



# Brent

## **Cabinet Supplementary: Budget and Council Tax 2018/19**

**Monday 12 February 2018 at 6.00 pm**  
Board Rooms 3, 4 & 5 - Brent Civic Centre

# Agenda

Item	Page
7 <b>Budget and Council Tax 2018/19</b>	1 - 174

The purpose of this report is to set out the Council's budget proposals for 2018/19 and to update the medium-term budget outlook. It also sets out the results of the consultation and scrutiny processes. Subject to discussion at the Cabinet meeting these will form the basis of the budget to be agreed at the Full Council meeting of 26 February 2018.

**Ward Affected:**  
All Wards

**Lead Member:** Deputy Leader (Councillor Margaret McLennan)  
**Contact Officer:** Ravinder Jassar, Head of Finance  
Tel: 0208 937 1487  
ravinder.jassar@brent.gov.uk

 <b>Brent</b>	<b>Cabinet</b> 12 February 2018
	<b>Report from the Chief Finance Officer</b>
<b>Budget and Council Tax 2018/19</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b>	Open
<b>No. of Appendices:</b>	10
<b>Background Papers:</b>	None
<b>Contact Officer:</b>	Conrad Hall Chief Finance Officer Tel: 0208 937 6528 <a href="mailto:Conrad.hall@brent.gov.uk">Conrad.hall@brent.gov.uk</a>

## 1.0 Purpose of the Report

- 1.1 The purpose of this report is to set out the Council's budget proposals for 2018/19 and to update the medium-term budget outlook. It also sets out the results of the consultation and scrutiny processes. Subject to discussion at the Cabinet meeting these will form the basis of the budget to be agreed at the Full Council meeting of 26 February 2018.
  
- 1.2 Members are reminded that at the Council meeting of February 2017 a series of savings proposals were agreed to take effect in 2018/19 which, on the financing assumptions at that time, were sufficient to balance the budget in 2018/19. Update reports have been brought to Cabinet throughout the year, most recently in October and December 2017. Although the provisional local government finance settlement, announced just before Christmas, contained some unexpected changes (discussed below) the position remains that a balanced budget for 2018/19 can be agreed by reconfirming those savings proposals accepted by Council in February 2017: no new savings proposals are introduced by way of this report.
  
- 1.3 Brent has delivered savings of £150m since 2010, and it is clear that over the medium-term into 2019/20 and beyond further savings will be required. The lack of clarity about the future of local government financing (discussed more fully in section three of this report) makes it hard to be precise about future financial targets, but the working assumption is that further savings of around £30m will need to be identified for those two years.

- 1.4 Brent, like most well-run local authorities, seeks to avoid making substantial new proposals in the last budget of any Administration, as it will be for whatever councillors are elected in May 2018 to determine longer-term financial policy. Therefore, no new budget proposals for 2019/20 and beyond are set out by way of this report.
- 1.5 However, the provisional local government finance settlement unexpectedly increased the 'referendum limit' for council tax from two to three per cent and, like last year, the Government's financing assumption was that all councils would act on this. The rules on increasing council tax for the social care precept were unchanged. This means that the council could choose to increase council tax by up to 5% in 2018/19 without the need for a referendum, of which 2% would be ring-fenced for adult social care (the social care precept). The previous intention was to raise council tax by 4% in 2018/19, which at the time of the February 2017 Council report was the maximum permitted by the legislation.
- 1.6 Taking into account the inflationary pressures that the council is subject to (which Ministers have confirmed were a significant factor in their decision to increase the referendum limit), the financial position in the round and the results of consultation through the Brent Connects and other meetings held by the date of despatch of this report leading Members have instructed officers to prepare the budget on the basis of a 4.99% increase in the Brent element of the council tax. The Mayor of London has announced plans for an increase in his precept of 5.07% (slightly different rules on the limits for the GLA apply due to its role as the police authority) making the overall increase in council tax 5.01%. This equates to £1,496.54 at Band D, or the equivalent of £28.78 per week, and the overall increase equates to £1.37 per week.
- 1.7 Agreeing the proposals in this report, all of which were consulted on and agreed in February 2017, will enable the Council to set a balanced budget in 2018/19 in accordance with its statutory obligations and consistent with the Borough Plan and Brent 2020 Vision, with the key features being:
- Increases in council tax to minimise the requirement to reduce services;
  - Innovative capital investment to reduce costs in key services, such as temporary accommodation;
  - Planning for growth in services facing major demographic pressure, for example adult social care; and
  - Investing in key services for the most vulnerable elements of Brent's community, including for example council tax exemptions for care leavers until the age of 25.
- 1.8 Aside from the usual updating of and adjustments to various technical assumptions the key features of this budget would be:
- A council tax increase of 4.99% for the Brent element, making a Band D council tax of £1,202.31. Additionally, the Council will levy a council tax of £294.23 at Band D on behalf of the Greater London Authority which is a 5.07% increase on last year. Therefore, the total council tax at Band D will be £1,496.54, a 5.01% increase on the 2017/18 level.

- New budget savings proposals (all of which were agreed by Council in February 2017) with an aggregate value of £12.9m, as summarised in Appendix B.

1.9 This report is structured as follows:

- Recommendations for cabinet and full council to approve;
- Strategic overview of the financial and macro-economic climate;
- The forecasts against the current year's (2017/18) revenue budgets are summarised;
- Summary of the process to develop the budget;
- Changes to the revenue funding position, based on the provisional local government finance settlement, which was released after the last Cabinet report on the subject;
- The results of consultation, equalities and other relevant factors are set out;
- Updates from the Council's ring fenced budgets, specifically the Housing Revenue Account (HRA) and the Dedicated Schools Grant (DSG);
- The capital programme is presented along with the emerging investment strategy and the associated prudential borrowing indicators and treasury management measures; and
- Finally, the report considers the budget beyond 2018/19 and the approach to developing budget proposals.

## **2.0 Recommendation(s)**

### **Cabinet**

- 2.1 Agree to recommend to full council an overall 4.99% increase in the Council's element of council tax for 2018/19 with 2% as a precept for Adult Social Care and a 2.99% general increase.
- 2.2 Agree to recommend to full council the General Fund revenue budget for 2018/19, as summarised in Appendix A.
- 2.3 Note the cost pressures, technical adjustments and savings detailed in Appendix B.
- 2.4 Note the Dedicated Schools Grant as set out in section 9 of this report.
- 2.5 Note the report from the Budget Scrutiny Panel in Appendix C.
- 2.6 Agree to recommend to full council the capital programme as set out in Appendix D.
- 2.7 Agree to recommend to full council the Treasury Management Strategy and the Annual Investment Strategy for 2018/19 set out in Appendix E.
- 2.8 Note the Prudential Indicators measuring affordability, capital spending, external debt and treasury management set out in Appendix F.
- 2.9 Note the advice of the Director of Legal and HR as set out in Appendix G.

- 2.10 Agree, and where relevant agree to recommend to full council, the schedules of fees and charges set out at in Appendix H, and the proposed new fees and charges policy, including the officer delegated powers to which it refers.
- 2.11 Note the results of consultation as set out in section 7 and detailed in Appendix I.

### **Full Council**

- 2.12 Agree an overall 4.99% increase in the Council's element of council tax for 2018/19 with 2% as a precept for Adult Social Care and a 2.99% general increase.
- 2.13 Agree the General Fund revenue budget for 2018/19, as summarised in Appendix A.
- 2.14 Agree the cost pressures, technical adjustments and savings detailed in Appendix B.
- 2.15 Agree the dedicated schools' grant as set out in section 9 of this report.
- 2.16 Note the report from the Budget Scrutiny Panel in Appendix C.
- 2.17 Agree the capital programme as set out in Appendix D.
- 2.18 Agree the Treasury Management Strategy and the Annual Investment Strategy for 2018/19 set out in Appendix E.
- 2.19 Agree the Prudential Indicators measuring affordability, capital spending, external debt and treasury management set out in Appendix F.
- 2.20 Note the advice of the Director of Legal and HR as set out in Appendix G.
- 2.21 Agree the schedule of fees and charges as set out in Appendix H and the proposed new fees and charges policy, including the officer delegated powers to which it refers.
- 2.22 Note the results of consultation as set out in section 7 and detailed in Appendix I.
- 2.23 Agree the Pay Policy Statement for 2018/19 as set out in Appendix J.

### **Council Tax recommendations**

**These recommendations only include a provisional Council Tax level for the GLA as its final budget was not agreed when this report was dispatched. This means that the statutory calculation of the total amount of Council Tax under Section 30(2) of the Local Government Finance Act 1992 may be amended by the final Greater London Authority precept.**

- 2.24 In relation to the council tax for 2018/19 we resolve:

That the following amounts be now calculated by the Council for the year 2018/19 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:

- (a) £977,024,657 being the aggregate of the amount that the Council estimates for the items set out in Section 31A(2) of the Act.
- (b) £861,991,242 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £115,033,413 being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.
- (d) £1,202.31 being the amount at (c) above, divided by the amount for the tax base of 95,677, agreed by the General Purposes Committee on the 8 Dec 2017, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

(e) Valuation Bands

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
£	£	£	£	£	£	£	£
801.54	935.13	1,068.72	1,202.31	1,469.49	1,736.67	2,003.85	2,404.62

being the amounts given by multiplying the amount at (d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

2.25 That it be noted that for the year 2018/19 the proposed Greater London Authority precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, in respect of the Greater London Authority, for each of the categories of dwellings are as shown below:

Valuation Bands

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
£	£	£	£	£	£	£	£
196.15	228.85	261.54	294.23	359.61	425.00	490.38	588.46

2.26 That, having calculated the aggregate in each case of the amounts at paragraph 2.26(e) and 2.27, the Council, in accordance with Section 30(2) of

the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2018/19 for each of the categories of dwellings shown below:

#### Valuation Bands

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
£	£	£	£	£	£	£	£
997.69	1,163.98	1,330.26	1,496.54	1,829.10	2,161.67	2,494.23	2,993.08

2.27 That it be noted that the Chief Finance Officer has determined that the Council's basic amount of Council Tax for 2018/19 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.

- (a) That the Chief Finance Officer be and is hereby authorised to give due notice of the said council tax in the manner provided by Section 38(2) of the 1992 Act.
- (b) That the Chief Finance Officer be and is hereby authorised when necessary to apply for a summons against any council tax payer or non-domestic ratepayer on whom an account for the said tax or rate and any arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.
- (c) That the Chief Finance Officer be and is hereby authorised to collect revenues and distribute monies from the Collection Fund and is authorised to borrow or to lend money in accordance with the regulations to the maximum benefit of each fund.

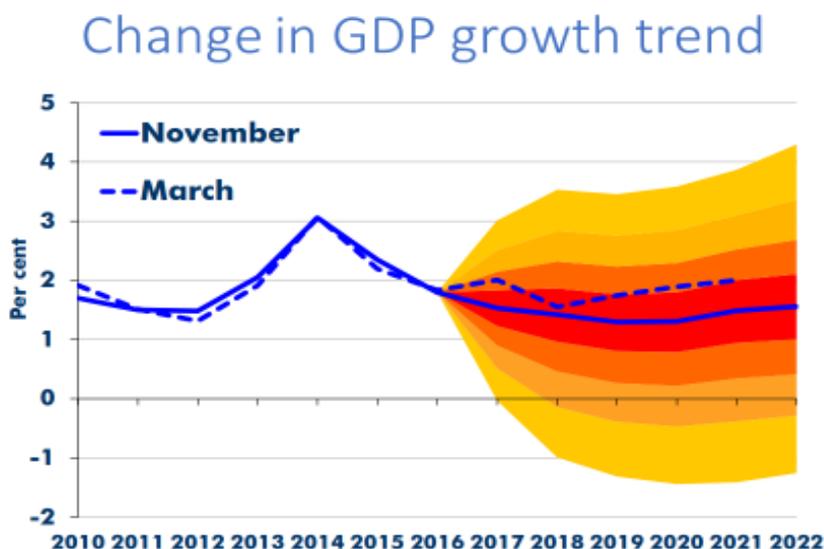
2.28 That in the event that the GLA sets a different council tax precept to that set out in this report (which was the published provisional amount at the date of despatch) that authority be delegated to the Chief Finance Officer to vary the amounts at 2.25, but only insofar as to reflect the GLA decision, and to make consequential, but no other, amendments to the amounts at 2.26.

### **3.0 Strategic Overview**

3.1 The council takes a long-term and strategic approach to its corporate and financial planning, linking the Borough Plan and Brent 2020 Vision to the budget decisions set out by way of this report. This has been adapted, and will continue to be adapted, in order to meet residents' most important needs whilst remaining within the financial constraints imposed by the ongoing austerity regime.

3.2 The proposals in this report enable the Council to balance the 2018/19 budget whilst giving some protection to front line services and investing in key projects and priorities. The funding gap in future years, estimated at around £30m for 2019/20 and 2020/21, demonstrates the difficult service decisions ahead as central government funding reductions continue to reduce the resources available to meet increasing service demands.

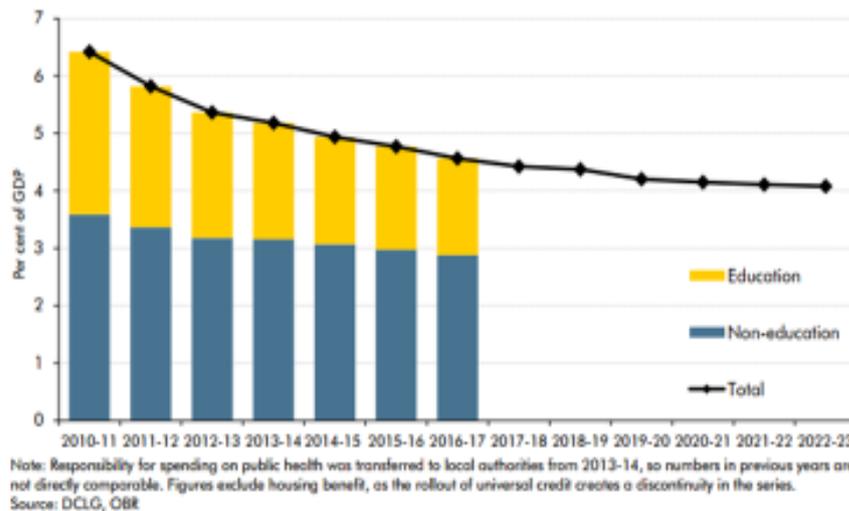
- 3.3 As reported previously, demographic change in Brent continues to drive costs. The Office for National Statistics projects that from 2017 to 2020 the number of over 65s in Brent will grow by over 8%; and the number of under 15s by 3.5%. This is much faster than the population as a whole, which is nonetheless forecast to grow by 3.2%. The estimates of the likely costs of these pressures, set out in the October and December Cabinet reports, are still considered realistic.
- 3.4 Also as previously reported the autumn statement provided little to ease the financial pressures facing Local Government. It is particularly disappointing that there were no new measures to address the financial pressures on councils on adult social care and children’s social care. It is worth remembering that whilst the emphasis seems to be less on austerity than previously, local government appears to remain relatively far down the list of spending priorities, compared with say the NHS, Education and many other areas of public policy.
- 3.5 At the national level the debate over Brexit is likely to dominate political proceedings. Whilst there is much speculation about what sort of deal might be negotiated and what its national and local consequences might be the reality is that it is too soon to be able to make any sort of reliable estimate of the consequences for local government.
- 3.6 In this context, the Office for Budget Responsibility’s economic outlook following the autumn statement highlighted that growth will be slightly weaker than expected with a weaker outlook for growth over the medium term. Overall there appears to be a less optimistic view on economic growth than the previous budget, which is illustrated in the chart below:



- 3.7 The Provisional Local Government Finance Settlement was announced on 19 December 2017. As Brent, like almost every other local authority, had signed up to the four year spending deal offered last year this confirmed the significant funding cuts from 2016/17 to 2019/20. Based on the Government’s projections of the funding that will be available to local government, funding will fall by 5.4% in 2018/19 (5.8% for London Boroughs), and in real terms by 21.8% by 2019/20 (20.2% for London Boroughs). This continued reduction in local government funding since 2010 is further illustrated in the chart below:

# Local government expenditure as % of GDP

- 7+ years of reductions as % of GDP



Source: OBR

3.8 London Councils, on behalf of the Chief Executives' Liaison Committee (CELC) and the Society of London Treasurers (SLT) undertook a comparative analysis of London Boroughs' future spending plans and savings targets. The intention was to conduct a 'stress test' of those plans by modelling plausible scenarios, such as non-delivery of savings or reductions in tax base, to understand the relative ability of boroughs to withstand financial shocks. In brief the survey found that:

- There has been a reduction in overall reserves in London Boroughs of approximately 10% and future plans show an acceleration in their use; Brent has done well to avoid needing to use reserves this way so far, particularly as the general reserve is at a relatively low level compared to other London boroughs.
- In total £1.6 billion of savings need to be secured over the next three years, of which £500 million is yet to be identified; Brent's position is fairly typical in this respect.
- Many London boroughs are planning significant savings in adults and children's social care services even though these are overspending against existing budgets; Brent, despite recent pressures, has a good record of controlling these budgets in recent years.
- Four areas dominate growth pressures; social care, inflation, pay, and homelessness; Brent has achieved savings in the cost of supporting homeless families but faces the same spending pressures in the other areas.

