

MINUTES OF THE BUDGET PANEL
Wednesday, 21st February 2007 at 7.44 pm

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

1. Declarations of Personal and Prejudicial Interests

There were none.

2. Deputations

There were none.

3. Minutes of Last Meeting – 5th February 2007

RESOLVED:-

that the minutes of the meeting held on Monday, 5th February 2007 be received and approved as an accurate record.

4. Matters Arising

There were none.

5. Budget Panel Discussion

Given that this was the last meeting of the Budget Panel in the current municipal year, members were given the opportunity to assess the impact of the Panel on the budget setting process, and make recommendations for improvements in terms of future budget scrutiny. Additionally, they discussed final alterations to the Panel's report before it would be presented to Full Council on 5th March 2007.

The Chair introduced the meeting by outlining that the second interim Budget Panel report and recommendations had been considered by the Executive on 12th February 2007, during the meeting at which the draft Budget had been agreed. An extract of the minutes of this meeting had been circulated to Panel members prior to the current meeting. Duncan McLeod (Director of Finance and Corporate Resources) explained that the main themes put forward in the report had been acknowledged and considered, even if they had not been debated within the context of the meeting. He also sought to point out that the budget had been subject to a great deal of discussion since the start of the budget setting process in July 2006.

Aside from a number of technical questions that had been raised, it was noted that most discussion had centred on the issue of the GLA precept and Freedom Passes. Furthermore, a motion in the name of Councillor Blackman had been agreed, part of which noted the contribution and recommendations of the Budget Panel. The Panel was reminded that the Deputy Leader, in his presentation to the previous Panel meeting, had felt that the administration had already delivered on five of the ten Budget Panel recommendations, and had accepted the need to make progress on the other five.

Members were informed that a number of the comments made at the Budget Panel meeting on 5th February had subsequently been taken into consideration, most notably those concerning the need for continued monitoring of risk in the Children and Families budget. Additionally, the problem of including the £4.3 million figure required to accommodate anticipated transferred costs from the Brent Teaching Primary Care Trust (Brent tPCT) was acknowledged. Thus, following discussions, in order to make clear that this figure did not represent an accepted cost, it had been agreed that it would be described as a contingency and listed separately in the final Budget report.

Following a request made by one member at a previous meeting of the Panel, a document had been produced to track the status of issues that had been raised by members during the First Reading Debate, copies of which were circulated to those present. The Chair commented that the final Budget Panel report to Full Council should make reference to the fact that this was the first time this type of tracking had been carried out, and that it had been useful in terms of giving members a better understanding of the process.

There followed a discussion about the impact of the Panel on the budget setting process. Commenting on the value of having questioned a number of service area directors at meetings, the Chair asserted that the Budget Panel had been an effective monitoring body during its first year of operation. He also felt that this form of scrutiny had been useful in prompting officers to examine areas of previous weakness in their department budgets, with a view towards strengthening the process for the future.

With regard to aspects of the Panel that had been less effective, the Chair sought to highlight that some problems had been encountered in obtaining information at an early enough point so as to allow for sufficient scrutiny. Whilst acknowledging that specific problems had been experienced in the current municipal year due to the delay in the formation of the administration, he nevertheless felt that this was an issue that should be examined for the future. Members discussed this issue, with Councillor Cummins expressing the view that the Panel did not need to focus too heavily on specific details. Councillor Pagnamenta also felt that one of the inherent problems with any budget process was that it would be unrealistic to be provided with details at an early point.

Additionally, the Chair noted that the view that the Panel had primarily focused on the Budget process itself, and thought consideration should be given to placing more emphasis on issues concerning individual service areas in

future. Given that this was the first year in which the Panel had been established, he further suggested that it might be useful to ask for comment from the Executive on the Panel's impact on the budget setting process.

Councillor Cummins highlighted the difficulties of assessing the impact of the Panel. Following this, Duncan McLeod (Director of Finance and Corporate Resources) stressed that the Executive did appear to have taken into consideration significant issues raised by the Panel, particularly with regard to the Corporate Strategy and the Medium Term Financial Strategy (MTFS). Commenting that individual service areas had been subject to rigorous questioning, he also asserted that the Budget Panel had acted as a valuable scrutiny resource for the department.

