



MINUTES OF THE BUDGET AND FINANCE OVERVIEW AND SCRUTINY COMMITTEE **Tuesday 9 October 2012 at 7.30 pm**

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

Also present: Councillors Chohan, R Moher (left 8.10pm) and Butt (arrived (8.10pm))

1. Declarations of personal and prejudicial interests

None

2. Deputations (if any)

None

3. Minutes of the previous meeting

RESOLVED:-

that the minutes of the previous meeting held on 11 September 2012 be approved as an accurate record of the meeting.

4. Matters arising (if any)

Following queries from members at the previous meeting, the Director of Regeneration and Major Projects provided the following information highlighting the total number of persons in temporary accommodation as 3028, with 40 persons currently in bed and breakfast accommodation. Additionally, the right to buy discount was capped at £75,000.

5. Environment and Neighbourhood Services Budget

The Director of Environment and Neighbourhood Services gave a presentation highlighting the current budget position and on-going pressures. The service consists of two divisions; the environment and protection division, which includes services such as recycling, waste, consumer and business protection and safer streets; and the neighbourhood services division which includes services such as transportation, sports, parks and cemeteries and libraries, arts and heritage. It was explained that following a restructure last year, although similar functions were provided, they were divided differently, with the environment and protection division consisting of three large contracted areas of spend. The department had recently achieved savings of £500,000 in 2010/11, £11,000,000 in 2011/12 and a further £3,000,000 in the current financial year. It was explained that the department was facing a number of pressures in-year such as achieving the £3,000,000 savings, staffing cost pressures from wave two across the department as well as shortfalls in income from highways operations and licensing.

The Director of Environment and Neighbourhood Services explained that structural issues within the budget were being addressed in the short and medium term. . It was explained that the transport service had a underspend due to holding deposits being released back into the budget which was a one off saving to help balance the budget in year. Work was being undertaken, including a restructure and reduction in staff to ensure that a balanced budget was achievable in future years.

It was explained that the recycling and waste service had an overspend partly due to the sign shop having an unachievable income target of £900,000, yet consistently achieving sales of £600,000, and partly due to the level of waste going to landfill being higher than budgeted for. A recovery plan was in place to address the budget gap for this year as outlined above and work was being undertaken to ensure that the sign shop had an achievable target prior to potentially being outsourced. It was clarified that flytipping was included within the waste contract and was not an additional cost and is picked up within the £93 per tonne landfill charge.

Discussions took place surrounding the parking account and it was confirmed that the figures include accrual from the previous year. It was confirmed that these had been accepted by audit. Members requested that an accurate budget for the figures of each year be produced to allow a comparison to take place and to have a clearer picture of the account. It was subsequently agreed that a monthly budget update from each service would be provided to the Committee highlighting the current budget position as well as highlighting any exceptions such as overspend and anticipated budget pressures. It was requested that figures for income from camera enforcement and the percentage of landfill waste that arises as a result from flytipping be provided.

The future pressures of the budget were highlighted in light of the LGA report as well as the increase landfill tax from £93 to £101 per tonne. It was explained that the council would no longer be able to deliver existing services if a similar pattern of spending cuts continued and a shift in resident's expectations would be needed. The procurement of large contracts was also highlighted as being a budget pressures as targets have been set although the final price is dependent upon the competition of the market. The grounds maintenance tendering as part of the public realm contract would be cross borough with four other authorities and includes the purchase of a new depot to allow Brent to have a greater competitive edge as well as having a tangible asset at the end of the contract. During discussions it was agreed that future departmental presentations should contain fuller detail and be more granular.

RESOLVED:-

- i) that the presentation be noted
- ii) that a monthly budget update report be provided by each service

6. **Budget Update**

The Deputy Director of Finance, Mick Bowden gave an update on the budget position. It was explained that a number of departments were facing budget pressures but following actions being put in place, he was confident that there would not be a budget shortfall for the current financial year. It was explained that

due to a series of one off savings and rebates, the service areas facing underlying budget pressures had been brought back into line however, solutions to ensure a balanced budget in future years would need to be put in place. It was clarified that there was a potential future savings target of £10,000,000 projected in line with government cuts.

Mick Bowden updated the Committee on the current economic climate which was deteriorating with concerns regarding decreasing growth resulting in a shrinking economy. It was noted that the Government's headline autumn statement would not be available until 5 December 2012 with the local government settlement not being available up to 20 December 2012. The delayed announcement would impact on the budget setting process.

The Deputy Director of Finance reported that aspects of the medium term financial strategy had been adjusted to reflect recent changes such as the early intervention grant and new homes bonus money. It was explained that following the decision to not increase council tax in 2011/12, the council received £2,500,000 for the next four financial years, a one off £2,500,000 payment for not increasing council tax for 2012/13 and a grant equivalent to 1% council tax increase for two years if the council chose not to increase council tax in 2013/14.

Concern was expressed surrounding inflation particularly if it dropped 1% below the projected figure however negotiations was on-going with contractors to pay inflation cost to mitigate risk to the council. It was reported that modelling was taking place to predict the potential effects changes would have on the budget.

RESOLVED:-

that the update be noted

7. Work Programme

It was noted that the next presentation to the Budget and Finance Overview and Scrutiny Committee would be from Adult and Social Care. It was requested that the presentation include information regarding structural changes, impact of NHS funding, risks, challenges and their impact on the budget.

8. Any Other Urgent Business

None

9. Date of Next Meeting

The next meeting of the Budget and Finance Overview and Scrutiny Committee will take place on 15 November 2012.

The meeting closed at 8.41 pm

A HOPKINS
Chair