3.9 Perhaps not surprisingly the survey also showed that the ability of London boroughs to withstand major financial shocks was limited. If a combination of shocks hit simultaneously, for example a significant recession simultaneously triggering reduced income from business rates, declining council tax collection rates and increased homelessness costs then all London boroughs would struggle to meet their commitments over the medium term. Brent's position was somewhat favourable in the comparative analysis, reflecting the council's relatively strong balance sheet, but nonetheless the strategic point to emphasise is that continued and disproportionate reductions to local government funding have now severely constrained the sector's ability to manage further pressures.

#### 4.0 The Council's current year revenue budget and forecasts

4.1 The table below shows the Council's current revenue budget and forecasts. Overall, expenditure will be contained within budget. Whilst this is a good position it masks some over and underspends across different funds. Underspends in the HRA and the DSG funded element of the general fund are offsetting an overspend of £0.6m in the rest of the general fund, which had been forecast to spend within budget at the last report to Cabinet, in November 2017.

4.2 This adverse movement is due to increased forecast overspend in Community Wellbeing (£0.3m increase on the £0.5m previously reported) and a forecast overspend in Children & Young People (a new variance of £0.1m). Both of these relate mainly to social care placement costs, planned savings not yet achieved, and increased staffing costs. These overspends are partially offset by underspend in Regeneration & Environment of £0.6m (unchanged since last report) relating principally to vacancies in the service and increased income. The Housing Revenue Account (HRA) is expected to underspend as a result of additional income from leaseholders; as is the Dedicated Schools Grant (DSG), mainly due to reduced growth in primary school place requirements.

Department	Budgeted Income	Budgeted Expenditure	Net Budget	Forecast spend	Variance
Figures as at December 2017	£m	£m	£m	£m	£m
Children & Young People	(29.2)	70.0	40.8	40.9	0.1
Community Wellbeing	(74.2)	202.2	128.0	128.8	0.8
Regeneration & Environment	(39.3)	74.0	34.7	34.1	(0.6)
Resources	(16.7)	51.1	34.4	34.4	0.0
Performance, Policy & Partnerships	(1.2)	10.8	9.6	9.6	0.0
Central Items (excludes Housing Benefit)	(291.7)	44.2	(247.5)	(247.5)	0.0
<b>Total (General fund)</b>	<b>(452.3)</b>	<b>452.3</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>
DSG funded activity (see table three)	(201.0)	201.0	(0.0)	(2.5)	(2.5)
HRA funded activity (see table four)	(53.1)	57.1	4.0	2.2	(1.8)
<b>Overall position</b>	<b>(706.4)</b>	<b>710.4</b>	<b>4.0</b>	<b>0.0</b>	<b>(4.0)</b>

- 4.3 These forecast results are subject to various risks and uncertainties and a number of actions and interventions are being put into place to address the areas of overspend. These are set out in more detail in the Financial Forecast Q3 report on the same agenda. That being said, there are some overspends that are structural and may continue into 2018/19 if the issues causing them are not addressed. The most significant is the cost of providing transport for children with special educational needs, driven by larger than expected increases in passenger numbers.
- 4.4 In addition, Transport for London recently announced revised funding allocations up to 2021/22. Unexpectedly, this included large reductions to Local Implementation Plan (LIP) grants received by London Boroughs to deliver the Mayor's Transport Strategy. The GLA and the London Boroughs were not formally engaged on the business plan prior to its publication and there remains an expectation to deliver the schemes as planned, for example secure cycle parking, cycle training, car clubs, reduction of clutter, installation of electric vehicle charging points, school and workplace travel plans, training and publicity. The reduction in funding is £0.3m (11%), which will impact on the resources available for the service and furthermore create uncertainties with regards to future planning and delivery of such schemes. That being said, these pressures can be contained within the overall budget envelope for the Council without requiring additional savings to be made. All other overspends are expected to be addressed so that they do not re-occur.

## **5.0 Budget Development Process**

- 5.1 The Council set its budget and council tax for 2017/18, and its business plans for 2018/19, at the 27 February 2017 meeting. This included the delivery of £19.8m of savings in 2017/18 and plans for £12.9m of savings to be delivered in 2018/19. The proposals were developed by the members of the Cabinet, taking account of the advice of officers. As a reminder, the budget development process was as follows:
- Meetings involving Cabinet and Corporate Management Team members to consider the key service and budget issues likely to affect the council in future years;
  - Development by officers, in consultation with relevant Lead Members, of budget proposals for individual services within the context of the Borough Plan and the overall resources available;
  - The publication of a detailed list of savings proposals at Cabinet in October 2016 for consultation purposes;
  - Debates through the Budget Scrutiny Panel of the Scrutiny Committee;
  - Presentations and question and answer sessions at each Brent Connects meeting, and three pop up consultations;
  - Considering feedback from the public, whether received by the general 'consultation@brent.gov.uk' email address or other direct representations;
  - Receipt of petitions from the public and representations from other interested parties, such as recognised trades unions and local businesses; and

- Conducting Equality Impact Assessments of the budget proposals in order to ensure that their consequences were properly understood.
- 5.2 Following the February 2017 meeting, Cabinet received an update on the financial position on 27 July 2017 and 11 December 2017, as well as updates on business rates devolution and the financial position generally. The Budget Scrutiny Panel also reviewed the position again, and its report is attached as Appendix C. In addition, residents were consulted in the usual way (e.g. through Brent Connects and via the website). It was reasonable to adopt this low-key approach as no new savings proposals have been introduced since February 2017. It is also important to bear in mind that the additional savings for 2018/19 include significant savings (nearly £5m) from improved contract management without reducing service standards, savings in support service costs of around £2m, ongoing transformation of adults and children's social care (£2.2m) and additional income of over £2m: in other words the direct impact on service standards to residents should not be significant.
- 5.3 This report updates the position on the core estimates that drive the budget development process, including the outcome of the provisional settlement and the consultation process.

## **6.0 Future Revenue Funding Position**

- 6.1 The provisional 2018/19 Local Government Finance Settlement was announced on 19 December 2017 and provided details of the core funding allocations for local authorities in 2018/19 and 2019/20. As this is the third year of the current 'four year offer' period the figures were within those previously assumed as part of the 2017/18 – 2018/19 budget setting process agreed in February 2017. The key headlines that are relevant for Brent from a financial planning point of view are set out below.

### ***Revenue support grant (RSG) and business rates top-up***

- 6.2 There are no changes to Brent's previously announced allocations as, like most other councils, last year Brent signed up to the Ministry of Housing, Communities & Local Government (MHCLG) proposal to fix RSG and business rates top-up until 2019/20.
- 6.3 The settlement confirms Ministers' intention to undertake a fundamental review of the basis of grant allocations, effective from 2020/21 onwards (the 'Fair Funding Review'). It is still not possible to make reliable estimates of the impact this will have on Brent and this uncertainty remains the largest single variable in the council's long-term financial planning. The results of the Fair Funding review are not expected before late 2019, making long-term financial planning difficult. In the meantime officers will follow developments and respond to the next stage of the technical consultation, the deadline for which is 12 March 2018.

### ***Council Tax***

- 6.4 Unexpectedly, the MHCLG have increased the 'referendum limit' for council tax to 3% in recognition of higher than expected inflation and the pressures on services such as social care and policing. It was previously 2%, on which the

Council has consulted and assumed in its financial planning. No changes were announced to the social care precept. This means that Brent could choose to increase its council tax by 4.99% without holding a referendum (2.99% for core services plus a 2% adult social care precept). Technically, the precept can be increased by 4% over the next two years provided it is not increased by more than 3% in any one year. Last year the Council decided to increase the precept by 2% per annum. At present the financial plans are based on an assumption of an overall rise of 3.99%, and the 2018/19 budget would be balanced at 3.99%. The key differences between a 4.99% and a 3.99% increase would be additional income of approximately £1.1m, excluding the GLA element which is proposed to increase by 5.07%.

- 6.5 It is worth noting that the MHCLG core spending power assumptions in the settlement assume that all local authorities in England will increase their council tax in line with the 3% referendum limit in both 2018/19 and 2019/20 – in other words that there is an implicit assumption from MHCLG, built into the future funding settlements, that local authorities will increase council tax by up to the referendum limit. As the increase would permanently increase the council tax base income it would also reduce the significant funding pressures in 2019/20 and beyond.
- 6.6 After due consideration the recommendation of this report is that the additional flexibility to increase the core element of council tax by an additional 1% be taken forward and that the budget should be constructed on the basis of a council tax increase of 4.99% in 2018/19.
- 6.7 This increase will initially be held as a general contingency, and to meet the additional costs of transporting children with special educational needs referred to above. It will also enable the proposed exemption from council tax for care leavers to be built into the budget without the need to identify compensating savings, and to offset the significant financial pressures identified for 2019/20 and beyond.

### ***Business Rates***

- 6.8 The announcement of 75% devolution of business rates by 2020/21 was unexpected but coincides with the start of the new funding baselines that the Fair Funding Review will establish. It is too early yet to do more than speculate how this will work in practice, as all of the previous policy announcements have been predicated on MHCLG working towards 100% devolution.
- 6.9 Ministers have confirmed that pilot pools will continue to test the 100% system, on the basis that this allows for a rigorous testing of certain technical aspects of the proposals, especially around revaluations and appeals. It is currently unclear which additional services local government will be expected to fund from the additional retained business rates, nor is it clear how many of the other technical aspects of 75%, rather than 100%, devolution would in fact need to be handled.

## ***London Business Rates Pilot Pool***

- 6.10 The Chief Finance Officer, under delegated authority, approved the Government's Designation Order for Brent to participate in the London Business Rates Pilot Pool, along with all other 32 London Boroughs and the GLA for 2018/19.
- 6.11 A Pan London pool will mean that £470m of business rates income will be retained in London, which is £240m higher than the same assumptions that would result under the current scheme. This will mean that London will have greater control over the level of business rates that is generated in the Capital – sharing the risk locally but also sharing the benefits that growth generates. The latest modelling indicates that the net financial benefit to Brent of participating in the Pool is estimated to be £4.9m for 2018/19. This is based on estimates using forecasts from London Boroughs and are therefore only illustrative and a lower set of figures is entirely possible. However, the example serves to illustrate the potential direct financial benefit of joining a pool on the pilot basis being offered.
- 6.12 Following the settlement, London Councils' circulated an updated business rates pilot pooling model which included the published baselines. While there were no material changes to figures previously published, a significant caveat to the estimated shares of the overall net financial gain is that it relies on growth estimates from a survey conducted in May 2017. The financial modelling will next be updated using the annual NNDR1 return submitted to MHCLG in January 2018. This should give a much more accurate forecast of growth expected in 2018/19 and therefore Brent's share, but will not be complete across London by the date of dispatch of this report.
- 6.13 It is important to stress that the final value of additional income due to Brent from the trial will not be known until the Statement of Accounts for the Pool Collection Fund, managed by The City of London Corporation, has been finalised and audited in the summer of 2019. Given this uncertainty, and given that it should be for the Administration newly elected in May 2018 to make longer-term financing decisions, the budget at this stage does not allocate any of this potential one-off benefit to services or projects. It will be sensible to review the position after a few months of operation of the pool, and officers will timetable a report accordingly.
- 6.14 The table below illustrates the change in core funding for Brent arising from the pilot pool. Existing grant income streams will be replaced by the retained business rates from the pool with a net estimated improvement in Brent's position of £4.9m as set out above.

	2018/19	2018/19
	Original Brent Budget	London Councils estimate
	£m	£m
<b>Income</b>		
RSG	33.7	0
NDR (50% retained)	37.8	0
NDR top up	51.0	0
NDR Pooling	0	127.4
<b>Total Core Funding</b>	<b>122.5</b>	<b>127.4</b>

- 6.15 In addition to the £4.9m estimated gain (which will be one-off not base budget funding) from the 100% business rates retention pilot pool the latest data also suggests growth in the core business rates in Brent, captured through the statistical NNDR1 return. This position will be closely monitored during 2018/19 but at this stage it is not thought prudent to build this potential additional income into the base budget, especially given the economic uncertainty referred to above.
- 6.16 In addition probable changes to the capital financing regime are likely to be introduced by MHCLG. These appear to be aimed at authorities that, unlike Brent, are perceived not to have made appropriate provision for the repayment of long-term debt. However, the 'catch-all' nature of the proposed regulations (which are subject to consultation) may nonetheless require Brent to increase the rates at which it provides for debt repayment in some cases. Officers would consider this to be unnecessary in Brent's case, although not necessarily damaging in the long-term. However, until the position is clarified it would be sensible to consider that additional capital financing charges may be required in 2018/19 or later years and hence to take a measured approach to allocating the expected additional business rates income.

#### **Valuation Office Agency adjustment**

- 6.17 On 18 January 2018, MHCLG wrote to Local Authorities advising them of a technical error in the provisional settlement calculations. The Valuation Office Agency (VOA) published updated revaluation statistics which as a consequence changes the calculation of Brent's NNDR top up grant. Officers' estimate of the adjustment at the point of despatch of this report is a loss of £12,279.59. The exact figure will not be confirmed by MHCLG until the final local government settlement is released, which is expected before the date of the Cabinet meeting but after despatch of this report.

#### **Changes to financing assumptions since December**

- 6.18 The provisional local government finance settlement was announced on 19 December 2017. The report to Cabinet for 11 December 2017 was based on estimates of what would be proposed within the settlement, and it is therefore

necessary to update these assumptions in setting the final budget. The following table and section summarises these changes.

	<b>Pre</b>	<b>Post</b>
	<b>Provisional</b>	<b>Provisional</b>
	<b>Settlement</b>	<b>Settlement</b>
	<b>2018/19</b>	<b>2018/19</b>
	<b>£m</b>	<b>£m</b>
<b>Income</b>		
Revenue Support Grant	(33.7)	0
Business Rates retained	(37.8)	0
Business Rates top up	(51.0)	0
Business Rates from the London Pool *	0	(122.5)
Council Tax	(113.9)	(115.0)
Specific Grants	(28.4)	(28.4)
<b>Total Income</b>	<b>(264.8)</b>	<b>(265.9)</b>
<b>Expenditure</b>		
Net Budget brought forward from 2017/18 before in year growth and savings	265.5	265.5
Demographic Growth	3.0	3.0
Other Growth	10.4	11.5
Savings presented in February 2017	(12.9)	(12.9)
Technical adjustments	(1.2)	(1.2)
<b>Total Expenditure</b>	<b>264.8</b>	<b>265.9</b>
<b>Balance</b>	<b>0.0</b>	<b>0.0</b>

\* As set out above the potential one off benefit of business rates pooling is not taken into account at this stage.

### **Greater London Authority (GLA) and the Council Tax precept**

- 6.19 Each financial year, the Mayor and London Assembly must prepare and approve a budget for each of the constituent bodies and a consolidated budget for the authority as a whole.
- 6.20 On 21 December 2017 the Mayor of London published his draft revenue budget for 2018/19 for consultation, in which it is proposed to increase the precept by £14.20 (or 5.1%) to £294.22 per Band D property in the 32 London Boroughs. The increase in the precept is the maximum amount allowed before triggering a referendum for both the policing element (£12 or 5.8%) and the non-policing element (£2.20 or 2.99%). These figures are subject to change following the consultation process and confirmation of London Borough's tax bases. The final budget will be considered by the London Assembly on 22 February 2018.

### **Overall impact and conclusion**

- 6.21 Aside from the wider and long-term strategic considerations the council will also need to deal with the specifics of budget setting. Decisions of external bodies affect the budget process. Notifications from some levying bodies and of some

grants are still awaited, but are expected to be managed within the proposed budget.

- 6.22 Overall, taking into consideration the additional income from council tax with the additional cost pressures mentioned in this report, the budget for 2018/19 is still in a balanced position and no new savings proposals need to be developed.

