



**Brighton & Hove
City Council**

**CABINET
ADDENDUM**

**Items 42A and 43A Draft extracts from
Overview & Scrutiny Commission**

4.00PM, THURSDAY, 22 JULY 2010

COUNCIL CHAMBER, HOVE TOWN HALL

ADDENDUM

| ITEM | Page |
|---|-------|
| FINANCIAL MATTERS | |
| 42. Targeted Budget Management 2010/11 and VFM Update | 1 - 2 |
| 43. 2010/11 In-Year Government grant reductions | 3 - 4 |

**EXTRACT FROM THE DRAFT PROCEEDINGS OF OVERVIEW AND SCRUTINY
COMMISSION HELD ON 20 JULY 2010****BRIGHTON & HOVE CITY COUNCIL****4.30pm 20 JULY 2010
COUNCIL CHAMBER, HOVE TOWN HALL****DRAFT MINUTES****Present:** Councillors: Mitchell (Chairman), Pidgeon (Deputy Chairman), Bennett, Cobb, Kennedy, Morgan, Older, Peltzer Dunn, Wakefield-Jarrett and Watkins.**PART ONE****17A TARGETED BUDGET MANAGEMENT 2010/2011 AND VALUE FOR MONEY
PROGRAMME UPDATE**

- 17A.1 The Strategy and Resources Manager presented the Targeted Budget Management 2010/2011 and Value for Money Programme Update. This report to 22 July Cabinet meeting was included as a late item to OSC at the request of the OSC Chairman as it provides up to date financial context for the next item 17(B) on this agenda.
- 17A.2 The TBM report was being presented earlier than usual. This is an early estimate which shows a forecast overspend of around £2.4 million on council controlled budgets. There was time to achieve a balanced budget by year end; action plans to mitigate directorate forecast overspends would be reported to 16 September Cabinet.
- 17A.3 Answering questions, the Head of Strategic Finance and Procurement said the forecast £235,000 underspend in 2009/2010 was proposed to be used to fund any overspend in 2010/2011; it was not available to offset grant reductions. The forecast outturn included all the impacts of the adverse weather and loss of parking income; the Council holds financial provision for risk.
- 17A.4 Other queries were on; whether the bursary scheme to attract newly qualified social workers is continuing (Appendix 1, Children and Young People's Trust); and if at paragraph 3.9, the £250,000 'programme management support, business analysis and communications resources' refers to consultants fees.
- 17A.5 RESOLVED** (1) That the report be noted.
(2) That information as minuted at 17A.4 above be requested.

**EXTRACT FROM THE DRAFT PROCEEDINGS OF OVERVIEW AND SCRUTINY
COMMISSION HELD ON 20 JULY 2010****BRIGHTON & HOVE CITY COUNCIL****4.30pm 20 JULY 2010
COUNCIL CHAMBER, HOVE TOWN HALL****DRAFT MINUTES****Present:** Councillors: Mitchell (Chairman), Pidgeon (Deputy Chairman), Bennett, Cobb, Kennedy, Morgan, Older, Peltzer Dunn, Wakefield-Jarrett and Watkins.**PART ONE****17B 2010/11 IN-YEAR GOVERNMENT GRANT REDUCTIONS**

- 17B.1 The Strategy and Resources Manager presented the 2010/11 In-Year Government Grant Reductions. This report to 22 July Cabinet meeting was included as a late item on this agenda for comment, as the result of a Liberal Democrat Notice of Motion at 15 July Council.
- 17B.2 It sets out proposals for managing 2010/2011 in-year grant reductions, following recent Government announcements and agreement by 17 June Cabinet on the principles for dealing with the reductions.
- 17B.3 The Head of Strategic Finance and Procurement further clarified the details of the proposals, pointing out that the reduced Local Delivery Support Grant outlined in Appendix 3 was new information from the Department for Education that had not been available at 15 July Council.
- 17B.4 The reduced Youth Capital Fund grant was also a new DfE announcement. A series of government statements set out in Appendix 3 were still being analysed.
- 17B.5 The Commission was particularly concerned that grants for children and young people were affected. Because of the potential effect on the numbers of young people not in education employment or training (NEETs) it was agreed to refer to CYPOSC the Equalities Impact Assessment of the Connexions Service reduction (report paragraph 5.3)
- 17B.6 Members were dismayed at proposals that road safety and dropped kerbs should lose funding priority in year 2010/2011.
- 17B.7 Answering questions officers told the meeting that some £80,000 of the £600,000 allocated to Playbuilder in 2010/2011 had already been spent; the Council's contractual commitments to these schemes would be checked.

- 17B.8 Following recommendations from scrutiny of budget proposals for 2010/2011, Directorates were being asked for Equalities Impact Assessments where necessary.
- 17B.9 Members noted the speed required under difficult circumstances to make the in-year reduction decisions. They argued that more information was needed on the basis for new funding proposals and the potential effects, especially on equalities, that these decisions would have over time on communities.
- 17B.10 They also felt that the underlying financial assumptions made in making decisions on grant reductions should be carefully monitored. Officers reassured the meeting that this would be included in the December budget update report.
- 17B.11 The Commission agreed to establish a cross-party scrutiny review of the effects of grant reductions decisions on communities including the impact on equalities.
- 17B.12 On behalf of the Commission the Chairman thanked the officers.
- 17B.13 RESOLVED (1)** That the report be noted
- (2) That the Equalities Impact Assessment of the Connexions Service reductions be referred to CYPOSC
 - (3) That a scrutiny review be established as minuted at 17B.11 above.