

**MINUTES OF THE BUDGET PANEL**  
**Wednesday, 31<sup>st</sup> October 2007 at 7.30 pm**

PRESENT: Councillor Mendoza (Chair) and Councillors V Brown, Cummins and Gupta, John and J Moher

**1. Change to the Order of Business**

The Committee agreed to change the order of business in order to take Item 6 (Corporate Budgets) and Item 7 (Parking Control Account) before Item 5 (2008/09 Budget Update).

**1. Declarations of Personal and Prejudicial Interests**

There were none.

**2. Deputations**

There were none.

**3. Minutes of Last Meeting**

RESOLVED:-

that the minutes of the meeting held on 8<sup>th</sup> October 2007 be received and approved as an accurate record.

**4. Matters Arising**

Councillor J Moher asked for clarification about the number of people who currently used the Council's mobile library service, and officers agreed to supply this information following the meeting.

Councillor John highlighted the view that non-Budget Panel members should be given more opportunity to take part in the budget scrutiny process, a view that was supported by other Panel members. Particular concerns were raised about the lack of member involvement with regard to the Local Area Agreement (LAA). Following a discussion about the most appropriate way of increasing member participation, it was suggested that officers should provide a report outlining the various options available. Duncan McLeod (Director of Finance and Corporate Resources) was also asked to provide a presentation to each of the political groups in the New Year, outlining the general issues and principles involved in the budget setting process.

## **5. 2008/09 Budget Update**

Duncan McLeod (Director of Finance and Corporate Resources) provided an update for the Panel on the outcome of the Comprehensive Spending Review, which had been announced by the Chancellor of the Exchequer on 9<sup>th</sup> October 2007. With reference to a handout providing headline figures, members heard that, as anticipated, the settlement had not been favourable to local authorities.

The Panel were informed that since the Committee's last update, further growth pressures had been identified in the Adult and Social Care budget. The ongoing uncertainty caused by the current financial difficulties of the Brent Teaching Primary Care Trust (Brent tPCT), as well as the 25 percent increase in the West London Waste Authority levy, were further cited as budget pressures. Against this backdrop, the first tranche of savings now agreed by the Executive were highlighted as evidence of progress made in addressing the budget gap, although members were reminded of the level of work that would still be required in order to achieve a balanced budget for 2008/09. It was also noted that measures to close the budget gap would be put forward as part of the First Reading Debate in November. In response to a question raised, Mr McLeod advised that the overall budget picture would be clearer by the time of the next Panel meeting at the end of November 2007.

## **6. Corporate Budgets**

Peter Stachniewski (Deputy Director of Finance and Corporate Resources) explained that as part of their work for the 2007/08 budget process, the Budget Panel had asked for greater transparency regarding the development of corporate budgets, as well as further consideration as to how they were presented in the overall budget. Consequently, members were presented with a report providing detailed information on corporate budgets, and including financial, performance and other data for each service. Copies of a diagram outlining the overall gross expenditure for the Central and Finance and Corporate Resources service areas were circulated to those present, and it was advised that Information Technology and Property and Asset Management represented the largest spending areas. Individual Heads of Corporate Services were then invited to provide an overview of their service areas and respond to members questions.

Phil Newby (Director of Policy and Regeneration) outlined the function and remit of the Community Safety, Corporate Policy and Regeneration Teams. Further to a question from the Chair about performance indicators in Community Safety, he explained that the Council worked closely in partnership with the police to ensure clear lines of responsibility between the two organisations. It was also explained that careful use of resources would in future be required as a result of grant reductions.

Similarly, it was stressed that although a successful unit, further funding would be required in order for the Regeneration Team to continue to meet targets. Responding to a number of points raised, the specific reasons why some targets were lower than in previous years were outlined. In addition, it was explained that most of the staff in the team were funded through grants, which led to a degree of unpredictability in terms of budget planning. Following a specific question about the South Kilburn New Deal for Communities, the Panel were reminded that a full investigation had not uncovered any corrupt practices, and those governance problems identified had since been resolved.

The Panel discussed the difficulties associated with encouraging local employers in Brent to participate in employment initiatives. Outlining the ways in which the Council currently identified and targeted business opportunities, developments relating to the regeneration area around Wembley Stadium were cited as a notable success for the local authority. However, it was asserted that the Council would need to increase project management capacity in order to secure other large scale, lucrative projects in the future. At the request of the Chair, it was agreed that officers should put together a report outlining their views about the options available for future engagement with the local business community.

Further to a query about the Local Area Agreement (LAA), members were advised that Brent stood to gain £9 million worth of funding if stretch targets were met. It was explained that the Council was currently predicted to meet all of these targets, with the exception of smoking cessation, and the Panel were advised that they would be provided with a further update on the LAA at the next meeting.

Following an update from Toni McConville (Director of Communications and Consultation), members asked a number of questions about the Communications and Consultation budget. Particular attention was drawn to the significant income generated from advertising space sold in the Brent Magazine. It was also noted that advertising Council jobs directly through the magazine negated any requirement to do so in the local press, thus resulting in savings.

In response to a suggestion that further efficiencies could be achieved through using an external company to manage the magazine's advertising space, it was explained that whilst this option could be considered, previous attempts to outsource advertising had not yielded results. It was also clarified that outsourcing the Design, Print and Language functions would in each case be costly. However, members were advised that in the long term the viability of keeping the Print Shop on its current site would have to be re-examined.

Additional methods for generating further advertising income were highlighted, particularly with regard to the opportunities presented by Wembley Stadium event days. It was however explained that whilst the Council regularly approached large local businesses to provide support in relation to advertising, this was usually to limited success. Following a suggestion, it was also thought unlikely that providing external advertising space on the Council website would be deemed appropriate.