## **7.0 Equalities, Scrutiny and Consultation**

### **Equalities**

- 7.1 Under the Public Sector Equality Duty (PSED) in the Equality Act 2010, Brent Council is required to pay due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between different protected groups when making decisions. The groups protected by law, also known as protected characteristics, are age, disability, gender, race, religion or belief, pregnancy and maternity, marriage and civil partnership, sexual orientation and gender reassignment. Although socio-economic status (people on low income, young and adult carers, people living in deprived areas, groups suffering multiple disadvantage, etc.) is not a characteristic protected by the Equality Act 2010, Brent Council is committed to considering the impact on socio-economic groups.
- 7.2 The PSED does not prevent decision makers from making difficult decisions in the context of the requirement to achieve a significant level of savings across all operations. It supports the Council to make robust decisions in a fair, transparent and accountable way that considers the diverse needs of all our local communities and workforce. Consideration of the duty should precede and inform decision making. It is important that decision makers have regard to the statutory grounds in the light of all available material, including relevant equality analyses and consultation findings. If there are significant negative equality impacts arising from a specific proposal, then decision makers may decide to amend, defer for further consideration or reject a proposal after balancing all of the information available to them.
- 7.3 Members are reminded that the budget can be described as a financial plan of the Council's current operational intent. Where known, the equality impact of change must be disclosed. In February 2017 Full Council agreed its budget for 2017/18, and also approved the budget proposals to be built into the budget from 2018/19. These proposals went through a consultation process and were subject to equality impact assessments (EIA). This included the savings proposals for 2018/19 and the proposal to increase council tax by 3.99%.
- 7.4 The savings proposals for 2018/19 are set out in more detail in Appendix B. All savings proposals have been subject to the Council's EIA process to assess their potential/likely impact on service users and employees with protected characteristics. Where the EIA process has identified a disproportionate negative impact with no reasonable mitigation, the proposals have been subject to a full EIA.
- 7.5 As mentioned in section 6, it is proposed to increase council tax by 4.99% in 2018/19, which is an additional 1% on which the EIA was originally based upon after the Government raised the referendum threshold by 1% in recognition of

higher than expected inflation. An additional 1% will add 22p on to the weekly bill of an average Band D property. Therefore, as the increase is relatively small compared to what the original EIA screening was based upon, it is proposed to not repeat this analysis on the basis that the outcome would broadly be the same.

## Scrutiny

- 7.6 In 2016 the Scrutiny Committees reviewed the savings proposals for 2017/18 and 2018/19 through their budget panel and also the process through which they were developed. As a result, the scrutiny process for 2017 was undertaken in a slightly different way and focused on specific policies where the panel had concerns (rather than reviewing all spending plans again) and scrutinising the proposals for pooling business rates for London. The panel's report and recommendations are attached in full at Appendix C.

## Consultation

- 7.7 The council recognises consultation as a key part of policy formulation, and makes considerable effort to ensure that the views of residents and other groups are taken into account. The Council has consulted on the budget options in a variety of ways. Legally, the results of consultation are something that Members must have due regard to in making budget decisions. However, consultation need not legally be the single or even most significant determining factor in choosing between difficult options, although at Brent considerable emphasis is usually placed on the results of consultation.
- 7.8 The Council conducted an extensive consultation process between December 2016 and February 2017 where the savings proposals for 2017/18 and 2018/19 were presented. This included attendance at all of the Brent Connects meetings, an online consultation and responses received by post on the specific budget proposals. Three pop up events on the budget with the Leader and Deputy Leader were also held during January 2017.
- 7.9 As set out in this report, provided the decision on increasing Council Tax is agreed, the service budget for 2018/19 can be set on the basis of savings proposals which have already been consulted on extensively. That being said, as Brent Connects is a well-established consultation mechanism for local residents, businesses and other stakeholders, all of the planned meetings in 2018 were attended, as set out below:

<b>Date</b>	<b>Location</b>	<b>Attendance</b>
17 January	Brent Connects Wembley	27
19 February	Brent Connects Harlesden	TBC
30 January	Brent Connects Kilburn	TBC
6 February	Brent Connects Willesden	TBC
8 February	Brent Connects Kingsbury & Kenton	TBC

- 7.10 At these events the Leader of the Council delivered a presentation outlining the overall financial position and the difficult choices faces by the Council. The Leader and Deputy Leader then took questions from the audience and provided answers, supported by senior officers where appropriate for matter of technical detail.
- 7.11 As consultation was not planned to finish until after dispatch of this paper, a supplementary paper will be published before 12 February summarising the responses, and covering responses and meetings after the dispatch of this paper.
- 7.12 Consultation with local Brent businesses was also carried out via West London Business (a non-profit business leadership forum), the Federation of Small Businesses, the Town Centre Business Association and the Business Board. At the date of writing one response was received, which asked for further clarification on the budget setting process rather than a specific comment on the budget proposals.
- 7.13 All of these consultation responses are important. Members need to have regard to them, but are not obliged to follow the suggestions made. It is relevant to note that the consultees are, statistically speaking, “self selecting” and therefore not necessarily reflective of opinion in the borough as a whole, nor are they necessarily statistically significant. On the other hand, the people who have responded have chosen to take the time to review the council’s proposals and to contribute their thoughts, and often their views will be representative of the views of a much larger number of people.

## **8.0 Housing Revenue Account Budget**

- 8.1 The detailed HRA budget is set out in a separate report to the Cabinet on this agenda. The proposals reflect an overall rent reduction of 1% on social housing as required by the Welfare and Reform Act 2016, with effect from 2016/17 to 2019/20. The impact of this on the rental income for 2018/19 budget setting is £463k reduction to amount receivable in 2017/18. The separate report on this agenda sets out how pressures are being managed to maintain a balanced budget.

## **9.0 Schools Revenue Budget**

- 9.1 The Dedicated Schools Grant (DSG) has been announced at a total of £311.8m across all four blocks for 2018/19. This is an increase of £3.7m compared to the £308.1m allocated in 2017/18. The breakdown of this £3.7m is; an additional £1.7m for the schools block for the announced 0.5% per pupil funding increase, £1.2m for the High Needs Block due to funding protections now being calculated and applied across Brent’s 0-18 year old population, and £0.8m for the Early Years Block due to the 30 hours entitlement offer, introduced in September 2017, being in place for the full financial year.
- 9.2 The schools block increase by the Department for Education (DfE) of 0.5% per pupil was reviewed with Schools Forum and found to be insufficient for mainstream schools facing staffing and other inflationary cost pressures, meaning that the cash increase was a real terms funding cut. It was estimated in the autumn of 2017 that mainstream schools would require at least a further

£2m in overall funding to keep pace with these cost pressures in 2018/19. The DfE forecast there will be a further £1.1m of additional funding in 2019/20, but again this is unlikely to keep pace with inflation.

- 9.3 In October and December 2017 Schools Forum considered the DSG reserves which currently stand at £6m. The Schools Forum recommended that £2.5M of these reserves be used in the mainstream schools funding formula to protect schools from inflationary pressures. The forum also recommended that reserves would again be utilised to sustain the resulting funding formula in 2019/20. It was also recommended to the Cabinet that of the remaining DSG reserves £1m be earmarked to contain pressures or invest in the High Needs block, and another £1m earmarked as a contingency against pressures in Early Years provision. The DSG is forecast to underspend in 2017/18 so the remaining DSG reserves will remain at a sufficient level of at least £4.5m.
- 9.4 Schools Forum did not recommend any fundamental changes to the local funding formula for mainstream schools, so the additional £1.7m from the DfE and £2.5m of reserves is being allocated proportionately across the current mix of pupil funding factors, with individual school funding allocations consequently a function of pupil numbers, the levels of deprivation, and other measures of additional pupil need.
- 9.5 School funding is calculated from the October census data, the year on year change is a very slight fall in the pupil population, which broadly remains at 42,000. Reception and year 1 pupil numbers have decreased compared to last year with the result that some primary phase schools have seen their total pupil numbers decrease. Pupil growth has clearly shifted to the Secondary phase with 8 out of 12 Secondary schools seeing an increase in pupil numbers. It is also noted that the number of pupils that qualify for the English as an Additional Language (EAL) measure has fallen from 4,983 to 4,512, which is a decrease of nearly 10%.
- 9.6 This means that within the overall funding increase of £4.2m the changes in pupil numbers and cohorts will affect individual schools differently. 39 of 75 schools have seen a decrease in pupil numbers with the result that 26 will see their cash allocation drop, although per pupil funding has increased for most of these schools. Growth budgets of £3.1m will be retained to assist with secondary phase growth and localised primary phase pressures and commitments.
- 9.7 The High Needs block is under pressure from increased demand but the funding increase of £1.2 million will meet this and allow for a 2% top up funding rate to enable special provisions to keep up with inflationary pressures. Schools Forum is recommending that the High Needs block is balanced within the annual funding of £54.8m, and will consider the use of the £1m earmarked reserves for appropriate investments.
- 9.8 The Early Years block funding rate has reduced as expected to £5.37, but as this was planned for when the Brent Early Years Single Funding Formula was rebalanced the current funding rates for providers will not be cut. Funding for centrally funded services will however be reduced as the pass through requirement means that 95% of early years block funding must be allocated out to providers, rather than 93% in 2017/18.

## 10.0 Pay Policy Statement 2018/19

10.1 Section 38 of the Localism Act 2011 requires local authorities to publish an annual 'Pay Policy Statement', setting out their policies in respect of chief officer remuneration and other specified matters. Regard must be had to guidance to be published by the Secretary of State in preparing the statement, which must be approved by full Council. The Council is then constrained by its pay policy statement when making determinations on chief officer pay, although the statement may be amended at any time by a further resolution of the full Council.

10.2 The Council's proposed Pay Policy Statement for 2018/19 is provided at Appendix J and contains minor updating and clarification amendments to last year's Statement. In summary, the following pay scales have been adopted by the council:

- Greater London Provincial Council (GLPC) London Pay Scales (GLPC job evaluated and Greater London Whitley Council evaluated) (main pay scales)
- Senior Manager Pay Scales (Hay job evaluated) (senior managers)
- Soulbury Pay Scales (Education Psychologists, Advisors and Inspectors)
- Soulbury Pay Scales (Youth and Community Service, Young People and Community Service Managers)
- Teaching Pay Scales (for centrally employed local authority teachers)

## 11.0 The Capital Programme and Investment Strategy

### The 2017/18 Capital Programme

11.1 The capital programme for the 2017/18 financial year was £242.3m. The latest forecasts estimate that only £215.6m will be spent and so the balance has been re-profiled into 2018/19 or later years. The underspend, which is around 11% of the total programme, whilst undesirable, is significantly less than in previous years.

11.2 The table below shows the 2017/18 forecast against budget.

<b>Board</b>	<b>Budget £m</b>	<b>Forecast Outturn £m</b>	<b>Variance £m</b>
Corporate Landlord	3.5	3.8	0.3
Regeneration Board	12.1	10.5	(1.6)
Housing Care Investment Board	153.5	138.5	(15.0)
Schools Programme Board	33.3	33.0	(0.3)
South Kilburn Programme Board	12.7	13.1	0.4
Public Realm Board	27.2	16.7	(10.5)
<b>Grand Total</b>	<b>242.3</b>	<b>215.6</b>	<b>(26.7)</b>

## The 2018/19 to 2020/21 Capital Programme

11.3 The table below summarises the capital programme as agreed in March 2017, including monies carried forward from the previous year. It then sets out:

- a) Those cases where the timing of the practical delivery of schemes is now expected to be different to that anticipated when the budget was set, and hence also shows the re-profiling of the capital programme required to reflect this. By definition these changes do not alter the total amount of capital allocated, merely the timing of anticipated delivery.
- b) Those cases where additional grants can result in additional expenditure within the programme, and the financing and expenditure figures have been amended accordingly. An example these are works funded by Transport for London.
- c) Those cases where, since March 2017, Cabinet has authorised additional expenditure through specific decisions, which now need to be formally reflected into the capital programme. These schemes are have no requirement for additional net revenue expenditure. The capital financing has been updated to reflect these schemes. The schemes are:
  - Knowles House – further investment, £7.5m (Cabinet decision 19 June 2017);
  - Plot 3 Land East of Victoria Centre, Park Royal, £31.0m (Cabinet decision 24 May 2017);
  - Acquisition of land at 136 Honeypot Lane, £6.25m (Cabinet decision 11 November 2017).
  - Olympic Way Zones B and C total cost of £17.8m funded from Strategic Community Infrastructure Levy contribution (Cabinet decision 24 July 2017);
  - Tricycle Theatre Renovation Project, £1.0m (Cabinet decision 24 April 2017);
  - Digital Strategy, £5.6m (Cabinet decision 19 June 2017);
  - PRS Acquisition Programme, £50m (Cabinet decision 23 October 2017);
  - Fire Safety, £10m (Cabinet decision 13 November 2017);
  - Queens Park/Cullen House – JV £40m (£20m - 2020/21 and £20m – 2021/22) (Cabinet decision 15 January 2018);
  - S106 projects, £6.6m (Cabinet decision 13 November 2017). Additional £6.7m is expected to be allocated in 2018/19.
  - Highways & Transport, £3.5m (Cabinet decision 24 April 2017);  
And
  - £10.3M grant funded projects was added. This includes: Aids and Adaptations, approved Neighbourhood CILs, additional New

Homes Bonus and other minor projects. These required no cabinet approval.

d) This brings the capital programme up to date. A series of further proposals are then set out for consideration.

11.4 A summary of the proposed capital programme is below.

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
<b>Approved Budget - Feb 2017</b>	<b>218.0</b>	<b>144.6</b>	<b>60.6</b>	<b>0.0</b>	<b>423.2</b>
Carry-forward from 2016/17	0.0	13.7	0.0	0.0	13.7
<b>Amended Original Budget</b>	<b>218.0</b>	<b>158.3</b>	<b>60.6</b>	<b>0.0</b>	<b>436.9</b>
<b>Additional Schemes Approved by Cabinet</b>					
Knowles House	0.0	0.0	7.5	0.0	7.5
PLOT 3	0.0	12.0	12.0	7.0	31.0
136 Honeygot Lane	6.3	0.0	0.0	0.0	6.3
Fulton Road/Olympic Way Pedestrian Improvements	0.0	6.0	6.0	5.8	17.8
Tricycle Theatre	1.0	0.0	0.0	0.0	1.0
Digital Strategy	1.2	3.0	1.3	0.0	5.6
PRS Acquisition Programme	0.0	50.0	0.0	0.0	50.0
Fire Safety - HRA	0.0	10.0	0.0	0.0	10.0
Queens Park/Cullen House, South	0.0	0.0	0.0	20.0	20.0
Kilburn - JV					
S106 Projects - PR	6.6	6.7	0.0	0.0	13.3
Highways & Transport - Brent	0.0	0.0	0.0	3.5	3.5
Highways & Transport - TFL	3.6	0.0	0.0	0.0	3.6
Other Grant funded projects	10.3	0.0	0.0	0.0	10.3
<b>Budget prior to Re-profiling</b>	<b>246.9</b>	<b>246.0</b>	<b>87.4</b>	<b>36.3</b>	<b>616.7</b>
<b>Re-profiled - General Fund</b>	<b>(19.4)</b>	<b>(57.3)</b>	19.2	57.5	0.0
<b>Re-profiled - HRA</b>	<b>(17.7)</b>	<b>(11.8)</b>	29.0	0.6	0.0
<b>Re-profiled Total Budget</b>	<b>209.8</b>	<b>176.9</b>	<b>135.6</b>	<b>94.4</b>	<b>616.7</b>
<b>Total Budget - General Fund</b>	<b>155.8</b>	<b>125.3</b>	<b>86.0</b>	<b>79.2</b>	446.3
<b>Total Budget - HRA</b>	<b>54.0</b>	<b>51.6</b>	<b>49.6</b>	<b>15.2</b>	170.4
<b>Total Budget</b>	<b>209.8</b>	<b>176.9</b>	<b>135.6</b>	<b>94.4</b>	<b>616.7</b>
<b>Items in the Pipeline</b>					
Estimate of Projects Approved in 2018/19	0.0	50.0	175.0	175.0	400.0
<b>Revised Budget February 2018</b>	<b>209.8</b>	<b>226.9</b>	<b>310.6</b>	<b>269.4</b>	<b>1,016.7</b>

- 11.5 In addition, there is a reasonable expectation that a future council meeting will choose to continue with and expand successful capital programmes, such as NAIL and PRS acquisition. In addition, accumulated Strategic CIL receipts are now reaching the critical mass required to undertake major projects. Formal approval for these is not sought at this stage, but to provide this meeting with a proper sense of the scale of the capital programme it would be reasonable to expect capital programme additions of £50m in 2018/19, £175m in 2019/20 and perhaps the same again in 2020/21 – making the overall capital programme of the order of £1bn. This latter figure has been used for the capital financing calculations to ensure that capital expenditure and borrowing requirements are properly aligned.

### Financing of Capital

- 11.6 Capital investment can be financed in a variety of ways. For the council the main sources are government grants, other external contributions, s106 and CIL receipts and council contributions, whether by way of borrowing or direct revenue contributions.
- 11.7 The table below notes the planned financing of the proposed expenditure. Overall, the borrowing requirement is the difference between the expenditure and the amount of financing available, with the caveat that some sources of funding are subject to conditions. Based on the Council's approved Capital programme and proposed projects, it will need to borrow £259.5m, consisting of £198.9m to fund General Fund schemes and £59.6m to fund the HRA schemes. The HRA borrowing cap is £199m with current headroom of £60m.

