

MINUTES OF THE BUDGET PANEL
Thursday, 26th October 2006 at 7.30 pm

PRESENT: Councillor Mendoza(C) and Councillors Pagnamenta(VC), Cummins, J Moher and Shah.

Also present was Councillor Dunn.

Apologies for absence were received from Councillor John.

1. Declarations of Personal and Prejudicial Interests

There were none.

2. Deputations

There were none.

3. Matters Arising

There were none.

4. Brent's Financial Context

The Panel had before them a report outlining the current financial context in Brent. The attached appendices included information on the budget process, the medium term financial forecast, a financial briefing for new members produced prior to the local government elections in May 2006, details of the Council's approach to delivering value for money and the draft budget timetable for 2007/08.

During his presentation of the item, Peter Stachniewski (Deputy Director of Finance and Corporate Resources) provided details of:

- Key issues that had been covered in previous training received by the Panel on approaches to budget scrutiny;
- Brent's budget in context, including spending, activity levels and performance on the various services provided;
- Brent's medium term financial strategy, including the major challenges the Council faced over the next four years and ways in which those might be addressed;
- The links to the new corporate strategy which was nearing finalisation;
- Other budget issues, including capital, schools and the Housing Revenue Account; and
- The budget timetable.

He stressed that focus in discussions and scrutiny of the budget should be on resources going into, and outcomes from, the budget as a whole, not just growth and savings at the margin. He also drew attention to the wider context in which the budget was set, including the recently published local government white paper, "*Strong and prosperous communities*", which placed a stronger focus on communities and partnership working for local authorities, the Lyons' review into local government functions and finance which was due to report soon, and the forthcoming Comprehensive Spending Review.

In terms of central government funding, it was noted the Council would receive the grant 'floor' for the next two or three years, with an annual increase in grant of between 2% and 3% likely. In addition, the council tax capping regime would mean increases in council tax of 5% would not be permitted even if the Council were inclined to do so, which was unlikely. Furthermore, it was highlighted that increased service demands and demographic pressures would have future implications for the budget, which would have to be met through prioritisation and exploring opportunities for partnership working, such as joint commissioning of services.

In response to questions from members, clarification was provided on the impact of borrowing on the council's budget and the realism of the assumptions underlying the budget projections.

5. Work Programme for the Budget Panel 2006/07

With reference to the report circulated with the agenda (p.33), the Panel discussed the suggested work programme for the Budget Panel for 2006/07. Given the limited period between the current meeting and the finalised budget in March 2007, a number of timetabling issues were discussed. In particular, concerns were raised about the fact that the Panel was not in a position to consider the new Corporate Strategy, which had yet to be agreed by the Council. In response, Duncan McLeod (Director of Finance and Corporate Resources) confirmed that it was anticipated that this document would be available in the near future. He added that the first reading of the budget would take place at the meeting of Full Council on Monday, 27th November 2006. This would include an update on the budget figures provided to members in the previous item on the Brent Financial Context, and proposals for prioritised growth for service areas and additional savings options to fund this growth. It was further confirmed that the detailed budget would be formulated during the period following the end of November 2006, with the draft budget due for consideration by the Executive at its February meeting and the finalised version to be presented to Full Council on Monday, 5th March 2007.

Mr McLeod stressed that the Budget Panel would play an important role in influencing the budget process, and that no initial position would be taken by the Executive prior to the scrutiny process. It was agreed by Panel members that the current timetable did not allow for sufficient time to scrutinise the final draft budget, and that it would therefore be necessary for a further meeting of

the Panel to be arranged for the end of February 2007. It was noted that members might want to consider issues relating to the base budget, including whether or not service area overspends were being effectively dealt with, and also the possible impact of policies, fees and charges. Whilst acknowledging the request for an additional meeting, Mr McLeod also highlighted that under the current timetable, it was envisaged that the Panel would produce a written response prior to the Executive meeting on Monday, 12th February 2007.

One member emphasised that in his opinion the Panel should concentrate on those areas where the Council had significant control to make changes and savings. The Chair suggested that the Corporate Strategy should be examined at the next meeting of the Budget Panel, and also felt that it might be useful to look at the previous three budgets with a view to identifying previous trends and overspends. Given that it represented the largest area of the budget, it was also agreed that the Council's base budget should be examined as a starting point, from which the Panel's work programme could subsequently be determined.

Given that the time limited nature of the budget process, some concerns were expressed about the possible problems associated with requesting lead members to attend future meetings. As the Deputy Leader was not available to attend the next meeting of the Panel on Tuesday, 21st November 2006 to respond to questions on the Corporate Strategy, it was suggested that the Leader of the Council be asked to attend this meeting, with the Deputy Leader possibly attending the meeting on Thursday, 7th December 2006 instead. The Panel also agreed that the lead member and officer for Adult Social Care and Children's Social Care respectively should be asked to attend a future meeting to discuss budget issues affecting their service areas, and the links between these and service levels and outcomes.

RESOLVED:-

- (i) that an additional meeting of the Budget Panel be arranged at the end of February 2007;
- (ii) that the Leader of the Council be requested to attend next meeting of the Budget Panel on Tuesday, 21st November 2006;
- (iii) that the Deputy Leader of the Council be requested to attend the meeting of the Budget Panel on Thursday, 7th December 2006;
- (iv) that the lead member and officer for Adult Social Care and Children's Social Care respectively be requested to attend a future meeting of the Budget Panel on either Tuesday, 21st November 2006 or Thursday, 7th December 2006.

6. Date of Next Meeting

It was noted that the next meeting of the Budget Panel would take place on Tuesday, 21st November 2006.

7. Any Other Urgent Business

There were none.

The meeting ended at 9.20pm

Councillor Mendoza
Chair