Val Jones (Director of Human Resources and Diversity) then provided an update on the budget for her service area. One member requested clarification on the current arrangements for providing human resources advice to schools. In response, it was explained that this was provided on a competitive basis, and that whilst it had been necessary to raise the fees for the current financial year, the majority of schools still used the service. It was also confirmed that with a total employment figure of approximately 6000, Brent's staffing figures were comparable with other local authorities. Further to a question from the Chair about how efficiencies were being achieved in Human Resources, members heard that opportunities for providing shared services with other local authorities across West London were currently being explored.

Providing an overview of Legal and Democratic Services, Terry Osborne (Borough Solicitor) explained that whilst the majority of the Council's legal advice was provided in house, it was occasionally necessary to use external providers for large and complex projects. It was stressed that in such instances, the work involved would be subject to a tendering process to ensure value for money. The Chair queried whether costs were incurred as a result of service areas seeking legal advice unnecessarily. Responding that this was more evident in areas with a high staff turnover, it was noted that where problems were identified work was carried out with the service involved.

The Panel asked for further information on staffing, and were informed that that whilst Legal and Democratic Services did not experience employee retention problems, there were sometime difficulties in recruiting new staff when positions became vacant. It was also clarified that a number of agency staff were currently covering maternity and long term sickness leave, as well as a number of posts to which it had not been yet possible to recruit permanent staff.

Finally, Duncan McLeod (Director of Finance and Corporate Resources) outlined the main issues relating to Financial Services, Property and Asset Management, Facilities Management and the Information Technology. He highlighted transaction processing and financial systems as areas where greater efficiencies could be achieved. The advantages of improving IT systems to facilitate home and remote working were further outlined. Members were however cautioned that such developments often led to service improvements rather than direct savings. One Panel member queried why the proposed savings for Finance and Corporate Resources were significantly higher than those identified for Central Services, and heard that one of the reasons was that the savings included the Revenues and Benefits service where there were more opportunities to deliver savings.

Following a question from the Chair, it was asserted that the building of a new civic centre would assist in achieving greater efficiencies in the property and asset management budget. It was also explained that the main source of external income in the Facilities Management budget derived from letting of the Paul Daisley Hall out for private functions, and that a decision had been

taken to increase the fees charged in order to generate further revenue. Following a number of questions regarding the People Centre, members were advised that centralising functions such as recruitment and training administration made it easier to deliver efficiencies. The introduction of the new HR and payroll system would result in savings in the People Centre budget in 2008/09 and allow transactions activity in service areas to be reduced.

In conclusion, members sought to congratulate the officers on providing a well presented and informative report, which it was thought would be of value to other non-Budget Panel members as well.

## **7. Parking Control Account**

As part of their work programme for the municipal year 2007/8, the Budget Panel had requested a briefing on the Parking Control Account. Consequently, the report before members provided details on the statutory framework and the operation of the account, as well as a breakdown of current and projected income and expenditure. It was explained that there was an error on the 'PCN Income Collected' table included in Appendix B of the report, and a correct version was therefore circulated.

Irfan Malik (Assistant Director for Streets and Transportation) introduced the item by explaining that the income generated from parking had increased in recent years, although Brent still remained a mid to lower ranked London authority in this regard. Members were further advised that a new Parking Enforcement Plan (PEP) was due to be considered by the Executive in the near future. The various options for the future of parking policy in Brent were then outlined, including the possible introduction of one hour controlled parking zones and a review of bank holiday arrangements. In addition, it was pointed out that upgrading of the vehicle removal service would provide opportunities to increase revenue.

Keith Balmer (Director of Street Care) then took members through the headline figures for the Parking Control Account, as provided in Appendix B of the report. In particular, it was noted that the number of penalty charge notices (PCNs) collected at discount rate had fallen, along with the number collected through CCTV evidence. Both figures were attributed to increased compliance from the public in relation to parking control measures. Mr Balmer conceded that further data analysis would be required to determine the reason for the reduction in on-street parking income, following which he offered to provide this information for the Panel. Members were also advised that, in order to offset the fall in income from this area, options such as the introduction of parking payment by mobile phone were currently being explored.

There followed a discussion on the issues involved in terms of income collection on the Parking Control Account. It was advised that due to problems such as vehicles with false number plates, it was not possible to collect all PCN revenue. Similarly, on-street meter thefts were outlined as

another issue of concern, albeit one that had now reduced following concerted efforts within the service area. Members heard that the Council employed an external contractor to recover bad debt. It was further explained that changes to the contract for this service would hopefully result in future improvements.

The Panel asked for specific details about how savings were achieved within the Parking Control Account. One such example highlighted was staffing, and members were advised that the Unit was staffed at a reasonable level with additional agency staff being used during peak times. Conversely, it was noted that enforcing Wembley event day parking restrictions had led to additional staffing costs, although it was anticipated that these would be reduced over time. Following a request for clarification, it was also acknowledged that whilst additional income was received on event days through the issuing of PCNs, this did not completely offset the staffing costs, and consequently there was currently a net cost to the Council.

Overall, whilst mindful of the need to make savings, officers stressed that there was a need to ensure that efforts to do so did not jeopardise future income. It was also pointed out that whilst some parking control account efficiencies did not always result in direct savings, they nevertheless provided benefits. For example, improvements in the way traffic was managed on event days had a resulting impact on the local business community.

#### **8. Date of Next Meeting**

It was noted that the next meeting of the Budget Panel would take place on Wednesday, 21<sup>st</sup> November 2007.

#### **7. Any Other Urgent Business**

There was none.

The meeting ended at 10.20 pm

A MENDOZA  
Chair