### Borrowing Requirements

	Total 2017/18 to 2020/21		
	General Fund £m	HRA £m	Total £m

<b>Approved Expenditure</b>	446.4	170.4	616.7
<b>Pipeline</b>	400.0	0.0	400.0
<b>ESTIMATED CAPITAL EXPENDITURE</b>	<b>846.4</b>	<b>170.4</b>	<b>1,016.7</b>

#### Funding Source:

Capital Receipts (incl. RtB)	(250.6)	(48.8)	(299.3)
External Contributions	(1.2)	(12.0)	(13.2)
Grants	(168.3)	0.0	(168.3)
Section 106/CIL	(100.9)	0.0	(100.9)
New Homes Bonus	(43.4)	0.0	(43.4)
Internal Contribution	(0.7)	0.0	(0.7)
Earmarked Reserves	(83.1)	0.0	(83.1)
Major Repairs Reserve	0.0	(50.0)	(50.0)
<b>ESTIMATED CAPITAL FUNDING</b>	<b>(648.0)</b>	<b>(110.8)</b>	<b>(758.8)</b>

<b>Estimated Requirement to be Funded from Borrowing</b>	<b>198.3</b>	<b>59.6</b>	<b>257.9</b>
--	--------------	-------------	--------------

- 11.8 A key pillar of the Council's successful financial strategy has been to expand the capital programme, which will deliver substantial revenue savings, for example through the NAIL programme (£3m savings forecast over the next 2 years) and the PRS acquisition programme via i4B (£0.9m savings forecast over the next last 2 years). To date this has been managed without the need to enter into new borrowing commitments, but the table above makes it clear that this will no longer be the case. As set out in the Treasury Management Strategy (Appendix E) this will enable more efficient use of the council's resources, as we will no longer hold relatively high cash balances which cannot be invested other than for marginal returns.
- 11.9 It is critically important that any borrowing entered into must meet the tests set out in the CIPFA Prudential Code, specifically that they are prudent, affordable and sustainable. This requires detailed scrutiny of business cases to ensure that they cover all material risks and opportunities. Furthermore, borrowing that is ultimately entered into should only be undertaken when officers and Members are satisfied that appropriate provision has been made to ensure that the interest costs can be serviced and the principal eventually repaid.
- 11.10 Appendix F sets out the council's prudential indicators. It is important to stress that the authorised limit – the maximum amount that the council may borrow – has for a number of years been several hundred millions pounds above the level of actual borrowing – last year it was set at £400m above the level of actual borrowing. It is proposed to increase that headroom by £100m to £500m, in light of the Council's investment strategy, while recognising that the Council has been prudent with its estimate of the additional resources that may finance capital spend. The cost of servicing this debt will be recognised as and when new capital expenditure commitments are confirmed, and clearly illustrates that the focus of the capital programme will need to continue to be on generating revenue savings.

## **12.0 Approach to budget proposals for 2019/20-2020/21**

- 12.1 As reported to Cabinet in December 2017, officers' best estimate of the budget gap in 2019/20 was £19m and the gap in 2020/21 is estimated at £11m. Nonetheless, the exact gap is inherently uncertain, simply because of the number of variables to be estimated and the difficulty of doing so over longer periods of time. In the current circumstances, with a lack of a clear national policy direction on many aspects of local government finance it is even more than usually difficult to do so.
- 12.2 The most significant uncertainties within the local government finance system are:
- The Improved Better Care Fund, if it is built into long-term financial plans (which government has to date declined to do) has the potential to reduce the gap significantly.
  - Business rates devolution is theoretically cost neutral. However, most reforms to the local government finance system create winners and losers, but the impact of this cannot reliably be estimated at this point, all the more

so since the very recent announcement that the system will be based on 75% devolution rather than 100%, with no policy detail as yet available on the impact of this.

- The needs review is currently out for consultation and will change the weighting of the factors (deprivation, population density and so on) used to allocate government funding in 2020/21. The vital link with business rates is that this will determine the 'baseline' level of need and therefore determine the level of baseline business rates we retain. This will therefore create shifts in the pattern of funding and so the impact is likely to be substantial but which cannot reliably be forecast.

12.3 The total savings target is £30m for 2019/20 and 2020/21 as set out above. The accuracy of this is probably at best +/- 20%, and wider variations are entirely plausible. The actual figure required will not be known for at least a year, once the local government finance reforms are further forward.

12.4 The 2019/20 budget proposals will need to be consulted upon by autumn 2018, leading in to a February 2019 budget setting meeting at Council. It is therefore proposed to develop and consult on budget proposals for 2019/20 and 2020/21 after the elections in May 2018.

### **13.0 Financial Implications**

13.1 The council's financial position has been set out in this report and Members are under a legal obligation to set a balanced budget. In doing so they are obliged, under normal administrative principles, to take into account the various relevant factors, particularly in respect of consultation and equalities. In doing so Members are, of course, entitled to exercise their political judgement, paying regard to the relevant factors rather than being absolutely determined by them.

13.2 The budget report sets out a comprehensive picture of the council's finances over the short, medium and long term to assist in the decision making process in setting the 2018/19 budget and the forward looking business plans.

13.3 Overall, expenditure in 2017/18 is expected to be contained within the agreed budgets, although there are significant variances within that overall result. In consequence, the general reserve is expected to be retained at £12m with no need for amendment. This level is relatively low for London, but is not unreasonable.

13.4 In considering the budget report, a key consideration should be the delivery of the saving programme as it present substantial management challenges, particularly around procurement and civic enterprise savings. Again, considerable management attention has been and is being devoted to ensure that these can be delivered, but it is important to stress again the inherent risks in delivering such a large and complex programme.

13.5 That said, the budget now proposed is realistic and affordable, albeit challenging. The increases in council tax set out, if agreed, will generate significant additional revenue over time, minimising the number of difficult new

decisions about funding for specific services to be proposed. If agreed, this budget would provide for affordable services in 2018/19, but a further gap of nearly £30m remains in between 2019/20 and 2020/21. Building on the outcome based reviews, the digital strategy and other initiatives to start to close this gap quickly will be an important future consideration.

- 13.6 Formally, this section of the report is the report of the section 151 officer to which the council is required by section 25 of the Local Government Act 2003 to have regard confirming that if the budget as proposed were to be agreed the estimates made for the purposes of the calculations are robust and the proposed financial reserves are adequate.

#### **14.0 Legal Implications**

- 14.1 These are set out in Appendix G.

#### **15.0 Equality Implications**

- 15.1 Section 7 of this report provides more details of the approach to complying with the Equalities Act 2010 and the outcome of equalities impact assessments.

#### **16.0 Consultation with Ward Members and Stakeholders**

- 16.1 Section 7 of this report provides more details of the statutory consultation process with regards to setting the 2018/19 budget.

#### **17.0 Human Resources Implications**

- 17.1 The impact of the budget proposals are outlined in Appendix B. Of the proposals identified within this appendix there are some where there is a potential impact on staffing but it is anticipated that fewer than twenty staff could be subject to redundancy.
- 17.2 The Council will apply its Managing Change Policy and Procedure in the application of all restructuring arrangements which have an impact on staff, consulting with staff and trade union representatives accordingly.

**Report sign off:**

**CONRAD HALL**  
Chief Finance Officer

## LIST OF APPENDICES

Appendix A (i)	Overall Revenue Budget 2018/19
Appendix A (ii)	Detailed 2018/19 Budget – Objective Analysis
Appendix A (iii)	Detailed 2018/19 Budget – Subjective Analysis
Appendix B (i)	Savings Previously Agreed
Appendix B (ii)	Service Cost Pressures
Appendix C (i)	Budget Scrutiny Panel Report
Appendix C (ii)	Budget Scrutiny Task Group Report
Appendix D	Capital Programme
Appendix E	Treasury Management Strategy
Appendix F	Prudential Indicators
Appendix G	Legal Advice
Appendix H (i)	Fees & Charges 2018/19
Appendix H (ii)	Fees & Charges Policy 2018/19
Appendix H (iii)	Fees & Charges Policy – Guidance for Managers
Appendix H (iv)	Fees & Charges Schedule
Appendix I	Budget Consultation – <b>To Follow</b>
Appendix J	Pay Policy Statement

**This page is intentionally left blank**

## 2018/19 REVENUE BUDGET

	2018/19 £m
<b>Service Area Budgets</b>	
Community Wellbeing	121.6
Children & Young People	40.4
Regeneration & Environment	30.1
Resources	30.5
Performance, Policy & Partnerships	9.6
<b>Total Service Area Budgets</b>	<b>232.2</b>
<b>Other Budgets</b>	<b>33.7</b>
<b>Total Budget Requirement</b>	<b><u>265.9</u></b>
<b>Less</b>	
Business Rates from London Pool	122.5
Specific Grants	28.4
	<b><u>150.9</u></b>
<b>Total to be met from CT for Brent Budget</b>	<b>115.0</b>
<b>Total to be met from CT for GLA Precept</b>	<b><u>28.2</u></b>
<hr/>	
<b>Taxbase - Band D Equivalents</b>	<b>95,677</b>
<b>Brent Council Tax Requirement at Band D</b>	<b>£1,202.31</b>
<b>Brent % Increase</b>	<b>4.99%</b>
<b>GLA Precept</b>	<b>£294.22</b>
<b>GLA % Increase</b>	<b>5.07%</b>
<b>TOTAL BAND D including Precepts</b>	<b>£1,496.53</b>
<b>TOTAL % Increase</b>	<b>5.01%</b>
<hr/>	

**This page is intentionally left blank**

## **BUDGET SUMMARY - OBJECTIVE ANALYSIS**

	<b>2017/18 Current Budget £m</b>	<b>Growth £m</b>	<b>Savings £m</b>	<b>Technical Adjustments £m</b>	<b>2018/19 Approved Budget £m</b>
<b>Departmental Budgets</b>					
Community Wellbeing	121.8	3.1	(2.2)	(1.1)	121.6
Children & Young People	40.8	0.4	(0.8)	0.0	40.4
Regeneration & Environment	32.8	0.7	(2.4)	(1.0)	30.1
Resources	31.7	0.2	(1.4)	0.0	30.5
Performance, Policy & Partnerships	9.6	0.0	0.0	0.0	9.6
<b>Total Departmental Budgets</b>	<b>236.7</b>	<b>4.4</b>	<b>(6.8)</b>	<b>(2.1)</b>	<b>232.2</b>
Central Budgets	30.9	10.0	(6.1)	(1.0)	33.7
<b>Total Budget Requirement</b>	<b>267.6</b>	<b>14.4</b>	<b>(12.9)</b>	<b>(3.1)</b>	<b>265.9</b>
<b>Funding</b>					
Revenue Support Grant	42.7	0.0	0.0	(42.7)	0.0
Retained Business Rates	36.6	0.0	0.0	(36.6)	0.0
Business Rates Top up	49.5	0.0	0.0	(49.5)	0.0
Business Rates income from London Pool	0.0	0.0	0.0	122.5	122.5
Specific Grants	32.0	0.0	0.0	(3.6)	28.4
Council Tax	106.9	0.0	0.0	8.2	115.0
<b>Total Funding</b>	<b>267.6</b>	<b>0.0</b>	<b>0.0</b>	<b>(1.7)</b>	<b>265.9</b>

## **BUDGET SUMMARY - OBJECTIVE ANALYSIS**

	2017/18 Current Budget £m	Growth £m	Savings £m	Technical Adjustments £m	2018/19 Approved Budget £m
<b>Service Level Breakdown</b>					
<b>Community Wellbeing</b>					
Adult Social Care	83.0	3.1	(2.1)	(0.3)	83.8
Culture	5.0	0.0	0.0	0.0	5.0
Housing	11.7	0.0	(0.2)	(0.2)	11.3
Public Health	22.0	0.0	0.0	(0.6)	21.4
<b>Total Budget</b>	<b>121.8</b>	<b>3.1</b>	<b>(2.2)</b>	<b>(1.1)</b>	<b>121.6</b>
<b>Children &amp; Young People</b>					
Children and Young People Directorate	1.4	0.0	0.0	0.0	1.4
Integration and Improved Outcomes	22.5	0.4	(0.8)	0.0	22.2
Safeguarding, Performance and strategy	16.1	0.0	0.0	0.0	16.1
Other School Related Budgets	0.8	0.0	0.0	0.0	0.8
<b>Total Budget</b>	<b>40.8</b>	<b>0.4</b>	<b>(0.8)</b>	<b>0.0</b>	<b>40.4</b>
<b>Regeneration &amp; Environment</b>					
Environmental Services	29.4	0.7	(1.6)	(1.0)	27.5
Regeneration	2.4	0.0	0.0	0.0	2.4
Regeneration & Environment Director's Office	1.1	0.0	(0.9)	0.0	0.2
<b>Total Budget</b>	<b>32.8</b>	<b>0.7</b>	<b>(2.4)</b>	<b>(1.0)</b>	<b>30.1</b>
<b>Resources</b>					
Department of Legal & HR	6.1	0.1	0.0	0.0	6.2
Customer Services	9.7	0.1	0.0	0.0	9.8
Digital Services	4.7	0.0	(0.4)	0.0	4.3
Finance	5.1	0.0	0.0	0.0	5.1
Property	5.5	0.0	(0.2)	0.0	5.3
Resources Director	0.6	0.0	(0.8)	0.0	(0.2)
<b>Total Budget</b>	<b>31.7</b>	<b>0.2</b>	<b>(1.4)</b>	<b>0.0</b>	<b>30.5</b>
<b>Performance, Policy &amp; Partnerships</b>					
Chief Executive's Office	0.5	0.0	0.0	0.0	0.5
Communications	0.7	0.0	0.0	0.0	0.7
Executive & Member Services	3.1	0.0	0.0	0.0	3.1
Performance Improvement	1.2	0.0	0.0	0.0	1.2
PPP Director's Office	1.3	0.0	0.0	0.0	1.3
Strategy & Partnership	2.8	0.0	0.0	0.0	2.8
<b>Total Budget</b>	<b>9.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.6</b>
<b>Total Departmental Budgets</b>	<b>236.8</b>	<b>4.4</b>	<b>(6.8)</b>	<b>(2.1)</b>	<b>232.2</b>

## **BUDGET SUMMARY - SUBJECTIVE ANALYSIS**

	<b>2017/18 Current Budget £m</b>	<b>Growth £m</b>	<b>Savings £m</b>	<b>Technical Adjustments £m</b>	<b>2018/19 Approved Budget £m</b>
<b><u>Community Wellbeing</u></b>					
Expenditure:					
Employee Expenses	27.7	0.0	0.0	0.0	27.7
Premises Related Expenditure	26.9	0.0	0.0	0.0	26.9
Transport Related Expenditure	16.7	0.7	0.0	0.0	17.4
Supplies and Services	45.0	0.0	0.0	0.0	45.0
Third Party Payments	82.1	2.4	(1.7)	(1.1)	81.7
Transfer Payments	26.2	0.0	0.0	0.0	26.2
Support Services	1.2	0.0	0.0	0.0	1.2
Total Expenditure	225.8	3.1	(1.7)	(1.1)	226.1
Income:					
Recharges Income	(18.4)	0.0	0.0	0.0	(18.4)
Government Grants	(0.9)	0.0	0.0	0.0	(0.9)
Other Grants, Reimbursements & Contributions	(22.4)	0.0	(0.4)	0.0	(22.8)
Customer and Client Receipts	(90.6)	0.0	(0.2)	0.0	(90.8)
Total Income	(132.3)	0.0	(0.6)	0.0	(132.9)
Net Expenditure	93.5	3.1	(2.2)	(1.1)	93.2
Below the line adjustments (HRA)	28.3	0.0	0.0	0.0	28.4
Below the line adjustments (GF)	(0.0)	0.0	0.0	0.0	(0.0)
<b>Total Net Expenditure</b>	<b>121.8</b>	<b>3.1</b>	<b>(2.2)</b>	<b>(1.1)</b>	<b>121.6</b>

### **Children & Young People**

Expenditure:					
Employee Expenses	34.2	0.0	(0.8)	0.0	33.5
Premises Related Expenditure	0.3	0.0	0.0	0.0	0.3
Transport Related Expenditure	0.9	0.0	0.0	0.0	0.9
Supplies and Services	8.5	0.0	0.0	0.0	8.5
Third Party Payments	268.9	0.4	0.0	0.0	269.3
Transfer Payments	66.0	0.0	0.0	0.0	66.0
Support Services	4.6	0.0	0.0	0.0	4.6
Total Expenditure	383.4	0.4	(0.8)	0.0	383.1
Income:					
Recharges Income	(5.8)	0.0	0.0	0.0	(5.8)
Government Grants	(331.1)	0.0	0.0	0.0	(331.1)
Other Grants, Reimbursements & Contributions	(1.4)	0.0	0.0	0.0	(1.4)
Customer and Client Receipts	(4.3)	0.0	0.0	0.0	(4.3)
Total Income	(342.6)	0.0	0.0	0.0	(342.6)
Net Expenditure	40.8	0.4	(0.8)	0.0	40.4
Below the line adjustments	0.0	0.0	0.0	0.0	0.0
<b>Total Net Expenditure</b>	<b>40.8</b>	<b>0.4</b>	<b>(0.8)</b>	<b>0.0</b>	<b>40.4</b>

