



## Budget and Finance Overview and Scrutiny Committee

**Tuesday 9 October 2012 at 7.30 pm**

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

### Membership:

#### Members

Councillors:

Hopkins (Chair)  
A Choudry (Vice-Chair)  
Brown  
S Choudhary  
Naheerathan  
HB Patel  
Ketan Sheth  
Van Kalwala

#### first alternates

Councillors:

Ashraf  
Chohan  
Green  
Chohan  
McLennan  
BM Patel  
Denselow  
Allie

#### second alternates

Councillors:

Cummins  
Moloney  
Lorber  
Moloney  
Oladapo  
HM Patel  
Gladbaum  
Daly

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020 89371358 [lisa.weaver@brent.gov.uk](mailto:lisa.weaver@brent.gov.uk)

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[www.brent.gov.uk/committees](http://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
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<b>1</b>	<b>Declarations of personal and prejudicial interests</b>	
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Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.

<b>2</b>	<b>Deputations (if any)</b>	
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<b>3</b>	<b>Minutes of the previous meeting</b>	1 - 4
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<b>4</b>	<b>Matters arising (if any)</b>	
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<b>5</b>	<b>Environment and Neighbourhood Budget</b>	
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The Director of Environment and Neighbourhood Services will attend the meeting to present to Members current budget issues facing the service.

<b>6</b>	<b>Budget Update</b>	
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The Deputy Director of Finance and Corporate Services will provide an update on the current budget position.

<b>7</b>	<b>Work Programme</b>	5 - 8
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<b>8</b>	<b>Any Other Urgent Business</b>	
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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.

<b>9</b>	<b>Date of Next Meeting</b>	
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The next scheduled meeting of the Committee is on 15 November 2012.



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 September 2012 at 7.30 pm

PRESENT: Councillor Hopkins (Chair), Councillor A Choudry (Vice-Chair) and Councillors S Choudhary, Naheerathan, Ketan Sheth and Van Kalwala

Also present: Councillors Butt and R Moher

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

None

### 2. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 19 July 2012 be approved as an accurate record of the meeting.

### 3. **Matters arising (if any)**

None

### 4. **Regeneration and Major Projects**

The Director Regeneration and Major Projects, Andrew Donald, gave a presentation highlighting the diverse range of functions carried out under the department's budget and the pressures it was currently facing. It was explained that the general fund consisted of £72m with approximately £50m being spent on housing and £22m being used to fund property planning and a raft of projects. The Housing revenue account consisted of £56m with £220m being budgeted for capital projects.

Andrew Donald explained that due to the inclusion of a full governance process for each capital project including; project leads, RAG ratings reported monthly and quarterly progress reports to CMT, there were few pressures on the budget that could not be managed. It was stated that temporary accommodation would increase pressure on the budget for a variety of reasons such as the changes in LHA caps introduced in April 2011 and the welfare reforms that will be introduced in 2013/14 such as universal credit and the "bedroom tax". It was explained that work was actively taken place to reduce the effect of the welfare reform by reducing the number of persons presenting as homeless and by encouraging persons into work.

The Director Regeneration and Major projects informed the Committee that the department was on track to reach its £2.594m saving target and that due to greater clarity regarding section 106 monies it was noted that the process was now clearer and transparent, allowing the Council to be in a position to spend the money. Following a query from members, it was noted that £7m was to be broken down by

ward and details regarding section 106 monies would be made available to members upon request. It was stated that £32m of section 106 monies was still to be triggered in relation to the Wembley development and the team would be working hard to stop the renegotiation and potential reduction of the section 106 money under the new community infrastructure levy.

Andrew Donald updated the Committee on the right to buy scheme, highlighting the increased interest and the terms under which the revenue could be spent, providing further detail on the level of discount to members following the meeting. Additional budget issues included the new homes bonus, revenue costs of capital projects, BHP optimisation and the HRA self-financing from April 2012.

RESOLVED:-

the Committee noted the presentation

## 5. **Budget Update**

The Director of Finance and Corporate Services Clive Heaphy gave a presentation, updating the Committee on the budget. An outline of the timeline for the localisation of business rates was given, highlighting that the Bill may not receive Royal Assent until late October/ early November 2012 and the changes were to be introduced from April 2013. It was explained that the system would replace the current formula grant mechanism, with the current formula grant embedded into a new system to maintain spending review totals with specific grants such as early intervention grant and the homelessness prevention grant being included within the totals. It was explained that out of the total of business rates collected, a 50% share would be returned to central Government with the GLA receiving 40% of the remaining 50% reducing the risk associated to the council. It was noted that the council would be a top authority, receiving additional funds once lost 7-10% of business rates which equated to approximately £10m. Clive Heaphy informed the Committee that there was still a large amount of uncertainty as numerous aspects of the Bill were still undecided including which dataset would be used. It was explained that the model was unpredictable in nature particular in relation to inflation, making the revenue of the council and the budget setting process and unknown quantity. It was explained that the system was designed to encourage competition between authorities in attracting business and growth to the area. Pressures from welfare reforms and existing budget pressures such as the capital programme, child placement and transition budgets were highlighted.

