

**AUDIT & STANDARDS
COMMITTEE**

Agenda Item ??

Brighton & Hove City Council

Subject: Targeted Budget Management (TBM) 2014/15 Month 9
– Extract from the proceedings of the Policy &
Resources Committee meeting held on the 12th
February 2015

Date of Meeting: 10 March 2015

Report of: Head of Law

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Wards Affected: All

FOR GENERAL RELEASE

Action Required of the Audit & Standards Committee:

To receive the item referred from the Policy & Resources Committee for information:

Recommendation:

That the report be noted.

BRIGHTON & HOVE CITY COUNCIL

POLICY & RESOURCES COMMITTEE

4.00pm 12 FEBRUARY 2015

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

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

PART ONE

142 TARGETED BUDGET MANAGEMENT (TBM) 2014/15 MONTH 9

- 142.1. The Committee noted that the special circumstances for non-compliance with Council Procedure Rule 5, Access to Information Rule 5 and Section 100B of the Local Government Act 1972 as amended (items not to be considered unless the agenda is open to inspection at least five days in advance of the meeting) were that information on the 2014/15 financial position was still being finalised and reviewed in conjunction with the 2015/16 Budget package.
- 142.2. The Committee considered a report of the Interim Executive Director for Finance & Resources in relation to Targeted Budget Management (TBM) 2014/15 (Month 9). The Interim Executive Director stated that the report detailed an improved position at month 9 but noted that there were significant pressures and forecast risks to manage across the General Fund Revenue Budget. The underlying overspend on council controlled budgets was £2.036m which had been reduced to £0.146m with the release of unallocated general risk provision of £1.890m.
- 142.3. Councillor Sykes thanked Officers for the report, and also the Executive Directors for their work in enabling the projected overspend to come down from £6m to £2m and then further with the release of unallocated resources. He noted that significant pressures remained in Adult and Children's services and that the budget proposals had taken these into consideration and he hoped that they would be supported.
- 142.4. Councillor A. Norman thanked Officers for their continued commitment to the organisation, and stated that the underlying overspend was still worrying. She also stated that the proposed loan to South East Dance was acceptable but queried whether the large underspend in the dedicated schools budget was a result of low take-up and whether it could be used elsewhere.
- 142.5. The Executive Director for Children's Services stated that the changes to pre-nursery provision had led to some misunderstanding and lower take-up than had been predicted. He noted that the Department of Education had changed the funding formula as a result of the low rate of take up nationally which was likely to result in a reduced level of grant and that any underspend was ring-fenced to early years provision.
- 142.6. Councillor Morgan stated that he supported the proposed loan to South East Dance but felt that more information should be brought to the committee and that it would help to have a report to the next meeting on the risks and alternative funding options for example.
- 142.7. The Assistant Chief Executive stated that South East Dance were facing particular time constraints and that the proposals were being supported by the Arts Council nationally, who had agreed to put £1m into the scheme. The funding gap had resulted from delays with the overall scheme and she noted that the council would not sign over the lease until the loan was repaid.
- 142.8. The Head of Finance informed the committee that the proposed loan was for a short-term and could be met by the capital reserves budget as there were sufficient funds to cover the loan period.

142.9. Councillor Hamilton noted that the use of unallocated reserves had enabled the projected overspend to be reduced to £0.146m which was welcome but he remained concerned about the overall overspend for Adult Services.

142.10. Councillor G. Theobald noted the overall budget position and expressed his frustration with regard to the delays that various schemes supported by the council appeared to suffer. He hoped that this would improve as investment in the city was important and needed to be encouraged.

142.11. Councillor Randall noted the comments and agreed that more work was needed to ensure development schemes progressed. He believed that Cathedral had done an excellent job in taking the scheme forward and welcomed the Arts Council's support for South East Dance.

142.12. The Chair noted the comments and then put the recommendations to the vote.

142.13. **RESOLVED:**

- (1) That the forecast outturn position for the General Fund, which is an overspend of £0.541m, consisting of £0.146m on council controlled budgets and £0.395m on the council's share of the NHS managed Section 75 services be noted;
- (2) That the Executive Director of Finance & Resources and the Head of Law be granted delegated authority to make a loan of £0.045m to South East Dance as set out in paragraph 3.22 and 3.23 of the report, subject to satisfactory terms being agreed;
- (3) That the forecast outturn for the Housing Revenue Account (HRA), which is an underspend of £0.541m be noted;
- (4) That the forecast outturn position for the Dedicated Schools Grant which is an underspend of £1.097m be noted;
- (5) That the forecast outturn position on the capital programme be noted; and
- (6) That the Capital Programme variations and re-profiles as detailed in Appendix 3 and new capital schemes in Appendix 4 of the report be approved.

