areas of precepts, subscriptions and the legacy of past decisions taken by the Council.

In answer to questions, Mick Bowden explained how the Council determined the level of insurance it took out. With reference to the additional liabilities the Council would have when it assumed the public health function, he explained that the Council was currently tendering for its insurance provider but that insurers were used to dealing with Councils having a wide span of responsibilities and so it was not anticipated that this would lead to any significant rise in insurance costs. He also pointed out that although the Council could not undo past decisions that committed the Council to a level of debt, it could manage future borrowing to ensure it met the best interests of the Council. He took members through the remaining list of items and stated that these items were pretty much fixed except in the area of capital financing charges where there remained further work to do to influence the final figure.

In response to questions around the New Homes Bonus, Mick Bowden undertook to arrange for additional information to be made available to members. He also undertook to explain what was included in the final item listed called 'Other items'.

7. Budget update

Mick Bowden (Deputy Director of Finance and Corporate Services) stated that he had hoped to be able to report to the committee the terms of the Government's financial settlement for 2012/13 but this had not yet been announced. The Council had held its first reading of the budget and the committee had heard of the significance of the One Council programme in delivering a balanced budget.

8. Any Other Urgent Business

8.1 Committee's first interim report

Jacqueline Casson (Senior Policy Officer) reminded members that she would be sending round a draft of the committee's first interim report and would be pleased to receive comments from members on it.

9. Date of Next Meeting

It was noted that the next meeting of the committee would take place on 11 January 2012.

The meeting closed at 9.15 pm

J ALLIE

Chair