



MINUTES OF THE BUDGET AND FINANCE OVERVIEW AND SCRUTINY COMMITTEE **Thursday 15 November 2012 at 7.30 pm**

PRESENT: Councillor Hopkins (Chair), Councillor A Choudry (Vice-Chair) and Councillors S Choudhary, Gladbaum (alternating for Sheth), Naheerathan, HB Patel and Van Kalwala

Also present: Councillors Butt and Moher

1. Declarations of pecuniary interests

None

2. Deputations (if any)

Three deputations had been received which the Committee agreed to hear. The Chair explained that the purpose of the Committee was to scrutinise and that only the Executive and Full Council had decision making powers.

Martin Francis was invited to make his deputation. He felt that no councillor would have stood for election with the intention to make cuts that would be to the detriment of the people of Brent. He thought the cuts were an ideological attack on local government and needed to be managed. He drew attention to Councillor Butt's statement of protecting the integrity of the budget as a priority, but felt that managing cuts that would harm services was a contradiction of this priority. Martin Francis felt that this would lead to impossible choices being made which would harm the most vulnerable in society and queried whether the Council should even be making these choices and in effect be 'cutting off its own limbs'. Instead of a budget set in line with cuts and funding available, a needs based budget should be designed to protect the needs of the people of Brent, publicised and support gained from other Councils to take a stand against the cuts.

Graham Durham was invited to make his deputation. He drew the Committee's attention to an article in the Guardian highlighting the loss of spending per person over the past three financial years. The average loss for Labour controlled councils was £107 per person, £38 per person for a Liberal Democrat led Council and £36 per person for a Conservative led Council. He felt that the statistics showed a class based attack on Councils. Out of 326 Councils, the majority of worst off Councils were Labour led, with Hackney losing the most per person of £266, compared to North Dorset only losing £2.70 per person. Graham Durham explained that Brent was on the front page for worst hit losing £120.21 per person due to the coalition cuts and with 29.9% of children living in poverty. He queried why a Labour Council were sending some of its poorest families to Hastings and being an initiator of the coalition's class based cuts against the poor.

Isabelle Counihan was invited to speak. She highlighted to the Committee the precarious position her family were in, namely that they were homeless and felt victims of social cleansing. She continued to explain that she and her children were

born and raised in Brent, her husband earned £400 per week as a bus driver, they paid their taxes and due to being left a piece of land that earned £18 a week, were no longer eligible for housing benefit. Isabelle Counihan felt that prior to the Localism Bill there was a disincentive for Local Government to invest in social housing which has subsequently led to the Council now being unable to house 1000's of families and potentially moving them out of the borough. It was explained that if her family remained homeless, the children would be placed in foster care at the expense of the Council, and in particular one of the children was autistic and would require specialist care which could exceed the cost of housing the family. She queried how the Council justified borrowing £102m for a new civic centre when the Counihan family had been made homeless twice in the past two weeks at 24 hours' notice from their temporary accommodation. She highlighted the support she had received from the residents of Kilburn and various groups, feeling that the priorities of the Council were skewed and should focus on providing local services for local people.

3. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 9 October 2012 be approved as an accurate record of the meeting.

4. **Matters arising (if any)**

The Chair informed the Committee that a monthly budget update would be received for each service and be available shortly.

5. **Adult Social Care**

The Director of Adult Social Services, Alison Elliott, gave a presentation highlighting the current budget position and the pressures the budget was facing. The service was organised into six divisions with a net budget of £90.75m, 375 permanent FTE members of staff and 54 vacancies. She explained that there was currently a £500,000 overspend which was due to historical pressures from children's transition to adulthood and since April, a transition service had been developed to prepare children with disabilities from the age of 14 to reduce demand. A savings target of £250,000 had been given to each Head of Service and savings were being achieved to date by a one off Secretary of State ruling which had helped reduce pressures as well as the freezing of the learning and development budget. A detailed breakdown of the budget for each service area was provided and it was highlighted that an increase in senior management costs appeared on the budget due to all senior management costs being brought into one budget line. Additionally it was noted that two senior manager posts were interim due to their roles not being required in the future. Alison Elliott informed the Committee that £13.42m savings had been made to date which was largely due to efficiencies in the procuring of services and the ability to have greater buying power through the West London Alliance.

The Chair reminded members of the public of the conduct that should be adhered to at a public meeting of the Council.

The Director of Adult Social Services explained that the way services were delivered had been transformed with a more personalised approach to allow greater choice and control. It was noted that savings continued to be made through the One Council programme as well as through efficiencies in procuring services. The reablement service had been designed to help residents regain their independence and reduce their reliance of services and allow greater control over their lives. Alison Elliott highlighted that there had been a slight increase in numbers for residential care however the cost per unit had been reduced. This was similar across various services provided and was due to the ability to procure services at a lower cost, however there were concerns that this would not be sustainable in the future.