## **BUDGET SUMMARY - SUBJECTIVE ANALYSIS**

	<b>2017/18 Current Budget £m</b>	<b>Growth £m</b>	<b>Savings £m</b>	<b>Technical Adjustments £m</b>	<b>2018/19 Approved Budget £m</b>
<b><u>Regeneration &amp; Environment</u></b>					
Expenditure:					
Employee Expenses	22.6	0.0	(0.9)	0.0	21.8
Premises Related Expenditure	2.1	0.0	0.0	0.0	2.1
Transport Related Expenditure	6.2	0.1	0.0	0.0	6.3
Supplies and Services	22.6	0.0	(0.1)	0.0	22.5
Third Party Payments	19.5	0.6	(0.5)	0.0	19.6
Transfer Payments	0.0	0.0	0.0	0.0	0.0
Support Services	0.0	0.0	0.0	0.0	0.0
<b>Total Expenditure</b>	<b>73.0</b>	<b>0.7</b>	<b>(1.4)</b>	<b>0.0</b>	<b>72.3</b>
Income:					
Recharges Income	(3.8)	0.0	0.0	0.0	(3.8)
Government Grants	(3.8)	0.0	0.0	0.0	(3.8)
Other Grants, Reimbursements & Contributi	(2.1)	0.0	0.0	0.0	(2.1)
Customer and Client Receipts	(29.6)	0.0	(1.0)	(1.0)	(31.6)
<b>Total Income</b>	<b>(39.3)</b>	<b>0.0</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(41.3)</b>
<b>Net Expenditure</b>	<b>33.7</b>	<b>0.7</b>	<b>(2.4)</b>	<b>(1.0)</b>	<b>31.0</b>
Below the line adjustments	(0.9)	0.0	0.0	0.0	<b>(0.9)</b>
<b>Total Net Expenditure</b>	<b>32.8</b>	<b>0.7</b>	<b>(2.4)</b>	<b>(1.0)</b>	<b>30.1</b>

### **Resources**

Expenditure:					
Employee Expenses	23.4	0.0	(0.3)	0.0	23.1
Premises Related Expenditure	11.9	0.0	0.0	0.0	11.9
Transport Related Expenditure	(0.3)	0.0	0.0	0.0	(0.3)
Supplies and Services	10.1	0.2	0.0	0.0	10.3
Third Party Payments	3.3	0.0	(0.1)	0.0	3.2
Transfer Payments	0.0	0.0	0.0	0.0	0.0
Support Services	0.0	0.0	(0.5)	0.0	(0.5)
<b>Total Expenditure</b>	<b>48.4</b>	<b>0.2</b>	<b>(0.9)</b>	<b>0.0</b>	<b>47.7</b>
Income:					
Recharges Income	(10.0)	0.0	0.0	0.0	(10.0)
Government Grants	0.0	0.0	0.0	0.0	0.0
Other Grants, Reimbursements & Contributi	0.0	0.0	0.0	0.0	0.0
Customer and Client Receipts	(6.7)	0.0	(0.5)	0.0	(7.2)
<b>Total Income</b>	<b>(16.7)</b>	<b>0.0</b>	<b>(0.5)</b>	<b>0.0</b>	<b>(17.2)</b>
<b>Net Expenditure</b>	<b>31.7</b>	<b>0.2</b>	<b>(1.4)</b>	<b>0.0</b>	<b>30.5</b>

## **BUDGET SUMMARY - SUBJECTIVE ANALYSIS**

	<b>2017/18 Current Budget £m</b>	<b>Growth £m</b>	<b>Savings £m</b>	<b>Technical Adjustments £m</b>	<b>2018/19 Approved Budget £m</b>
<b><u>Performance, Policy &amp; Partnerships</u></b>					
Expenditure:					
Employee Expenses	6.4	0.0	0.0	0.0	6.4
Premises Related Expenditure	0.0	0.0	0.0	0.0	0.0
Transport Related Expenditure	0.0	0.0	0.0	0.0	0.0
Supplies and Services	3.2	0.0	0.0	0.0	3.1
Third Party Payments	1.2	0.0	0.0	0.0	1.2
Transfer Payments	0.0	0.0	0.0	0.0	0.0
Support Services	0.0	0.0	0.0	0.0	0.0
Total Expenditure	10.8	0.0	0.0	0.0	10.7
Income:					
Recharges Income	(0.3)	0.0	0.0	0.0	(0.3)
Government Grants	(0.3)	0.0	0.0	0.0	(0.3)
Other Grants, Reimbursements & Contributi	0.0	0.0	0.0	0.0	0.0
Customer and Client Receipts	(0.6)	0.0	0.0	0.0	(0.6)
Total Income	(1.2)	0.0	0.0	0.0	(1.2)
<b>Net Expenditure</b>	<b>9.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.6</b>
<b>Total Departmental Budgets</b>	<b>236.7</b>	<b>4.4</b>	<b>(6.8)</b>	<b>(2.1)</b>	<b>232.2</b>

**This page is intentionally left blank**

Savings proposals previously approved by Council as part of previous budget reports

When Council agrees savings the financial impact of these is not always neatly confined to a single financial year. The appendix therefore shows the further financial impact in 2018/19 of previously agreed proposals. This impact was disclosed at the time of the relevant previous budget report.

The text of individual proposals has not been amended from that previously agreed. In some cases this leads to minor apparent inconsistencies, as the text refers to the total financial impact (e.g. over 2017/18 and 2018/19). It was considered better to accept this position than to amend text previously agreed by Council.

Ref No	Unit /Service	Description:	Item	2018/19 (£'000)
<b>Savings agreed in Feb 15 and Feb 16</b>				
ASC002 Page 37	Residential & Nursing	Reduce residential care to necessary minimum and increase extra care/supported living housing	Transform the accommodation based care market in line with the Council's Market Position Statement. Reducing to a minimum the focus on residential and nursing care and developing Extra Care Sheltered/Supported Living Accommodation to give the vast majority of people who need accommodation based care greater independence and improved quality of life. Savings of £370k included in 2015/16	1,400
R&G025f	Regeneration & Growth	Letting Agency	Establishing a lettings agency which will generate increased income from the provision of property and tenancy management services to private sector properties.	175
<b>Driving Organisational Efficiency</b>				
DOE001	Support Planning, Reablement & Mental Health	Increase Direct Payments	This will mean that people pay for their home care/community support through independent Personal Assistants or direct purchasing of support from providers. A market for Independent Personal Assistants will continue to be developed in the local area to maximise the benefit.	50

Ref No	Unit /Service	Description:	Item	2018/19 (£'000)
DOE002a	Early Help	Transformation of the design and delivery of early help	Effective and co-ordinated early intervention will build resilience and independence which will in turn move cases out of high risk and high cost services. As far as possible there will be a one worker to one family approach. Savings will be achieved through three main workstreams: 1. More effective co-ordination and signposting and to early intervention services delivered by partners including schools and the voluntary sector; 2. Improved use of research to ensure a greater strategic focus on high impact interventions and more effective assessment of individual need. Savings will be achieved by reducing delivery of low impact or repeat interventions; 3. Planned structural change across CYP. In the first instance this will enable the delivery of a more coherent offer which is expected to reduce demand for high cost services. Any reduction in demand will then enable a further reduction in headcount.	550
DOE002b	Children's Social Care	Signs of Safety and Social worker recruitment	Increased efficiencies of £200k driven by the Signs of Safety programme and a linked, but separate, reduction in the reliance on agency staff across the division. There are approximately 70 agency social workers, deputy and team managers in children's social care currently. Over the two year period the plan is to reduce this by 40, this would realise a saving of approximately £300k.	200
DOE003	Community Services	To review staffing structures and spans of control across the eight services divisions	Savings of £2.25m would come from a 20% reduction in FTE across all eight services. The review would particularly include contract management and strategy development arrangements so that these can be standardised and rationalised across all large operational contracts in a way that creates consistency of approach and improved service outputs. The services referred to are those that were located in what was at that time called the Community Services division of the Chief Operating Officer's department.	1,125

Ref No	Unit /Service	Description:	Item	2018/19 (£'000)
DOE004	Corporate Business Support	Review support service costs	The proposal is to review the level of support services provided within the council in the future to create a leaner more efficient service to users. The options for achieving the saving are: restructuring, merging, outsourcing, shared services, and driving greater efficiency through technology and self-service.	500
<b>Civic Enterprise</b>				
CE001	Support Planning & Reablement	Additional Continuing Health Care (CHC) Funding	The saving comes from the CCG funding care packages rather than the council. It should mean a better service for users with complex needs. The CCG should fund this care as they have the necessary skills to meet these needs. Previously a move to CHC funding has meant a loss of choice and control for the user that they had with a social care package, but this is no longer the case as they can now have a Personal Health Budget.	400
Page 39 CE002	Cross Department	Income Generation	The generation of advertising and sponsorship income of £300k from increasing the number of on street (large and small format) billboards, lamppost banner, advertising on the council's website/intranet and roundabout sponsorship. Put in place concession contracts for the installation of wireless equipment on lampposts and review current position on rooftops and small spaces/buildings generating £210k. Carry out a review of fees and charges comparing Brent to neighbouring authorities in order to bring our charges in line including for services that were previously free with a view to raising £1.99m of additional revenue.	1,250
CE003	Digital Services	IT Sales	Following the successful provision of ICT services to the LGA and the establishment of the shared service with Lewisham. The Lewisham service will start in April 2016 covering infrastructure support and in 2017/18 will be extended to other applications. Digital services would be looking to offer ICT services on a commercial basis to other organisations. The service is already in discussion with a number of London boroughs that have expressed interest in what we can do for them and are looking to develop this so that we can have something in place for April 2018.	375

Ref No	Unit /Service	Description:	Item	2018/19 (£'000)
CE004	Parking & Lighting/Parking	Eliminate the additional overhead costs of the Serco parking contract	It was originally intended that the cost of the overheads for the Serco parking contract would be apportioned on a 60:38:2 ratio between the three participating boroughs: LB Brent; LB Hounslow; and LB Ealing; respectively. The ratio was calculated in proportion to the value of the overhead costs being transferred to Serco at the commencement of the contract. Immediately prior to the letting of the contract, LB Hounslow identified a shortfall on the savings target required by their administration. It was agreed between the boroughs that, on a temporary basis, the ratio would be amended to 80:18:2 (Brent: Hounslow: Ealing), with a review in January of each year to assess whether the additional contribution from Brent to Hounslow could still be justified. Brent's additional contribution is £347k p.a. and this will be reviewed.	47
CE006	Regeneration and Growth	Civic Centre - Rental Income	Additional income could come from additional lets eg Library café space, increased income from the basement car park or from further release of office space	125
<b>Making Our Money Go Further</b>				
MGF001	Procurement	Contract Renewal Savings	There are 161 contracts due for renewal over the next three years (2016/17 - 2018/19). This includes 63 contracts above £500k and 98 contracts below £500k. The aim will be to approach the market with a target of 10% savings against current contract prices. In addition savings to be achieved on the end of the Streetlight PFI contract by replacing the current contract requirements by a repairs only contract.	4,500
MGF003	Regeneration and Growth	FM Contract	Savings in FM contract. This could flow from a further reduction in buildings within the contract or from a revision to the contract. The alternative option which is unlikely to be acceptable to CMT, is to negotiate a reduction in the contract in return for triggering the additional period which is available at the end of the current contract period.	100

Ref No	Unit /Service	Description:	Item	2018/19 (£'000)
<b>New Policy Options</b>				
1718BUD1	Public Health	Sexual health transformation	Through participation in the London Sexual Health Transformation Programme including the London wide procurement of a 'front door' to sexual health services and a joint procurement with Ealing and Harrow of an integrated local sexual health service savings are anticipated through a diversion of activity to lower cost settings	350
1718BUD4	Residential & Nursing	Extending NAIL provision	An extension to the New Accommodation for Independent Living programme. Proposal to move the lowest needs Nursing care clients to appropriate Supported Living schemes.	200
1718BUD9	Parking	Parking Charges	To conduct a review of the charging structure for residents' permits and pay and display parking. The additional income is based on a presumption that the additional income generated would be approximately equal to four years' inflation	1000
1718BUD10	Environmental Improvement	Public Realm contract	The Public Realm Contract with Veolia includes a schedule of potential savings that can be exercised at any time during the course of the contract.	450
1718BUD11	Parking & Lighting	Street Lighting	It is considered that an additional £100k p.a. could be saved through a rigorous review of lighting levels at a highly localised level across the borough, utilising new technology purchased for this purpose.	100
<b>Total</b>				<b>12,897</b>

**This page is intentionally left blank**

SERVICE GROWTH / COST PRESSURES 2018/19 - 2019/20

Service	Item	2018/19	2019/20	Comments
		£m	£m	
	<b>Demographic Changes</b>			
Regeneration & Environment	Brent Transport Services	0.1	0.1	Between 2015 and 2020, the council is expected to see significant increases in its population. The overall rate of increase is expected to be 5% over this period, with particularly sharp rises in the under 18s (6.6%), and over 85s (24%). The numbers in these two groups are significant determinants of the level of spending on children's social care and adult social care respectively. Some of this population growth has already taken place and has therefore been factored in to the council's existing budgets. For the avoidance of doubt, this is the additional cost of providing the same level of services caused by a rising population. It follows that recognising this in the budget is a technical assumption – albeit an important one – and does not imply any change in policy choices.
Regeneration & Environment	Refuse Collection	0.1	0.1	
Regeneration & Environment	Public Realm (excluding Refuse Collection)	0.2	0.2	
Children & Young People	Children's social care	0.4	0.4	
Adult Social Care	Learning Disabilities (18-65)	0.2	0.2	
Adult Social Care	Older People (65+) Non Home Care	0.3	0.3	
Adult Social Care	Older People (65+) Home Care	1.5	1.5	
Resources	Customer Services	0.1	0.1	
Resources	Legal services	0.1	0.1	
	<b>Total Demographic Changes</b>	<b>3.0</b>	<b>3.0</b>	
	<b>Service Specific Inflation</b>			
Various	Payroll Inflation	2.1	2.1	The pay settlement for 2018/19 is known to be 2%, which adds £2.1m to the total staffing costs.
Central	Contract inflation	3.5	3.5	General contract inflation is assumed to average at 1.3%, which will cost £3.5m each year
Adult Social Care	Older People - Living wage for carers	0.4	0.4	The cost of paying providers for the uplift caused by the annual increases to bring the national living wage up to 60% of median earnings by 2020 will add £0.4m to the adult social care budget each year
Central	Other service specific inflation	0.4	0.0	General contract inflation is assumed to average at 1.3%, which will cost £0.4m for specific identified service issues
Resources	Business Rates	0.2	0.0	As a result of the business rates revaluation, the rates payable by the authority for the properties it occupies increase by £0.6m in 2017/18, with a further £0.2m in 2018/19.
Regerantion & Environment	West London Waste fixed charge levy growth	0.3	0.0	There are additional charges from the West London Waste Authority, expected to total £0.8m in 2017/18 and a further £0.3m in 2018/19 across the pay as you throw levy and the fixed cost levy. This increase is due to a combination of population and business growth, inflation, and 2017/18 being the first year of the operation of the Severnside Energy Recovery Centre. These costs are currently being reviewed as a part of the service review for the Public Realm
	<b>Total Service Specific Inflation</b>	<b>6.9</b>	<b>6.0</b>	
	<b>Pension related costs, risk mitigation and insurances</b>			
Central	Insurance fund	0.1	0.1	There are a set of costs associated with pensions, redundancy and other related payments. The main issue is the impact of the triennial actuarial review of the pension fund, which will affect pension costs from 2017/18 onwards. The relative position of the pension fund has recently strengthened, but this has been against the background of generally poor investment returns over the last three years, coupled with likely increases to mortality assumptions. The run off of the closed LPFA fund adds to this, partially offset by the ongoing gradual reduction in the number of payments for previously granted premature retirements. (Any new early retirements are met by capital contributions at the point of the decision). Finally, the ongoing strategy to meet new redundancy costs from identified reserves has reduced the pressure on the revenue budget and the need to make savings. As this was not intended to be permanently sustainable the base budget is adjusted upwards to match likely future liabilities. The total impact of these items is £1.0m, including insurance costs, the majority of which relates directly to the actuarial review.
Central	Central Items other cost pressures (excl Levies)	0.0	0.4	
Central	Pension fund	0.8	0.4	

Central	PFI credits	0.5	0.1	The council also receives grants for its three PFI schemes, commonly referred to as PFI credits. The long-term structure of these has been built into the council's budget plans, as it was known at the time that the deals were signed, in some cases as long as 20 years ago. With the end of the street lighting PFI contract within the budget planning period this leads to a reduction in this grant income line, offset by changes in the relevant service expenditure lines, but for transparency is shown here as a pressure of £1m in 2017/18, rising to £1.6m over the budget planning period.
	<b>Total Pension related costs, risk mitigation and insurances</b>	<b>1.4</b>	<b>1.0</b>	
	<b>Freedom passes and levies</b>			
Adult Social Care	Freedom pass growth	0.7	0.7	The council also needs to recognise unavoidable costs associated with London wide policies. The main issue here is freedom passes, the cost of which is paid for across London and redistributed according to data provided by the Oyster cards that record journeys. Given Brent's ageing demographic, and relatively good transport links, the inevitable consequence is that the costs of the scheme continue to rise locally, by an estimated £0.7m each year
Central	Levies	0.2	0.2	Brent is required to contribute towards London wide levies, such as to the Environment Agency and for Lea Valley Park, adding £0.2m per year to the cost base
	<b>Total Freedom passes and levies</b>	<b>0.9</b>	<b>0.9</b>	
	<b>Contingency and social value</b>			
Central	Savings risk mitigation fund	2.1	3.4	Any logically constructed budget also requires contingencies. The council aims to deliver all of its agreed savings proposals, and has a good record of consistently achieving over 90% of these. Good governance mechanisms are in place to continue this record of achievement, but it is nonetheless proposed to continue to make a 10% allowance for slippage, in line with recent policy. This allows for reinvestment in services when delivery exceeds this allowance and, more importantly, avoids the need for short-term action to cut services if delivery slips.
Central	Social value investment fund	0.2	2.5	This is an important contingency device, and setting a budget without it in today's challenging financial environment would be imprudent. The council also retains its social value investment fund.
	<b>Total Contingency and social value</b>	<b>2.3</b>	<b>5.9</b>	
	<b>GRAND TOTAL OF SERVICE COST / GROWTH PRESSURES</b>	<b>14.5</b>	<b>16.8</b>	

	<b>Resources &amp; Public Realm Scrutiny Committee</b> 9 January 2018
	<b>Report from the Strategic Director of Performance, Policy &amp; Partnerships</b>
<b>Budget Scrutiny Task Group Report</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
<b>No. of Appendices:</b>	One: • Budget Scrutiny Task Group Report
<b>Background Papers:</b>	N/A
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Mark Cairns, Policy & Scrutiny Manager Email: <a href="mailto:mark.cairns@brent.gov.uk">mark.cairns@brent.gov.uk</a> Tel: 020 8937 1476

## 1.0 Purpose of the Report

- 1.1 This report set out the findings and recommendations of the recent budget scrutiny task group.