Moreover, members were advised that the Panel had influenced the thinking of the Finance and Corporate Resources department, as well as other service areas. Further to a question from the Chair, it was noted that positive feedback had been received from other service area directors regarding the Panel. The Chair emphasised that the final report should make note of the fact that officers had felt that it had informed their approach to budget setting. Furthermore, he felt that some reference should also be made to the fact that the current financial year had been somewhat atypical, given the problems caused by the tPCT financial situation and the implementation of the Council's new waste contract.

Peter Stachniewski (Deputy Director of Finance and Corporate Resources) reminded those present of the previous difficulties that had been encountered in getting member engagement in the budget process. Consequently, he stressed that a dedicated group of members with an understanding of budgetary issues represented a significant improvement to the democratic process. The importance of setting budgets based on more than a year by year decision basis was noted. With this in mind, members were reminded that they would be able to build on their experience from the first year of the Panel when scrutinising the budget next year.

Councillor Cummins recommended that in order to carry forward the work of the Budget Panel, the current membership should be retained. It was further noted that if this was not possible, ideally as many current members as possible should serve on the Panel next year. The Chair concurred with this point, noting that through their experiences this year, members would be in a better position to effectively scrutinise the budget next year.

At this point, the Panel discussed the status of the recommendations they had put forward to the Executive in their report. It was noted that at the Executive meeting on 12th February, the risks regarding the Children's Care services budget (Recommendation 11) had been acknowledged, and officers had also taken note of the request for further detail to be provided on Capital Programme risks (Recommendation 12) in future years. It was suggested that members might want to consider tracking progress made on charging utility companies for not carrying out work to a required standard or within stipulated timescales. Councillor Cummins highlighted the importance of holding companies to account for additional repairs that might be required due to

natural subsidence. The Chair commented that such issues could related to Recommendation 15, which proposed that in future one of the meetings of the Panel should be dedicated to inviting other members to input into the budget process.

Members discussed their comments in reaction to the Executive response regarding the Budget Panel recommendations. It was generally agreed that the Panel should state that it was pleased with the response from the Executive, and the fact that officers had attended meetings to respond to questioning. The Chair added that the good progress that had been made in this first year should be noted, as well as the fact that this progress would continue to be monitored.

Those present discussed possible ways in which the budget scrutiny process could be further improved next year. Following a request for clarification, officers explained that the intention was for Panel meeting dates to be calendared in the following financial year. The Chair commented that Panel members would wish to be involved in the calendar setting process. It was noted that the first meeting of the Budget Panel for the 2007/08 budget could take place as early as July 2007, the point at which the first budget monitoring reports for 2007/08 were published and the general framework for preparation of the 2008/09 budget was established.

Members generally felt that it would be beneficial to revisit the original training they had received prior to taking up their position on the Panel. It was pointed out that with experience of actual budget scrutiny, they would now be in a position to ask more probing questions, and look at issues in greater depth. Additionally, it was noted that any change to the Panel membership would in any case make it necessary for new members to receive this training.

The Chair also suggested that it might be worth convening a shared ideas session with other local authorities in London about budget scrutiny arrangements. It was noted that a previous scrutiny event of this type had been held in Brent in December 2005, and that that there might be an opportunity through the London Councils Scrutiny Network to carry out another similar event.

The Chair noted that the medium term financial recommendations would inform the work programme of the Panel for the following year. He also suggested that it might be beneficial to conduct further analysis of both the core budget and capital budget.

Finally, those present were advised that the final report of the Budget Panel would be completed shortly in order to be included on the agenda for the meeting of Full Council on 5th March. As this was the last meeting of the Panel in the current municipal year, the Chair then concluded the meeting by thanking both members and officers for their contribution to the budget scrutiny process.

6. Date of Next Meeting

It was noted that the date of the next meeting in the new municipal year 2007/08 would be confirmed following the Annual Meeting in May 2007.

7. Any Other Urgent Business

There was none.

The meeting ended at 8.30pm

Councillor Mendoza
Chair