The Director of Adult Social Services highlighted that the budget pressures going forward included; the ability to commission services at a lower rate, increase in demand and the ability to collect income from increased demand on service use. These pressures were being faced in a growing population and complexity with the recognised need to sustain reduced care costs.

During discussion it was explained that the services currently provided did not focus on prevention or early intervention due to the eligibility threshold being set at substantial and critical need. Through working with partners such as the NHS and with the public health service transferring to local Councils in April 2013, early intervention could be developed and an enhanced reablement pilot started last week. This pilot is to help elderly people with complex needs regain independence. It was clarified that non staff costs related to services that were procured opposed to staff costs which were for occupational therapists etc. It was explained that the Council was hoping to implement a living wage to Brent and discussions with contractors were taking place. Currently £13 per hour on average was paid to providers but it was expected that to provide staff with the living wage could cost the Council up to £5m however work was on-going with providers to find a solution. It was explained that the reliance on agency staff had been reduced due to permanent posts being recruited and a projected agency spend of £1.9m in 2012/13 compared to £4.5m in 2010/11. Currently one consultant was employed although this was for the West London Alliance and was recharged to them. It was explained that the indirect costs had been reduced due to the number of buildings reducing however an increase was expected due to the increase in fuel costs etc. It was noted that the domiciliary care numbers had reduced due to the reablement services promoting independence. Members queried how costs compared to other Councils. It was explained that the costs would be very similar across West London Boroughs due to the buying power enabled through the West London Alliance however information for other boroughs was not available. The Director of Adult Social Services concluded that she was confident that the budget for this year would come in on target. The team remained committed to delivering the best services for Brent despite a shrinking budget and recognised the need to think and deliver services differently to protect the most vulnerable.

RESOLVED:-

that the presentation be noted

6. First Reading Debate

The Deputy Director of Finance, Mick Bowden gave a presentation providing an update on the current economic situation and the budget. It was highlighted that the initial economic projections and revised projections in 2012 provided by OBR were optimistic. At the end of quarter one, a projected overspend of £2m was forecast but following actions undertaken by departments, a £0.1m underspend was expected. This was partially due to one off savings and grants being released however departments continued to face budget pressures. It was highlighted that audit had remarked on the improved financial resilience of the Council due to the increased reserves which were to be increased at a risk assessed level. Mick Bowden highlighted the budget gap and pressures facing the Council based on the assumptions of the medium term financial strategy showed a £7.5m gap in 2015/16. These assumptions included an increase in council tax of 3.5%, savings through the One Council programme and existing planned savings.

The Deputy Director of Finance informed the Committee that the Autumn Statement will take place later than usual with the announcement expected on 5 December 2012 and the provisional local government settlement by the 20 December 2012. The council tax freeze grants were highlighted as one off funding streams however the details of the freeze grant for 2013/14 (around £800,000 for the next two financial years) were still awaited. Mick Bowden also identified several changes to funding including; top-slicing of the Early Intervention Grant - £4m Academies - £7m, the census - £4m and council tax surplus – £1.8m (one off). It was noted that government's assessment of Brent's population rose from around 250,000 to 311,000 and depending on the figures used by central government, would have a great impact on the budget.

Various uncertainties and risks were highlighted to the 2013/14 budget including further changes to central government, housing benefit subsidy regime/temporary accommodation and one council savings. The Deputy Director of Finance highlighted the timescale in the decision making process and in particular decisions to be taken by the Council and Executive prior to the settlement announcement and those to be taken after, including the council tax base and council tax level. He concluded that the focus and consideration needed to be given to the long term challenges facing the Council as well as a flexible approach to address the pressures facing the budget for 2013/14.

During queries from the members it was clarified that Adult Social Services and Children and Families had faced large overspends in quarter one but due to management action, including one off savings and funding streams, the overspend had been reduced. It was explained that although it appeared to have been reduced in a short space of time, the figures were projected end of year figures against actions being undertaken and that were still being implemented. Members requested that a similar monthly update on the budget was provided and that all items were reported accurately, as well as accruals and exceptional items being relevant to the current financial year to ensure a robust budget setting. It was noted that council tax was collected on behalf of the GLA and the Council and an assumption was made during the budget setting process on the collection rate which may or may not create a deficit for the next financial year. It was noted that a surplus of council tax had been collected and the 2013/14 budget would start with a surplus. It was noted that it was still unclear the level of income to be achieved due to the introduction of the new community infrastructure levy but it was anticipated that this would become clearer as the new arrangements bedded down.

RESOLVED:-

- (i) that the presentation be noted
- (ii) that a monthly budget update presentation be given

7. **Any Other Urgent Business**

None

8. **Date of Next Meeting**

The next Budget and Finance Overview and Scrutiny Committee will take place on 4 December 2012.

The meeting closed at 9.00 pm

A HOPKINS
Chair