## 2.0 Recommendation(s)

- 2.1 The Resources & Public Realm Scrutiny Committee is recommended to endorse the report at Appendix 1 and the recommendations contained therein.

## 3.0 Detail

- 3.1 This year's budget scrutiny task group was formed at the halfway point of a two-year budget. As a result, it has undertaken budget scrutiny in a slightly different way than in previous years. This includes focusing on specific policies where it had concerns, rather than reviewing all spending plans (which last year's task group had already examined), as part of its legal duty to scrutinise the budget. Alongside this, the task group has also looked at the impact of the plan to pool business rates across the London boroughs.

- 3.2 The task group was comprised of members from the three scrutiny committees and chaired by the Chair of the Resources and Public Realm Committee. It met three times, including a session attended by the Leader and Deputy Leader, to discuss the proposed pilot for pooled business rates in London. Relevant members of the Cabinet and senior officers also attended to inform discussions of the progress against savings proposals from the existing budget. It was also advised by experts from London Councils, the Local Government Association, and the Department for Communities and Local Government.
- 3.3 The task group has made 12 individual recommendations, as follows.
1. Brent should dedicate some time and intellectual space to mapping out the potential consequences of Brexit for the borough, particularly in the areas of population, housing and manufacturing exports.
  2. Brent should advocate a form of sub regional investment for the “strategic investment pot” produced in the London business rates pool, if the arrangement becomes permanent. The West London Alliance could deliver investment in our region of London.
  3. The criteria Brent should adopt for strategic investment are as follows:
    - That the capital investment should have a spend to save rationale, and, in some way, reduce Brent’s anticipated revenue spending in forthcoming years.
    - That the investment aligns with the Council’s political priorities.
    - That the investment should represent a sound long-term financial decision.
    - That the money spent makes a significant positive impact on the lives of the most vulnerable in Brent.
  4. Brent should leave no stone unturned in attempts to grow the local private sector. Two ideas it should specifically look at are appointing a business champion and using the procurement system to support local businesses.
  5. A report on progress in delivery of the new sexual health services for the borough should come before Community and Wellbeing Scrutiny in six months’ time.
  6. The Council should always give due consideration to ensuring a geographical spread when strategically purchasing property.
  7. The Council should set a target to keep bulky waste collection requests low in order to reduce costs and the amount of materials finding their way into landfill.
  8. The special collection service page of the Brent website should be re-designed to give maximum exposure to alternative and sustainable options which residents can use to dispose of bulky waste, particularly charity retailers in the borough. Helpline staff should also be trained to offer alternative options in the first instance.
  9. The Council should look to develop sustainable ways for people to dispose of mid-sized waste items as a way of reducing illegal rubbish dumping.

10. A report should be sent to the appropriate scrutiny committee in twelve months' time, demonstrating how the change of contract due in July 2018 affects parking enforcement in the latter half of 2018.
11. The Council should look into the possibility of hiring an external partner to find more advertising space in the borough on a no-win no-fee basis.
12. A review of pavement licencing in Brent should be carried out to see how much we could generate from this source. This should take particular account of price and enforcement.

#### **4.0 Financial Implications**

- 4.1 Scrutiny is an important part of the budget development process. The report does not have direct financial consequences per se, since decisions on the budget will be taken by Council.

#### **5.0 Legal Implications**

- 5.1 There are no legal implications of the task group report.

#### **6.0 Equality Implications**

- 6.1 There are no equality implications of the task group report.

#### **7.0 Consultation with Ward Members and Stakeholders**

- 7.1 The task group was made up of members of the three scrutiny committees. It was also advised by officers, as well as experts from London Councils, the Local Government Association, and the Department for Communities and Local Government.

**Report sign off:**

***Peter Gadsdon***

Director of Performance Policy & Partnerships

**This page is intentionally left blank**



# Resources & Public Realm Scrutiny Committee

## Budget Scrutiny Task Group Report January 2018

## **1. Introduction**

### **a) A two-year budget**

This year's Budget Scrutiny Panel was formed at the halfway point of a two-year budget. As a result, we have undertaken budget scrutiny in a slightly different way than may have been the case in previous years.

It has been commonplace to focus the vast majority of budget scrutiny time on looking at each of the Cabinet's proposed savings/cuts (members and residents may choose their own vernacular) and assessing their suitability.

During this budget cycle, all such plans were introduced at the start of the 2016/17 municipal year and no further specific savings plans are being introduced at this stage. Therefore, we decided to pick out just those specific policies where we had concerns for further analysis, rather than re-reviewing every single spending plan which last year's Budget Scrutiny Panel already examined.

This work is summarised later in the report and forms part of our legal duty to scrutinise the budget to ensure it is legal – i.e. balanced and costed – which we can confirm we believe it to be.

### **b) Business rates**

The Resources and Public Realm Committee has had a long standing interest in business rates reform and the impact this could have on the way Brent raises and spends money.

The first task group ever commissioned by this Committee focused on the impact of devolving business rates retention to local government, as was the stated policy of the Government at the time. As far as we are aware, we were the first Council in the country to commission such a report through the overview and scrutiny function, and we hope that this has added some strategic value to the Council.

In 2016/17 we followed this up with a Budget Scrutiny Panel Report which gave particular recognition to issues around business rates, as well as a further task group report on the best ways local authorities can support local small businesses.

Given this track record, there was enthusiasm amongst the Panel to spend a significant part of our time looking at the impact of the plan to pool business rates across the London boroughs. We were able to do this because of the space available at the midway point of a two-year budget. The first half of this report deals specifically with these issues.

### **c) Brexit**

Hanging over all of our deliberations as a Panel was the uncertainty generated by Brexit. There is no quick-fire way for Brent, or any other council, to acquire certainty on these issues. Indeed, the Government itself seems very unclear as to what will happen when the UK leaves the EU in 2019.

However, we do believe that the council should dedicate some time to thinking through the ways in which Brexit might impact on Brent.

Most notably, the population of Brent, both in its composition and total number, may change. Net migration to the UK is already down by 106,000 in the year after the referendum as EU nationals have left the country. If this trend continues and even accelerates in the years to come it is bound to have an impact on London as a whole, and a borough as diverse as Brent in particular.

The impact on trade for local manufacturers, for example at Park Royal, must also be considered.

Finally, with housing such a pressing need for so many local families, the combined impact of these issues on the local housing market is of paramount importance. A report produced by the estate agents Savills published in November predicted that in 2018 'average London house prices will fall by 2 per cent ... as Brexit uncertainty weighs on the economy and buyers hit the limits of mortgage' (Financial Times 2/11/17). This eventuality must be considered and planned for.

#### **d) Method**

This report is the beginning, not the end, of the Budget Scrutiny process. It will go to the full Resources and Public Realm Scrutiny Committee, and be on the agenda of that Committee's first meeting in 2018. It will also be presented to Full Council as part of the standing scrutiny report in February 2018.

The Budget Scrutiny Panel was comprised of representatives from each of the Council's three scrutiny committees, and chaired by Cllr Matt Kelcher as chair of the Resources and Public Realm Committee. Cllrs Kelcher, Ketan Sheth, Long and Nerva (pictured below) participated in three formal meetings at the Civic Centre where they were able to question the relevant officers and lead members. The chair also carried out interviews with front line officers and external experts.



Cllr Kelcher



Cllr Sheth



Cllr Long



Cllr Nerva

## **2. Business Rates Pool**

### **a) Overview**

With the loss of the Government's overall majority, the policy of fully devolving the collection and retention of business rates to local government has been

placed on the backburner. No bill to introduce this reform – which would amount to the most radical change to the way in which councils are funded in thirty years – was in the most recent Queen’s Speech.

However, this does not mean that scrutiny’s previous work on the localisation of business rates is no longer of use. As confirmed in the November 2017 budget, the government is establishing a 100% business rates retention pilot in London in April 2018. This raises many of the issues of business rate localisation discussed in our previous reports.

All 32 boroughs, the City of London and the Mayor of London, have agreed to formally enter into this pool.

A Memorandum of Understanding between London and the government establishes the specific terms of the 100 per cent retention pilot, within the general processes which govern any local authority business rates pool. The resulting key principles that underpin the pooling agreement are that:

- the 2018-19 pool does not bind boroughs or the Mayor indefinitely;
- no authority can be worse off as a result of participating;
- all members will receive some share of any net benefits arising from the pilot pool.

Through the pool, these authorities will be able to retain 100 per cent of business rates growth in London over 2018/19 to be spent on strategic investment. By contrast, at present, individual councils in England and Wales are only entitled to keep 50 per cent of the growth in their own area. As a result, there are obvious opportunities for councils within the pool, although sharing all the growth generated by the nation’s capital across so many local authorities obviously presents its own challenges.

The sustainability of the pool should some boroughs decide to leave, or if it will continue over the long term at all, are questions for next year’s report. For now, all that has been guaranteed is that the pilot will operate across London in 2018/19.

## **b) Sharing growth**

At the start of our work, the Panel anticipated that there would be huge debate amongst the London boroughs as to how the money generated by business rate growth should be shared. This is because there are boroughs which generate many, many more millions of pounds of business rates each year than others. The incentive for the richer boroughs is therefore to retain as much of the growth they have generated themselves as possible, and the incentive for poorer boroughs is for a system which shares the growth pot on the basis of need. Brent would probably sit somewhere between these two extremes in its incentives.

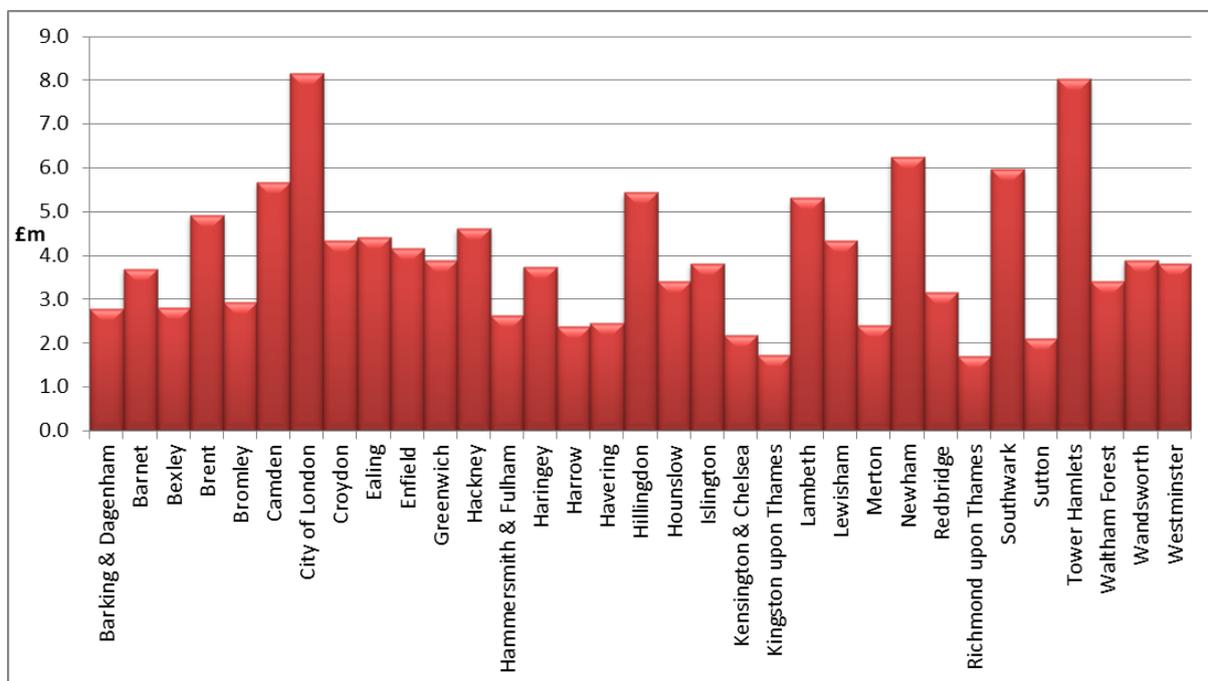
However, we found from questioning the Leader and Deputy Leader of Brent, and from an interview with a senior officer at London Councils, that in fact most boroughs were open to compromise and that an agreement of how to split the money in principle has been reached.

We were also told on more than one occasion that a strong push from the Department for Communities and Local Government that the split should strongly favour strategic investment helped to settle discussions.

At the time of writing, the proceeds of growth in the 2018/19 pilot year are estimated to be about £240 million. They will be split across the boroughs as follows

- 15% to reward growth
- 35% to reflect population
- 35% to reflect 'Settlement Funding Assessment'
- 15% set aside for a 'Strategic Investment Pot'

Brent will do moderately well out of this settlement in comparison with other boroughs, as demonstrated in the tables below.



	15:35:35:1 5 New
Barking & Dagenham	2.8
Barnet	3.7
Bexley	2.8
Brent	4.9
Bromley	2.9
Camden	5.7
City of London	8.2
Croydon	4.3

Ealing	4.4
Enfield	4.2
Greenwich	3.9
Hackney	4.6
Hammersmith & Fulham	2.6
Haringey	3.7
Harrow	2.4
Havering	2.5
Hillingdon	5.4
Hounslow	3.4
Islington	3.8
Kensington & Chelsea	2.2
Kingston upon Thames	1.7
Lambeth	5.3
Lewisham	4.3
Merton	2.4
Newham	6.2
Redbridge	3.2
Richmond upon Thames	1.7
Southwark	6.0
Sutton	2.1
Tower Hamlets	8.0
Waltham Forest	3.4
Wandsworth	3.9
Westminster	3.8
<b>London Boroughs</b>	<b>130.3</b>
<b>GLA</b>	<b>73.9</b>
<b>London subtotal</b>	<b>204.3</b>
<b>Investment pot</b>	<b>36.0</b>
<b>London Total</b>	<b>240.3</b>

These figures should meet the government’s guarantee that Brent is no worse off through joining the pool than it would have been under the old 50 per cent retention scheme. Therefore, our overall revenue budget in the coming years will be at least the same as it would otherwise would have been.

What is perhaps more interesting however, is the 15 per cent set aside as a “strategic investment pot”. This will be new money which London’s boroughs – through the City as lead borough – can invest in projects designed to prompt further economic growth and develop a virtuous circle where growth promotes re-investment and then further growth.

This investment must obviously be at a sufficient scale to ensure an impact. Sharing the pot amongst the 33 councils and letting them each spend a bit on their own local growth project is unlikely to achieve this scale. It is therefore understandable that the investment will be made strategically by all the

boroughs (administered by the City of London), as after all they will all share any proceeds.

Our Panel believes that regeneration is about more than just the bottom line. London's sub-regions will be able to exercise a veto on investment proposals for the pot, which should ensure that no sub-region benefits disproportionately. This should prevent a scenario where, for example, Brent will benefit from a share of the additional business rates revenue raised, but not from any of the jobs generated, nor from any attendant social or environmental benefits which may be generated.

However, the task group feels that this could be taken further, if the pooling arrangement becomes permanent. We suggest that Brent should advocate a form of sub regional investment. For example, in our region of London, the West London Alliance would be perfectly placed to organise investment on a scale which will generate sufficient growth to yield a return, whilst also providing opportunities to residents in a contained geographic area. We hope this could deliver the best of both worlds.

