

**MINUTES OF THE BUDGET PANEL**  
**Thursday 2 October at 7.30 pm**

PRESENT: Councillor Mendoza (Chair), Councillor V Brown (Vice Chair) and Councillors Bessong (for Cummins), Butt, Gupta and John.

ALSO PRESENT: Councillor Blackman (Lead Member for Resources).

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

None.

**2. Minutes of the Previous Meeting – 15 July 2008**

RESOLVED:

that the minutes of the meeting held on 15 July 2008 be approved as an accurate record.

**3. Matters Arising**

None.

**4. Presentation on Hammersmith and Fulham's Response to Budget Pressures and Service Transformation**

The Panel received a presentation from Jane West (Director of Finance and Corporate Services, London Borough of Hammersmith and Fulham) and Councillor Lucy Ivimy (Cabinet Member for Housing, London Borough of Hammersmith and Fulham) on savings and efficiency measures taken since 2006. Councillor Ivimy informed members that it had been possible to make a 3% reduction in council tax in difficult financial conditions by means of close working between the Cabinet and Corporate Management Team, road shows with staff, market-testing of a range of services, careful management of vacancies, a strategy to reduce debt and a change in the relationship with the unions.

Jane West explained that the concept of value for money had become a core value and was now built into systems. The main financial issue had been not so much the reduction in council tax as the level of government grant. She outlined efficiencies made by the use of one-stop shops, better use of accommodation and improved market testing and procurement, including e-procurement. Overspending was no longer an option, although there was a mechanism for dealing with overspends in demand-led services.

Answering questions from members, Jane West reported that services had improved as a result of the changes. For example, parking permits were renewable via the internet, which residents preferred, and the streets were cleaner.

Duncan McLeod (Director of Finance and Corporate Resources) informed members that Brent worked with Hammersmith and Fulham in the context of the West London Alliance to achieve efficiencies through joint procurement and to explore any other new ideas for savings. He reminded members that market testing of services was not an option open to Brent, as the relevant services had already been contracted out. Nor was a programme of asset sales possible, as Brent's asset base was relatively small and it was needed for the capital programme, for example, to finance extra school places.

The Chair thanked Councillor Ivimy and Jane West for their presentation.

After discussion, members concluded that in view of the differences between the two boroughs in size, asset base, history, and political, financial and organisational starting points, the degree to which Brent could learn from the experience of Hammersmith and Fulham was limited, apart from continuing to reap the benefits of work and co-operation within the West London Alliance.

**RESOLVED:**

that the presentation be noted.

## **5. Update on the Budget Process for 2009/10 and Subsequent Years**

Duncan McLeod (Director of Finance and Corporate Resources) introduced the report, which provided an update on the budget process for 2009/10 and subsequent years, together with a proposed first tranche of budget savings directed towards savings targets in 2009/10. The report, focussing on the revenue budget, would be presented to the Executive on 6 October 2008, and the key aspect was for the Executive to agree the first tranche of savings. Councillor Blackman (Lead Member for Resources) was attending the Budget Panel meeting in order to obtain members' views to take to the 6 October meeting. Duncan McLeod reported that, while the approach agreed by the Executive in July 2008 assumed savings of 3%, there remained a funding gap. In addition, issues had emerged since July, with increasing demands on Council services as a consequence of the international financial and economic crisis.

Answering questions from members, Councillor Blackman reported that the programme of reducing supplies and services in Environmental Health related to bought-in services. He also informed members that the planned reduction of eight full-time library posts was part of a strategy to introduce more flexible working so that libraries could be open on any day of the week and at times that suited customers – consultation was taking place on this.

Councillor John expressed her concern at the way the travellers' site was being managed and her anxiety at the proposed retendering process. She asked that the Executive consider this issue carefully.

Members noted that the £2m allowed in the budget for 'inescapable growth' was significantly less than in previous years (around £6m in 2008/09) and that adult care services were not covered in this report. Councillor Blackman was confident that it was possible to achieve the 3% savings, although the process was slightly later than in 2008/09.

RESOLVED:

that the report and members' comments be noted.

## **6. Proposed Approach to Priority Growth in the 2009/10 Budget**

Peter Stachniewski (Deputy Director of Finance and Corporate Resources) introduced the report, which set out the approach to funding priority growth agreed by the Executive in July 2008 and the process for agreeing priorities for funding. The budget strategy agreed by the Executive in July 2008 included the removal of mainstream budget funding for priority growth, to be replaced by alternative sources of funding – Area Based Grant (including Supporting People), Local Area Agreement (LAA) Performance Reward Grant and specific grants relating to children, families and schools. Growth was coming into the Council through funding from Area Based Grant. There was some flexibility in how this funding could be allocated. As the alternative sources of funding would inevitably be addressing Council priorities, it was appropriate that they be subject to the same level of scrutiny as mainstream budget funding. Members noted that there was still a gap in the mainstream budget, despite the new approach, and that the use of grant funding could help to reduce the burden on council tax and the budget.

Cathy Tyson (Assistant Director – Policy) informed members that LAA priorities were financed by means of a mixture of funding, much of it from the mainstream budget. In relation to the LAA Performance Reward Grant it was being made clear to partners that the Council was the accountable body for this funding. Reinvestment was the main principle, and partners' expectations needed to be managed. Some priorities were being delivered by the Area Based Grant, and the extent to which this funding was already addressing LAA priorities was currently being analysed. After discussion, it was agreed that once complete, the results of the analysis would be scrutinised by the Budget Panel.

RESOLVED: -

- (i) that the report be noted;
- (ii) that consideration be given at a future meeting to the results of the analysis of the current use of alternative funding sources.

7. **Date of Next Meeting**

The date of the next meeting was scheduled for Thursday 23 October 2008 at 7.30 pm.

8. **Any Other Urgent Business**

None.

The meeting ended at 9.30 pm.

A MENDOZA  
Chair