

<b>Subject:</b>	<b>Extract from the Proceedings of the Policy &amp; Resources Committee Meeting held on the 14 June 2012</b>		
<b>Date of Meeting:</b>	<b>2012</b>		
<b>Report of:</b>	<b>Directors of Public Health and Adult Social Care, Strategic Director, People</b>		
<b>Contact Officer:</b>	<b>Name: Mark Wall</b>	<b>Tel: 29-1006</b>	
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<b>Wards Affected:</b>	<b>All</b>		

The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) was the short timescale between the meeting of Policy & Resources Committee on 14 June and the publication of the agenda for the Audit & Standards Committee on 18 June 2012.

## **POLICY & RESOURCES COMMITTEE**

**4.00 pm 14 June 2012**

**COUNCIL CHAMBER, HOVE TOWN HALL**

### **DRAFT MINUTES**

**Present:** Councillor J Kitcat (Chair) Councillors Littman (Deputy Chair), Davey, Hamilton, Mitchell, A Norman, Peltzer Dunn, Shanks, G Theobald (Opposition Spokesperson) and West.

## **PART ONE**

### **7. TARGETED BUDGET MANAGEMENT (TBM) PROVISIONAL OUT-TURN 2011/12**

- 7.1 The Director of Finance introduced the report which set out the provisional out-turn position for month 12 on the revenue and capital budgets for the financial year 2011/12. She noted that the final out-turn position was subject to an external audit review and that the financial statements had to be signed off by the 30<sup>th</sup> June, 2012. She noted that the Budget Council had already identified and committed £3.780m of the underspend of £4.370m and that the success of the value for money programme and been a contributory factor.

- 7.2 Councillor Littman stated that he wished to commend the report to the Committee which showed the practical management of council funds over the last year and having achieved an underspend it meant that the council could fund important projects.
- 7.3 Councillor A. Norman noted that a £1.2m underspend greater than that which had been identified at Budget Council had been achieved and suggested that it could have been used to offset the increase in parking charges that had been applied to local businesses and for the promotion of the city during the summer. She queried whether the £250k identified in the report for sustainability was simply a means of putting back in the funding that had been removed at Budget Council and why the figure for the Play bus was so high. She also queried whether the capital receipts included the sale of CD1 and why the work in relation to improving empty properties had been delayed.
- 7.4 The Director of Finance stated that the £250k related to the council's priority for One Planet Living initiative.
- 7.5 Councillor Shanks stated that in regard to the Play bus, the budget figure was simply because it had been decided to allocate funding within the budget process for this service, which previously had not had its own budget entry.
- 7.6 Councillor West stated that the gains from investing in One Planet Living for the city and the council should not be overlooked and the savings that would be achieved would enable future investment in other areas.
- 7.7 The Chair welcomed the report and noted that CD1 had not been sold to date, but that the registration number was with agents who were actively looking to generate a sale.
- 7.8 Councillor Mitchell stated that she wished to thank the officers for the report, which demonstrated a good level of monitoring of expenditure and noted the balance of underspend that had been carried over from Budget Council and meant that other proposals could be supported. She therefore suggested that the Administration had an opportunity to re-prioritise its commitments and fund areas that were in need of support currently.
- 7.9 Councillor G. Theobald suggested that supporting bus services had to be a priority rather than losing them and that the underspend identified could be used to do this. He noted that a £162k had been spent on a food waste trial and that the travellers budget was overspent, all of which could have been used more effectively to support the bus services. He agreed with the Labour amendment in that the funding identified for sustainability could be better used for the bus services and stated that it had to be a question of priorities.
- 7.10 Councillor West stated that the overspend on the travellers budget was partly because there had not been a budget identified previously and noted that it had been reduced by £12k compared with previous years.
- 7.11 Councillor Hamilton questioned the costs of improving the Regency Car Park being charged to the revenue budget rather than capital, and why £14m could be found through borrowing for the i-360 and yet unsupported borrowing could not be used to support the bus services.

7.12 Councillor Mitchell then moved an amendment on behalf of the Labour & Co-operative Group, which sought to provide funding to maintain the supported bus services as follows:

“In having regard to the use of unallocated reserves as detailed in the TBM report the following points should be considered and changes made to the recommendations:

- (i) Appendix 2, Unallocated reserves - to transfer the sum of £226,000 identified for One Planet Living new projects to instead support the council subsidised bus transport budget thus keeping those routes open that are currently threatened with closure or a reduced service for a further year to allow for a complete review of the patronage for the routes planned to be cut or reduced and allow for continuing negotiations with the bus companies with a view to their investing in the services.
- (ii) That the balance of the £250,000 could then be used to support the continued provision of a mobile library service.