Following queries from Members, it was explained that pooling across London authorities would not be possible to put in place for 2013/14 however if a pool situation was to be created, it would need to be with a tariff authority with no overall pool remaining top up to gain maximum benefit. It was clarified that £100m would need to be borrowed to complete the civic centre project but currently interest rates were lower in comparison than originally budgeted for.

RESOLVED:-

that the presentation was noted

## 6. **Any Other Urgent Business**

None

7. **Date of Next Meeting**

The date of the next meeting of the Budget and Finance Overview and Scrutiny Committee would take place on 9 October 2012.

The meeting closed at 9.10 pm

A HOPKINS  
Chair

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**Budget & Finance Overview & Scrutiny Committee Work Programme 2012/13  
Chair Cllr Hopkins**

<b>Date of Meeting</b>	<b>Purpose of Agenda item</b>	<b>Requested Information / Evidence</b>	<b>Invited witnesses</b>	<b>Notes</b>
19th July 2012	<p>To receive the report on the Budget Strategy 2012/13 – 2015/16.</p> <p>A Report on the localisation of council tax benefit</p> <p>To discuss the work programme for 2011/12</p>	<ul style="list-style-type: none"> <li>• Work Programme discussion</li> </ul>	<p>Mick Bowden</p> <p>David Oates, Head of Benefits</p>	
11 <sup>th</sup> September 2012	<p>Budget Update</p> <p>Regeneration &amp; Major Projects</p>	<p><i>To provide member with information regarding the current budget position. To include an update on the One Council Savings</i></p> <p>A presentation on;</p> <ul style="list-style-type: none"> <li>• The departments current budget position</li> </ul>	<p><i>Clive Heaphy, Director of Finance and Corporate Services</i></p> <p><i>Andy Donald, director of Regeneration &amp; Major Projects</i></p>	

		<ul style="list-style-type: none"> <li>• Budget pressures, and Actions being taken to deal with those issues</li> <li>• The Capital Programme</li> </ul>		
9 <sup>th</sup> October 2011	Environment & Neighbourhoods  Budget Update	<p>A presentation on;</p> <ul style="list-style-type: none"> <li>• The departments current budget position</li> <li>• Budget pressures, and Actions being taken to deal with those issues</li> </ul>	<p>Sue Harper, Director of Environment &amp; Major Projects</p> <p>Deputy Director of Finance</p>	
15 <sup>th</sup> November 2012	Adult Social Services  First Reading Debate	<p>A presentation on;</p> <ul style="list-style-type: none"> <li>• The departments current budget position</li> <li>• Budget pressures, and Actions being taken to deal with those issues</li> </ul> <ul style="list-style-type: none"> <li>• First Reading Debate Reports</li> </ul>	<p>Alison Elliot, Director of Adult Social Services</p> <p>Lead member for Finance</p>	

			& Resources	
4th December 2012	Budget Update  Children & Families          One Council Budget Saving	To provide members with the latest budget information.  A presentation on;  <ul style="list-style-type: none"> <li>• The departments current budget position</li> <li>• Budget pressures, and Actions being taken to deal with those issues</li> </ul>	Mick Bowden  Krutika Pau, Director of Children & Families          Peter Stachniewski / Phil Newby	
15 <sup>th</sup> January 2013	To agree the Panel's first interim report			
5 <sup>th</sup> February 2013	To discuss and comment on the administration's draft budget.	All Members will be invited to attend this meeting  <ul style="list-style-type: none"> <li>• A presentation on the administration's draft budget from the lead member</li> <li>• To include a response to the recommendations contained in</li> </ul>	<ul style="list-style-type: none"> <li>• Councillor R Moher</li> </ul>	

	To agree the Panel's second interim / final report.	<p>the first interim report</p> <ul style="list-style-type: none"> <li>The aim of this report is to respond to and make recommendations about the administrations draft budget prior to the Executive</li> </ul>		
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*Issues the committee would like to cover during evidence gathering:*