



MINUTES OF THE BUDGET AND FINANCE OVERVIEW AND SCRUTINY COMMITTEE Wednesday 8 February 2012 at 7.30 pm

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

Also Present: Councillors Aden, Al-Ebadi, Butt, Cheese, Choudry, Cummins, Gladbaum, Hashmi, Jones, Long, J Moher and John

Apologies were received from: Councillor HB Patel

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 11 January 2012 be approved as an accurate record of the meeting.

4. Matters arising (if any)

None.

5. The draft 2012/13 budget

Councillor Butt (Lead member for Finance and Corporate Resources) presented the draft budget for 2012/13 by way of a PowerPoint presentation. He opened his presentation by pointing out that the Council was on target to achieve its budget for 2011/12 and had achieved 97.5% of the planned £41.7m 'One Council' savings. He then outlined the financial pressures faced by the Council during 2011/12 and the national economic situation. Councillor Butt presented the 2012/13 grant settlement for Brent and the impact this had on the Council. He stated that it was being proposed that the Council should accept the Council Tax freeze grant on offer but pointed out the implications of this over future years. He reminded members of the budget process that had been undertaken, which had included a widespread consultation exercise and recognition of the recommendations made by the committee following last year's budget process. He emphasised the continuing

message that reserves could not be used to support overspending. Councillor Butt outlined the service area budgets for 2012/13 and the planned increase in reserves to bring them up to a more proportionate level. He then presented the schools budget, the HRA and the capital programme. Addressing each of these he added that it was important that all those entitled to free school meals were claiming them, that a report on the future of the housing arms length management organisation would soon be considered by the Executive and the implications of unsupported borrowing within the capital programme. He ended the presentation by summarising the financial position of the Council.

Members asked questions for clarification. Clive Heaphy (Director of Finance and Corporate Services) was asked to explain the new funding arrangements. He stated that the Council would receive little in the way of grant income in future years and the only way it would be able to increase its funds would be to build more houses and attract new businesses. However, many details of the new arrangements were still to be released. He added that the new freedom the Council was expecting to be given to set planning fees at a level which would fully recover costs would need to be balanced against the need to attract new businesses into the area.

Recognising the risks the Council faced, Clive Heaphy was asked if the level of reserves would be sufficient. He explained that each risk had been analysed and the biggest risk was the delivery of the One Council programme savings targets. However, the programme had a very structured approach to how it would meet the targets. In the longer term there was a new threat emerging that even more savings would be required which would be very difficult to achieve.

A question was asked as to how realistic it was to budget for zero price inflation. It was explained that there was some inflation provision within individual contracts but outside of this it was a case of the Council having to negotiate hard with its suppliers to freeze their prices.

Questions were asked about the budget for children's care. It was explained that the overall numbers in care had gone up from around 375 to 394 with the number in residential care remaining consistent at around 30. As a result of a lot of work undertaken the balance between in-borough and out of borough foster cares was now in favour of in-borough which was less expensive. There needed to be tighter cost management and savings from procurement in order to stay within budget.

Considering the schools budget, the question was asked why statementing was increasing in Brent when it was reducing elsewhere. The funding was met by the schools budget and so it was important to control expenditure on special educational needs. There was also a need to look at the transport element of this service. The question was asked as to why some schools were overspending when over the last few years they had been receiving increased funding.

A question was asked how savings had already been identified from the One Council review of the youth service when the review had not yet been agreed. Clive Heaphy explained that when a project was presented to the programme board it was in the form of a concept paper that identified where savings might be made. A mid-point had been budgeted for but he acknowledged that there was a risk to the budget if savings were not realised from such projects.

Members expressed the view that the committee should monitor the capital budgets for the Civic Centre and Willesden Green projects.

The Chair thanked Councillor Butt for his presentation and Clive Heaphy for his contribution and the committee noted the draft 2012/13 budget.

6. Discussion on the committee's second interim report

Members were advised that they had the opportunity to finalise the committee's second interim report before its submission to the Executive. There were no further comments so the report, as circulated with the agenda, was agreed.

7. Any Other Urgent Business

None.

8. Date of Next Meeting

Noted that a programme of meetings for 2012/13 would be agreed at the Annual meeting of Full Council in May 2012.

The meeting closed at 9.30 pm

J ALLIE
Chair