

Subject: Targeted Budget Management (TBM) Provisional
Outturn 2012/13 - Extract from the Proceedings of the
Policy & Resources Committee Meeting held on the
13 June 2013

Date of Meeting: 25 June 2013

Report of: Monitoring Officer

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Wards Affected: All

POLICY & RESOURCES COMMITTEE

4.00 pm 13 June 2014
COUNCIL CHAMBER, HOVE TOWN HALL

DRAFT MINUTES

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

PART ONE

7. TARGETED BUDGET MANAGEMENT (TBM) PROVISIONAL OUTTURN 2012/13

- 7.1 The Executive Director for Finance & Resources introduced the report which set out the provisional outturn position (Month 12) of the Revenue and Capital Budgets for the financial year 2012/13. She noted that the final outturn position was subject to the annual external audit review but stated that in general it was a good position with the General Fund having an underspend of £4.6m, which had already been committed. She stated that there had been a strong performance in regard to the management of the corporate critical budgets and the value for money programme which had enabled the underspend to be achieved. There had been a small surplus in regard to the Collection Fund and this had been helped with a less reduction in income from student exemptions, although it was likely to change in the future. She also drew attention to the capital receipts and the materialisation of some projects that had been awaited.

- 7.2 Councillor Littman welcomed the report and stated that it reflected the on-going improvements in financial management across the council.
- 7.3 Councillor Morgan stated that the overall underspend of £4.6m was welcome in one respect but did raise questions in regard to why more had not been done to address the social, environmental and economic factors faced by residents within the city. In relation to the underspend on the HRA budget he questioned whether more could have been done to deal with issues such as the 'bedroom tax', lifts improvements and general repairs. He noted that the income from parking was down and that having used a couple of council car parks recently it would have been possible not to have to pay. He also asked when the improvements to the Horsdean Traveller site were likely to be undertaken and suggested that the Development Control Budget needed to be monitored closely given the overspend.
- 7.4 Councillor A. Norman stated that she believed it was difficult for residents to understand why there was such a high level of underspend and why it had not been used to off-set the increase in council tax. She asked for further clarification in regard to high level of carry forward for the capital programme and queried the level of projected income from parking for 2013/14 given the shortfall that had resulted for the last year. She noted the good work of the value for money programme and the reduction in costs for the external audit.
- 7.5 Councillor Randall stated that the HRA underspend had resulted partly from people not moving as much and therefore a lower spend on redecorating and making ready for use had resulted, however funding had been used for improvements e.g. to lifts and door entry systems. He also noted that there had been fewer empty properties in the housing stock and that the transfer of properties to Seaside Homes had seen nearly 250 of the 449 indentified completed. He also wished to congratulate his predecessor, Councillor Wakefield and the officers involved for their work in relation to housing over the last two years.
- 7.6 The Chair stated that funding had been set aside to help support discretionary funds and account for cuts that were being imposed by central government. The parking income was not down but had not achieved the level that had been anticipated and that was partly down to factors such as the inclement weather and the impact of the Olympics.
- 7.7 The Executive Director for Finance & Resources noted that there had been a need to account for the impact on Business Rates as a result of changes imposed by the government and that re-profiling of the capital programme had been required and that some large projects had only come to fruition after the year end e.g. the £2m for the purchase of Hove Police Station; which meant that the carry forward was higher than usual.
- 7.8 Councillor Hamilton noted that there was a £1m underspend for the Dedicated Schools Grant and whilst it was ring-fenced, he suggested that there was a need to look at the process for the allocation of school places and the impact on existing schools that resulted. He welcomed the value for money programme but questioned why the Home to School Transport which had an underspend and the School Bus provision budgets could not be looked at together and reconciled so that the cuts in bus services seen last year could be addressed and services maintained. He also noted that the

communications budget had overspent and hoped that it would be kept under review for the next year. However, overall he wished to thank the finance officers and budget holders for their excellent work and management of the council's finances.

- 7.9 Councillor Shanks stated that she was working with officers to look at the Home to School Transport and school transport budgets to see if there was a possibility of utilising them more effectively and thereby improving services. She hoped to be able to bring a report to committee in the near future. She also welcomed the reduction in costs to the Children's Services budget and improvements that had been made such as in the foster carers' service.
- 7.10 The Executive Director for Finance & Resources stated that there had been a shortfall in expected income for the Development Control team and that it would be monitored and reviewed regularly for 2013/14 as it was something that could have been picked up at an earlier stage last year. She also noted that the changes in welfare support were likely to have an impact on the Homelessness budget and others and therefore consideration was being given to how these pressures could be supported and corporate critical budgets such as the Temporary Accommodation budget would be reviewed monthly.
- 7.11 Councillor G. Theobald queried why it was taking so long to re-open the Horsdean Traveller site and expressed concern over the failings of the Communications budget management. He also asked for further clarification in regard to the Surplus Water Action budget and whether there was any grant funding for the Volks Railway.
- 7.12 The Assistant Chief Executive stated that a revised bid in relation to the Volks Railway had been resubmitted and officers were in discussion with the group of volunteers on how opening hours could be extended and repairs works could be undertaken if the sheds were unavailable. In regard to the Communications budget she was meeting with the officers and they were working hard to manage the situation.
- 7.13 The Executive Director for Finance & Resources stated that the Communications budget had been realigned following the recognition that unachievable income targets had been set previously and noted that officers were working with neighbouring authorities in regard to the Surplus Water Management Action Plan, as the notice of available funding had only been received in March.
- 7.14 Councillor West stated that there had been a delay in the re-opening of the Horsdean site as there had been some problems with contractors and security and repair costs, however he was hopeful that it would be open next month.
- 7.15 Councillor Peltzer Dunn referred to the overspend in the Communications Budget and stated that he hoped every effort would be made to maximise revenue income e.g. from sponsorship and queried whether any offers had been received.
- 7.16 The Assistant Chief Executive stated that she was keen to work with the officers to look at potential income generation but wanted to concentrate on ensuring that the core business of the team was supported and effective.
- 7.17 The Executive Director for Finance & Resources stated that in recent years the challenge had been to achieve the ambitious income targets that had been set and it

had been important to seek to balance these against realistic levels for the future and noted that the committee had previously agreed to a revised budget.

7.18 The Chair noted the comments and thanked the all the officers involved in managing the budget process over the year. He then put the recommendations to the vote.

7.19 **RESOLVED:**

- (1) That the provisional outturn position for the General Fund, which was an underspend of £4.610m (compared to £4.513m assumed at budget setting time, be noted. This includes £4.201m for the council controlled budgets and £0.409m on the NHS managed S75 budgets.
- (2) That the provisional outturn for the Housing Revenue Account (HRA), which is an underspend of £1.963m be noted;
- (3) That the provisional outturn for the Dedicated Schools Grant (DSG) which was an underspend of £1.089m be noted;
- (4) That the carry forward requests totalling £4.806m as detailed in Appendix 2 the report be approved;
- (5) That the provisional outturn position on the Capital Programme be noted; and
- (6) That the following changes to the Capital Programme be approved:
 - (i) The budget re-profiling and budget variations as set out in Appendix 4 to the report;
 - (ii) The carry forward of slippage into the 2013/14 Capital Programme to meet on-going commitments on these schemes as set out in Appendix 4 to the report; and
 - (iii) New schemes as set out in Appendix 5 to the report.