### **c) Short term windfall**

An additional question the Panel considered is how Brent should spend the short term windfall it is expected to receive for entering into the pool in the first place.

The amount Brent is expected to receive is around £4.9 million, though the final exact figure will be confirmed once the 2017/18 business rates accounts have been audited.

As this is a one-off payment, with no commitment from the Government that it will be repeated should the pilot become permanent, we believe it should only be used for a specific and significant capital investment.

We believe the criteria the cabinet should use when assessing viable schemes that come under this bracket are as follows:

- That the capital investment should have a spend to save rational, and, in some way, reduce Brent's anticipated revenue spending in forthcoming years.
- That the investment aligns with the Council's political priorities.
- That the investment should represent a sound long-term financial decision.
- That the money spent makes a significant positive impact on the lives of the most vulnerable in Brent.

One potential investment which would meet these criteria would be the building or purchase of more properties for use as temporary accommodation. The Council currently spends significant sums on rents in the private sector for those in Brent who are homeless. Running more of our own properties would reduce this annual revenue cost as per our criteria above.

The properties would also not be subject to Right-to-Buy legislation which currently makes it so difficult for local authorities to build true social housing, as they cannot hedge their investment over a long period of time, knowing that

they may be forced to sell any of their properties at a rate below market value just three years after building it. This idea would also have a clear advantage for the most vulnerable people in our borough.

Of course the investment of such a significant sum will require much greater consideration but we hope these principles and thoughts provide the Cabinet with a good starting point.

#### **d) Collection issues**

As part of our research, the Chair of the Panel interviewed officers in Brent's revenue team about the process of collected business rates. We did this to reassure ourselves that switching to a pool would not present undue problems for our officers.

We were told that there would be little impact, if any, on day-to-day collection as it is only the place where the money is sent that will change.

We were reassured that the Council is doing all it can to maximise business rates collection at the current time, with a collection rate of 98.7 per cent achieved last year by Brent's contractor Capita. This represent the culmination of a positive recent trend as demonstrated in the table below.

<b>Year</b>	<b>Proportion of business rates collected (%)</b>
2016/17	98.74
2015/16	98.32
2014/15	98.11
2013/14	97.56

We were also pleased that the Council is taking the innovative approach of using an outside company to identify areas and buildings which are eligible to pay but are not currently being charged business rates on a no-win no-fee basis. This approach could probably be used more generally in the area of income generation, as we will discuss further below.

#### **e) Backing Brent businesses**

Whether through a regional pool, the total devolution of business rates, or further growth incentives – it seems clear to us that in future all local authorities will become more reliant on business rates as a source of income.

Therefore, we reiterate our calls from previous Panel reports that the council leaves no stone unturned in its efforts to grow our local private sector. We suggest two ways in which this may be achieved:

##### **i. Business champion**

The Panel was attracted to the idea of creating a single post, or small team, whose sole role would be to attract business to the borough. We believe that this could be funded through incentives with the additional rates brought into the borough used to pay costs and wages, it would therefore not represent a significant new financial burden.

We would also emphasise that significant private sector experience be essential for anyone applying for this position or team, and that the role not be specifically tied to any one department within the Council. Instead the business manager or business team should have free reign to float between departments identifying areas where the work of the council may be making things unnecessarily (we would very much emphasise the word "unnecessarily") difficult for businesses and suggesting improvements.

Of course, they should not have the only or final say and the council should never simply become a tool of business, but with such huge changes to the financing of local government soon to be upon us we feel that creating a new point of view within our structures could be essential in ensuring Brent takes a lead in adapting to life after the central government grant.

In other countries, such as Germany, membership of a Chambers of Commerce is compulsory for registered businesses ensuring that these Chambers are much more powerful and authoritative voices for businesses in their areas and that they have a semi-formal relationship with public bodies. The option suggested by the Panel for Brent could replicate some of the best features of this system.

## **ii. Procurement**

Reforms to the machinery of government – local or national – to support our own businesses are long overdue in this country. It is amazing to think that the Government is still debating about whether it is a good idea to have an industrial strategy or not, decades after many of our competitors developed their own.

The head of the US Small Business Administration reports directly to the US President whereas none of the 15 direct reports to the permanent secretary in the Department for Business, Energy and Industrial Strategy (BEIS) is responsible for small British businesses. No wonder 45 per cent of US Federal procurement spend goes to home grown American small businesses - a figure which represents roughly eight times the lending rate of the UK Enterprise Finance Guarantee scheme after taking into account the relative sizes of the two economies.

Brent should not be afraid to think big, and realise the huge role it can play in creating a virtuous cycle where local businesses are supported to grow and then contribute back into the community and council coffers.

One in every seven pounds in the UK is spent by the state (equating to approximately 40% of GDP), making procurement one of the key levers that any public sector body has to boost business, employment and the economy.

Currently many businesses feel frustrated and locked out of the public sector procurement process. All public sector bodies set their own pre-qualification test for procurement contracts, so in any given area the Council might ask for copies of accounts dating back five years and a

biography of the CEO, the Fire Service might ask for six years of accounts and a biography of every director, the NHS Clinical Commissioning Group for something different altogether.

Brent Council is ideally placed to act as a central coordinator bringing together all public sector bodies which procure services in Brent and get them to synchronise their pre-qualification policies. This would give a strong message that Brent is open for business and encourage businesses to base themselves here so that they can access many different procurement opportunities, and in the long term pay more business rates back into Brent.

We would emphasise that within in this there would also be a golden opportunity to ensure further Living Wage payment within local supply chains if such a commitment became a more regular requirement to secure local procurement opportunities.

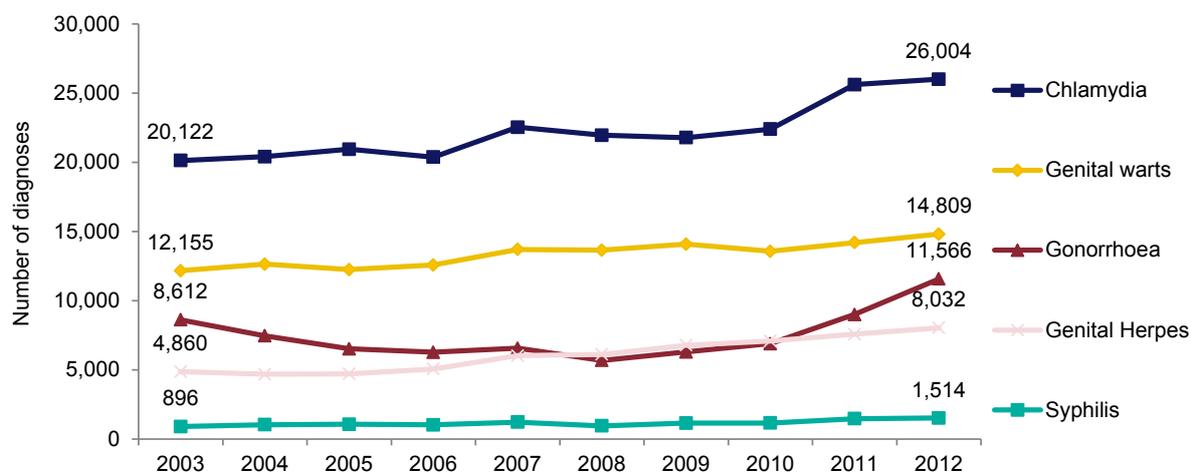
To truly adapt to the changing world of local government finance Brent must not only think openly but big and learn from the best practice around the world.

This report will now turn to the savings instigated at the start of the two-year budget, which we believed it would be prudent to review at this stage.

### **3. Savings – halfway review**

#### **a) Sexual health services**

Provision of sexual health advice and services is an important budgetary consideration. In recent years there has been a clear trend of increased demand for these services which the council has a statutory duty to supply, as well as advice from Public Health England on the need for repeated testing. It is therefore very important that Brent finds a way to deliver these services which is both effective and efficient.



Diagnoses of the five main STIs: London GUM clinic attendees, 2003-2012

Last year, the Panel endorsed the idea of using an online platform to provide many of these services, as this would be both easier to access for many people and cheaper to deliver. However, we expressed some concerns about delivery and therefore wished to review progress again this year.

We learned during this process that there have been delays in implementing the full scheme, largely due to the fact that procurement is across 28 local authorities. Whilst this is understandable, we obviously have a duty to continue to monitor this issue and therefore recommend that an update report is presented to the Community and Wellbeing Scrutiny Committee in six months time.

## **b) NAIL**

This time last year, the Budget Scrutiny Panel gave its broad support to the policy known as New Accommodation for Independent Living, or NAIL. Of this policy we wrote:

*'Moving people towards supported living is a laudable goal as many people prefer to live in an independent setting. This should be an aim of the Council in any circumstances and so we believe it is regretful that it may be seen by some as a purely financial reform by being presented in this budget.'*

*'However, we would like every effort to be made to identify those users who may be fearful of change at the earliest possible stage to ensure work is done to reassure them and help them to adapt.'*

This remains our view and we were pleased to see that the Council is stretching itself further by adding 18 new places to the original target of 450.

We are also encouraged by the council's move to purchase properties it will own in order to deliver the service. Even with the recent small increase, interest rates are at an historically low level and therefore it is a bad time for any local authority to leave unnecessary sums of money in its accounts and a good time to borrow to invest.

The council has approved a total capital outlay of £45.4m in relation to developments that deliver NAIL accommodation.. The table below summarises these schemes.

Council Developments	NAIL units
Clock Cottage	17
NAIL acquisitions (20 large dwellings)	90
Clement Close	12
Peel Road	11
London Road (Mixed Development 135 units in Total)	14
Knowles House (Mixed Development 149 units in Total)	55
<b>TOTAL</b>	<b>199</b>

In line with the principles of investment we outlined earlier in this report, we also investigated what impact this would have on Brent's revenue budget in coming years. If now is a good time to make capital investments, these investments should also save the Council money in the longer term. The initial direct capital investment by the council will deliver 199 units and will save the council over £3 million a year. The total NAIL programme is anticipated to save in the region of around £7.8 million per annum, which is not insignificant.

One aspect of this policy that the Panel did have concerns about was the geographical spread of these new services. Property in the north of our borough is significantly cheaper than in the south, and so it is a likely outcome that the vast majority of these units will only be purchased and run in one part of Brent. We are concerned this could continue to fuel perception, which members of our panel who represent wards south of the North Circular very much recognised, that the council is "only interested in Wembley".

We therefore recommend that due consideration is given to ensuring a geographical spread when strategical purchasing property. This should not be absolute, as we are aware of the cost implications, but we want to ensure that the council has foot prints all across Brent when delivering services. The Panel also accepted the possibility that a majority of property owned may already be in the south, and a policy of buying in the north may now even this out. However it is achieved, we believe a clear geographical spread should be the goal.

### **c) Bulky waste**

The council's provision of bulky waste collection services is perennially a controversial issue. This is not a statutory service and it brings costs to the council both in terms of collection and disposal. However, an efficient and well-used system can have a positive effect on levels of illegal rubbish dumping in the borough and our recycling rates.

When the proposal to introduce a charge for a "gold standard" collection option was made in last year's budget, the Panel had clear concerns. We wrote at the time:

*'The Panel had severe concerns about this proposal, primarily focused around the potential reputational damage to "Brand Brent" for what is a relatively small saving ... This is a sensitive political area and we feel that when speaking about this subject the Council needs to be extra careful to get its messaging right so no misinformation gets into the public arena.'*

Anecdotally, the Panel believes that some of these predictions have come to pass. At public meetings in our wards, residents have come to us and asked why the council has taken away the free bulky waste service. In person we are able to explain why this is not the case but there must be many more residents we have not met who believe the free service has gone and never get to hear the alternative case.

Nevertheless, the policy is now in place and seems to be having some positive impact, with collection requests dropping from 70 per day to 15 per day. In the spirit of "what gets measured gets done" we would recommend that a clear

target for daily referrals is set and monitored each month by cabinet to ensure it does not begin to creep back up.

In our last Panel report we also recommended that the council do more to signpost people to other organisations which will take away bulky waste and dispose of for free, for example the British Heart Foundation Furniture and Electrical shop in Cricklewood. We believe that this helps to get the referral rate down but also lead to more re-use, as the shop will resell the item in the local community, whereas the council would most likely dispose of it in landfill. As the chart below demonstrates, re-use is a much more sustainable option than disposal or even recycling, it is also far cheaper for the council, which must pay landfill tax on every tonne of waste it puts underground.



With this in mind, we are very please that the council does signpost to these services on the special collection service page of Brent's website.

However, we would note that this information is contained nearer the bottom of the page and that even on a large screen residents will have to scroll down to find the appropriate information.

This is demonstrated in the screenshots below.

Furniture and large items: X

Secure | https://www.brent.gov.uk/services-for-residents/recycling-and-waste/types-of-collection/special-collection-service/

Apps | Google | Guardian | FPL | Natwest | Gmail | CRA OWA | Brent | Salesforce | CRA | CRA Members | MailChimp | Social Value Toolkit | TinyURL.com

Contact us | E-news/e-alerts | Jobs | Translate | Log in to My Account

**Brent**

Search (e.g. Housing) | Apply | Report it | Pay It | Book it

My Services | My Business | My Council | My Community | My Account | My Location

Home > Services for residents > Recycling and waste > Types of collection > Special collection service

Ad closed by Google  
Stop seeing this ad | AdChoices

## Special collection service

Collections | How to present your items | Guidance - flats and North Circular | Terms and conditions

We have made changes to the way that our special collection service is provided. Our service is now chargeable, but we have made it easy for you to make bookings online and select your own collection day.

A charge of £35 applies for a collection of up to 5 items. You can book as many collections as you like in a year and we have increased the range of items that you can ask us to remove.

You can see the full terms and conditions of our new service in the tab at the top of this page. We recommend that you read them before making your booking.

Please note that if you previously booked a collection with our free service; your date of collection still applies and remains unaffected by the new service.

### Book a Special Collection

Book a Special Collection for bulky items

Collections take place Monday to Friday. You can select your own collection day; up to 2 weeks in advance.

Brent | Council Tax | Benefits | Parking | Council jobs | Planning Applications | Report missed bins collections

Furniture and large items: X

Secure | https://www.brent.gov.uk/services-for-residents/recycling-and-waste/types-of-collection/special-collection-service/

Apps | Google | Guardian | FPL | Natwest | Gmail | CRA OWA | Brent | Salesforce | CRA | CRA Members | MailChimp | Social Value Toolkit | TinyURL.com

**Brent**

Collections take place Monday to Friday. You can select your own collection day; up to 2 weeks in advance.

If you are a landlord, you can now use our collection service to dispose of items when a tenant is moving out of a property.

If you are in receipt of Council Tax Support or Housing Benefit you will be entitled to one free collection per year (April to March). Any further collections will be chargeable at the full rate of £35. This free collection should be automatically applied when you make your booking. For the discount to be applied for other benefits you may need to contact us by telephone. Eligible benefits include Income related Job Seekers Allowance, Pension Credit (Guaranteed Rate) and Income Support.

If you experience any problems, please contact our customer service team on 020 8937 5050.

### Alternative collection methods

If you don't want to use our new bulky waste service; you can use one of the many free alternatives for giving your item another home.

Most charity shops love to take things off you that you no longer need. If you have trouble finding a shop willing to take a large item, try the [British Heart Foundation's free furniture and electrical collection service](#).

### Online sites and web communities

- **Freecycle** - the original platform for helping match up those in need of certain items, with those who want rid.
- **Freecycle** - Around 17,000 people in Brent are using Freecycle to give away and make use of items that are no longer needed by some people.
- **Gumtree** - Online classified adverts to pass on your no longer needed items.
- **Facebook** - Now featuring local buy and sell groups to sell or giveaway items with no fees.
- **eBay** - Buy and sell items on the well-known online auctioning site.
- **Nextdoor** - A free and private social network for your local neighbourhood with a 'free items' section
- **Preloved** - The popular classified site features a Free-loved section, letting you pick up things for free. While it's free to advertise your wares, users pay £5/year to get first dibs on the latest freebies.
- **SnaffleUp** - While still relatively small, SnaffleUp's modern design means it's easy to browse for freebies.
- **Re-cycle** - A charity that isn't able to collect unwanted bicycles, but can take them off you at several drop off points for them to be reused in developing countries in Africa.

Know of any others? Let us know and we'll update this web page.

### What we can't collect

We will not collect pianos, soil, rubble, clinical and hazardous waste.  
You can dispose of those items using these services.

Brent | Council Tax | Benefits | Parking | Council jobs | Planning Applications | Report missed bins collections

By organising the information in this order the impression that the council is the first option, and that every services is second class, is maintained. It is our

opinion that these services would be even better used if they were more prominently displayed at the top of the page. Some of the charity retailers who collect furniture in Brent are well known national or local brands, so displaying these logos may catch people's eye quickly and encourage them to give to a charity they support rather than the council.

With all this in mind, we recommend a re-design of this council webpage and also training for staff in our information centre so that residents are referred to charity collectors in the first instance.