To add an additional two recommendations 2.3 and 2.4 as shown in bold italics and re-number the remaining recommendations 2.5 to 2.9 as shown below:

## 2. RECOMMENDATIONS:

- 2.1 That the Committee note the provisional outturn position for the General Fund, which is an underspend of £4.370m. This includes £3.831m for the council controlled budgets (compared to £3.187m assumed at budget setting time) and £0.539m on the NHS managed S75 budgets.
- 2.2 That the Committee note the provisional outturn for the Housing Revenue Account (HRA) for 2011/12;
- 2.3 ***That the sum of £226,000 identified in Appendix 2, unallocated reserves for One Planet Living new projects be transferred to support the council subsidised bus transport budget;***
- 2.4 ***That the remaining £24k from the unallocated reserves identified for One Planet Living new projects be transferred to the Mobile Library to help achieve a sustainable solution for the service;***
- 2.5 That the Committee approve the carry forward requests totalling £5.602m as detailed in Appendix 2 ***(as amended by 2.3 and 2.4 above)***;
- 2.6 That the Committee approve the changes to provisions and reserves set out under Corporate Budgets in Appendix 1;
- 2.7 That the Committee agree to fund initiatives totalling £0.662m from unallocated reserves in 2012/13 as detailed in Appendix 2 ***(as amended by 2.3 and 2.4 above)***;
- 2.8 That the Committee note the provisional outturn position on the capital programme;
- 2.9 That the Committee approve the following changes to the capital programme

- (i) The budget re-profiling as set out in Appendix 1;
- (ii) The carry forward of slippage into the 2012/13 capital programme, to meet on-going commitments on these schemes as set out in Appendix 1.”

7.13 Councillor Hamilton formally seconded the amendment and stated that he was amazed to find the Administration seeking to cut public transport provision and fund a number of other items as one-off measures when it was likely that they would require further funding and support in future years. Instead of looking at new initiatives the available under-spend could be used to support areas that were under threat. The loss of the No.96 bus service for example would have a direct impact on school children who would have to extend their journey time in order to get to and from school each day.

7.14 The Strategic Director; Communities stated that following Budget Council officers had held a number of discussions with partner agencies about supporting the mobile library, however they had not been in a position to fund the service. It meant that consideration needed to be given to how to progress matters and a report would be taken to the Economic Development & Culture Committee in the autumn.

7.15 Councillor G. Theobald stated that the Conservative Group supported the amendment.

7.16 The Chair noted the comments and stated that every Administration sought to support various projects and a procurement process had been followed in regard to the bus services, which was not helped by the cuts from the government to the bus company and in grant formula to the council. The use of the under-spend as outlined in the report provided support across the city and should enable further funding to be made available to support other areas in the future. He noted that an amendment had been moved and put it to the vote which was tied at 5 for and 5 against and therefore in not having a majority in favour was lost.

7.17 The Chair then put the recommendations as listed in the report to the vote, which was tied at 5 for and 5 against. He therefore used his second and casting vote in order to carry the recommendations 6 – 5.

7.18 **RESOLVED:**

- (1) That the provisional outturn position for the General Fund, which had an underspend of £4.370m be noted. This included £3.831m for the council controlled budgets (compared to £3.187m assumed at budget setting time) and £0.539m on the NHS managed S75 budgets;
- (2) That the provisional outturn for the Housing Revenue Account (HRA) for 2011/12 be noted;
- (3) That the carry forward requests totalling £5.602m as detailed in Appendix 2 to the report be approved;
- (4) That the changes to provisions and reserves set out under Corporate Budgets in Appendix 1 to the report be approved;

- (5) That the funding of initiatives totalling £0.662m from unallocated reserves in 2012/13 as detailed in Appendix 2 to the report be agreed;
- (6) That t the provisional outturn position on the capital programme be noted; and
- (7) That the following changes to the capital programme be approved:
  - (i) The budget re-profiling as set out in Appendix 1 to the report;
  - (ii) The carry forward of slippage into the 2012/13 capital programme, to meet on-going commitments on these schemes as set out in Appendix 1 to the report.