We believe this would benefit the council by reducing daily collection requests, benefit the residents by giving them a free and ethical option, and also benefit local charities who get more stock to sell and re-use.

Win/win/win.

Finally, we would also urge the cabinet to think about how the council can make it easy for residents to dispose of mid-sized items in an ethical and sustainable way. It was noted by the Panel that when a resident wishes to dispose of a very small item (for example a broken plate) they can do so for free by placing in their residential bin. Likewise, when they wish to dispose of a large, bulky item (for example a sofa) they can do so for free by organising a bulky waste collection. However, there are no such options for mid-sized items like an older vacuum cleaner or microwave.

Residents with a car can take these to Brent's household recycling centre, but for the majority of our residents who do not have their own vehicle this is very difficult. One suggestion from a member of the Panel was that at certain points throughout the year the council could set up collection points at designated places throughout the borough to allow people to dispose of these items in a sustainable way. This may help to tackle levels of illegal rubbish dumping which costs the council so much to clear.

#### **d) Parking**

We were surprised by how few demands for change were passed to the council as part of the demand-led review of Controlled Parking Zones (CPZs) announced in last year's budget. It is therefore welcome that CPZ policy will continue to be reviewed on a demand-led basis, though without significant publicity we feel that only those who already have enough social capital to access the council system might be able to participate.

The Panel noted, as is demonstrated in the table below, the number of penalty charge notices issued has generally increased over the last few years.

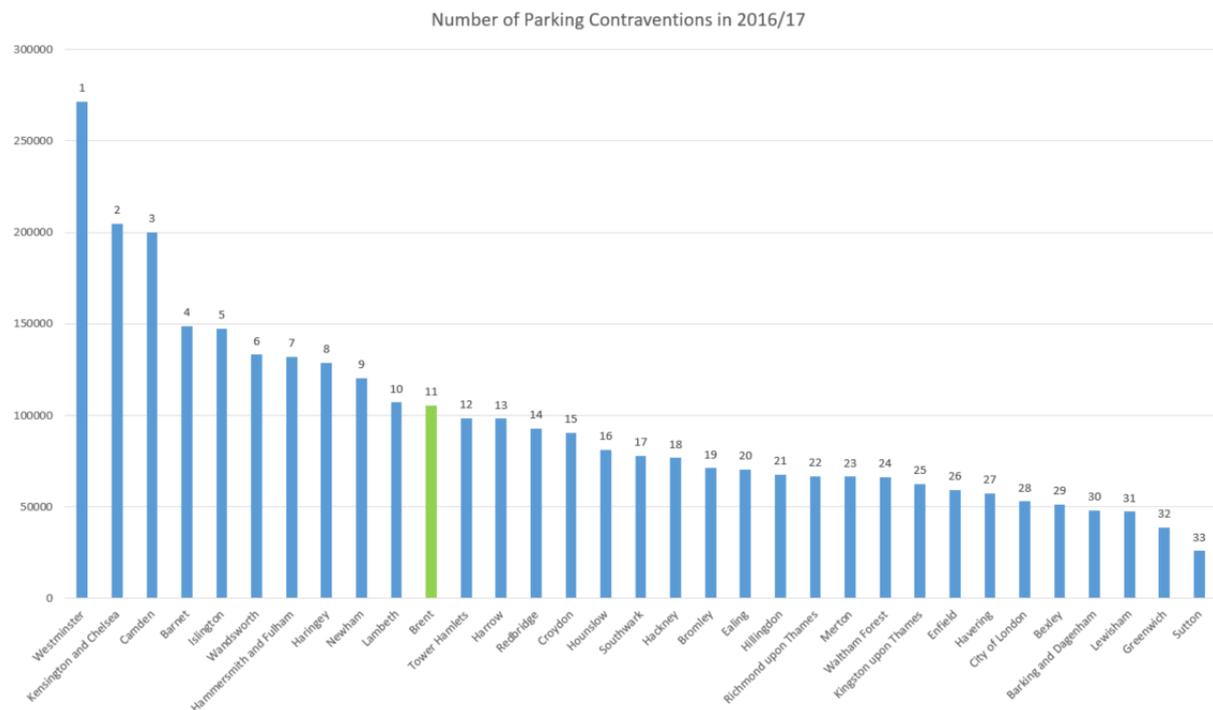
Contravention	2012/13	2013/14	2014/15	2015/16	2016/17
Parking Offences	85,101	75,460	87,146	99,145	103,424

We believe this is right. Those who do not play by the rules take away parking spaces from those residents who have paid into the system, they also contribute

to over-crowding and dangerously cluttered streets. A consistent system of penalty charges can help to change behaviour in the right direction.

The panel did express a belief that night time enforcement may be a gap in our operation. Residents are able to alert the council at night if cars are parked blocking drives or on double yellow lines or making any other infringement, with officers on duty to come out and issue penalty notices. However, many residents are not aware of this option and we suggest a publicity campaign may help in this regard and eventually pay for itself.

We were also interested in seeing how Brent performs in comparison to other London boroughs, and to this end acquired the data shown in the table below.



So, in terms of total PCNs issued, Brent sits eleventh out of 32 boroughs and the City of London. We were interested to see what it would take to move Brent further up this table as this would not only generate more income for the parking service, but also ensure a consistent approach which deters people from parking in places they should not right across Brent.

We accepted the argument from officers that more central London boroughs (Westminster, Camden, Islington, Hammersmith and Fulham, Kensington and Chelsea) will likely always generate more PCNs than Brent. This is also true of Wandsworth where every single road is covered by a CPZ. Despite this, there are certainly other boroughs in the "Top Ten" which could be expected to have similar amounts of parking stress as Brent and to which we should be comparing ourselves.

Further information we were given by officers was as follows:

*'The main constraint is that we have been required by the Inter Authority Agreement with Hounslow to pay Civil Enforcement Officers minimum*

*wage, and this has impacted on recruitment and retention. As soon as the IAA is terminated next July we intend to move to London Living Wage like other neighbouring boroughs, and this should facilitate the expansion of the workforce and an increase in parking enforcement volumes.'*

If this assertion is correct, we would expect to see an increase in the number of PCNs issued in the months after July. We believe this performance should be tested and scrutinised and therefore recommend that a report comes back to the appropriate scrutiny committee in twelve months' time analysing how the change of contract has affected our parking enforcement.

## **4. Other budget issues**

### **a) Structural issues**

In previous budgets there were particular departments which frequently incurred an overspend, and others an underspend which was used to bridge the gap and balance the budget.

This was clearly not a sustainable policy and we are pleased to see that ahead of this year's budget officers have done significant work to address these structural problems and deliver a more sustainable budget.

One concern that was raised revolved around Universal Credit and the impact this could have in Brent, particularly if vulnerable local residents require access to support and services during the five weeks claimants must wait for their first payment. As the full impact of Universal Credit is unknown at this time this is difficult to address, but we would hope the council builds the best assumptions possible into its budget planning.

### **b) Income generation**

Councillors of all parties have a long-standing interest in income generation ideas and the commercialisation of council activities. This is likely because councillors see the process of generating our own money as a way to begin to plug the gap that appears as the central government support grant is slashed.

We are not naïve enough to believe that Brent could ever generate enough money to overcome the huge cuts we have faced since 2010, but generating additional income is never a bad idea and can contribute to our council's independence as well as our revenue.

We endorse Brent's "Civic Enterprise" strategy which seeks to imbed commercialisation at all levels of the organisation. In many areas this plan is having an impact. For example, in the area of debt, half of the targeted £1 million has already been raised.

However, other areas are more concerning. The plan to raise an additional £300k per year from advertising is behind target, with just £62k or recurring income secured so far. We were assured by officers and cabinet members that this was not the result of the council being "squeamish" about local authorities getting into the advertising business. For example, quotes have been gathered

to use the civic centre as advertising space, but bids were far lower than anticipated.

One suggestion we would like to make is that a similar model to that used in the area of business rates (as discussed above) is adopted. The council has a partner who travel around Brent identify business space which is rateable but not yet being charged on a no-win no-fee basis. Could a similar partnership be enacted to ensure every public space in Brent is examined to find new advertising space?

Another area of concern comes with fees and charges where a shortfall of £606k has been identified. Our suggestion for investigation in this area is the licensing of pavement space.

We have all noticed businesses in the borough who expand their shop or bar front onto the pavement – sometimes so far out that it causes blockages for prams and wheelchairs – and there does not seem to be any policing of this. We would recommend that a review of pavement licencing in Brent is carried out to see how much we could generate from this source.

This will not be an entirely straightforward task, as, at present, the council does not have an officer in place to enforce pavement regulations. Likewise, the cost of a pavement licence must be pitched at the right level. If we begin to take thorough enforcement action in this area but charge too much local businesses would be adversely affected, and if no business is willing to pay the amount demanded no income will be generated. We therefore believe that any review will also look closely at any figures set.

Finally, we do believe there is a role for Brent's CCTV network in this kind of enforcement action. Most high streets in Brent are covered by our CCTV cameras, and studying these could certainly help to identify those shops whose frontages are creeping ever further across the public pavement.

## **5. Recommendations**

### **1.**

Brent should dedicate some time and intellectual space to mapping out the potential consequences of Brexit for the borough, particularly in the areas of population, housing and manufacturing exports.

### **2.**

Brent should advocate a form of sub regional investment for the "strategic investment pot" produced in the London business rates pool, if the arrangement becomes permanent. The West London Alliance could deliver investment in our region of London.

### **3.**

The criteria Brent should adopt for strategic investment are as follows:

- That the capital investment should have a spend to save rationale, and, in some way, reduce Brent's anticipated revenue spending in forthcoming years.
- That the investment aligns with the Council's political priorities.
- That the investment should represent a sound long-term financial decision.
- That the money spent makes a significant positive impact on the lives of the most vulnerable in Brent.

**4.**

Brent should leave no stone unturned in attempts to grow the local private sector. Two ideas it should specifically look at are appointing a business champion and using the procurement system to support local businesses.

**5.**

A report on progress in delivery of the new sexual health services for the borough should come before Community and Wellbeing Scrutiny in six months' time.

**6.**

The council should always give due consideration to ensuring a geographical spread when strategically purchasing property.

**7.**

The council should set a target to keep bulky waste collection requests low in order to reduce costs and the amount of materials finding their way into landfill.

**8.**

The special collection service page of the Brent website should be re-designed to give maximum exposure to alternative and sustainable options which residents can use to dispose of bulky waste, particularly charity retailers in the borough. Helpline staff should also be trained to offer alternative options in the first instance.

**9.**

The council should look to develop sustainable ways for people to dispose of mid-sized waste items as a way of reducing illegal rubbish dumping.

**10.**

A report should be sent to the appropriate scrutiny committee in twelve months' time, demonstrating how the change of contract due in July 2018 affects parking enforcement in the latter half of 2018.

**11.**

The council should look into the possibility of hiring an external partner to find more advertising space in the borough on a no-win no-fee basis.

**12.**

A review of pavement licencing in Brent should be carried out to see how much we could generate from this source. This should take particular account of price and enforcement.

**This page is intentionally left blank**

<b>BOARD (CAPITAL PROGRAMME)</b>	<b>2017/18 £'000s</b>	<b>2018/19 £'000s</b>	<b>2019/20 £'000s</b>	<b>2020/21 £'000s</b>	<b>Total £'000s</b>
Barham Park Trust	-	50	-	-	50
Civic Centre	550	-	-	-	550
Civic Centre retention	2,300	-	-	-	2,300
Digital Strategy	836	2,964	1,780	-	5,580
Energy	108	1,019	1,227	105	2,459
ICT	1,963	2,531	-	-	4,494
Libraries	16	633	2	2	652
<b>Corporate Landlord (GF)</b>	<b>5,773</b>	<b>7,197</b>	<b>3,009</b>	<b>107</b>	<b>16,085</b>
Barham Park	-	100	-	-	100
Bridge Park Regeneration	400	1,005	-	-	1,405
Grant	2,503	6,002	8,019	3,000	19,524
Housing Zones	4,910	1,070	215	115	6,310
Regeneration - Small Schemes	100	-	-	-	100
Town Centre Regeneration	179	194	-	-	373
<b>Regeneration Board (GF)</b>	<b>8,092</b>	<b>8,371</b>	<b>8,234</b>	<b>3,115</b>	<b>27,812</b>
CCTV	825	1,500	-	-	2,325
Cemeteries	10	-	-	-	10
Environmental Health	-	77	-	-	77
Sports	22	114	485	20	641
Landscaping	300	638	131	-	1,069
Parks	325	972	-	-	1,297
Street Lighting	2,790	3,707	500	-	6,997
Highways and Infrastructure	13,710	9,090	6,145	5,645	34,590
<b>Public Realm Board (GF)</b>	<b>17,982</b>	<b>16,098</b>	<b>7,261</b>	<b>5,665</b>	<b>47,006</b>

<b>BOARD (CAPITAL PROGRAMME)</b>	<b>2017/18 £'000s</b>	<b>2018/19 £'000s</b>	<b>2019/20 £'000s</b>	<b>2020/21 £'000s</b>	<b>Total £'000s</b>
Affordable Housing	5,718	500	-		6,218
Capitalisation	240	-	-	-	240
Energy, Health & Safety	800	-	-	-	800
NAIL	16,914	17,597	15,389	7,342	57,242
PRS	65,000	29,390	-	-	94,390
<b>Housing Capital Investment Board (GF)</b>	<b>89,627</b>	<b>60,075</b>	<b>50,564</b>	<b>37,464</b>	<b>237,730</b>
Infill Development Programme	2,568	17,878	3,820	574	24,840
Major Repairs & Maintenance	28,065	27,652	19,420	-	75,137
Acquisition strategy	17,393	-	12,000	-	29,393
<b>Housing Capital Investment Board (HRA)</b>	<b>48,026</b>	<b>45,530</b>	<b>35,240</b>	<b>574</b>	<b>129,370</b>
Academies	2,501	-	-	-	2,501
Children & Youth Facilities	816	99	-	-	915
School Projects	320	585	7	-	912
Expansion of School Places	2,023	1,506	2,514	275	6,318
Phase 3 Permanent Primary	19,600	13,806	5,218	4,724	43,348
Phase 4 - South Kilburn School	51	500	3,789	3,789	8,129
PSBP Phase 2 Secondary	3,497				3,497
School Capital Improvement	4,648	4,267	3,200	5,500	17,615
Temporary Places	24	416	10		450
<b>Schools Programme Board (GF)</b>	<b>33,480</b>	<b>21,179</b>	<b>14,738</b>	<b>14,288</b>	<b>83,685</b>
<b>South Kilburn Programme Board (GF)</b>	<b>10,900</b>	<b>18,183</b>	<b>16,165</b>	<b>29,863</b>	<b>75,111</b>
<b>Approved Total Budgets</b>	<b>213,880</b>	<b>176,453</b>	<b>135,211</b>	<b>91,256</b>	<b>616,799</b>
<b>Pipeline</b> Estimate of Items Approved in 2018/19	-	50,000	175,000	175,000	<b>400,000</b>
<b>Estimated Capital Programme</b>	<b>213,880</b>	<b>226,453</b>	<b>310,211</b>	<b>266,256</b>	<b>1,016,799</b>



**This page is intentionally left blank**

## Appendix E

# TREASURY MANAGEMENT STRATEGY STATEMENT

### Introduction

1. The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services requires local authorities to determine their Treasury Management Strategy Statement (TMSS).
2. As per the requirements of the Prudential Code of Practice, 2011, the Authority has adopted the CIPFA Treasury Management Code and reaffirmed its adoption at its annual Budget meeting, most recently on 3 March 2014. CIPFA consulted on changes to the Code in 2017, but has yet to publish a revised code.
3. The purpose of this TMSS is, therefore, to set out the following:
  - i. Treasury Management Strategy for 2018/19
  - ii. Annual Investment Strategy for 2018/19

The approved Strategies will be implemented from the date of approval by the Council.

4. The Authority had borrowed £411m of long term debt and had £171m invested at 30 November 2017 and, therefore, has potentially large exposures to financial risks including the loss of invested funds and the effect of changing interest rates. The successful identification, monitoring and control of risk is central to the Authority's Treasury Management Strategy.

### Capital Financing Requirement

5. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with usable reserves, are the core drivers of the Authority's Treasury Management activities.
6. At 30 November 2017, the Authority held £411m of long term debt and £171m of investments. These are set out in further detail in table 1 below. As a result of the recent rise in interest rates, the return on the council's investments has increased over the early part of the year. The impact of the rate rise on borrowing costs has been limited because the council's debt portfolio is predominantly made up of fixed rate PWLB borrowing.

## Existing Investment & Debt Portfolio Position

Table 1

	30/11/2017 Actual Portfolio £m	30/11/2017 Average Rate %	31/3/2017 Average rate %
<b>External Borrowing:</b>			
PWLB – Maturity	288	5.01	5.01
PWLB – EIP	28	2.57	2.57
LOBO Loans	80	4.97	4.98
Fixed Rate Loans	15	4.27	4.27
<b>Total Gross External Debt</b>	411	4.81	4.79
<b>Investments:</b>			
Market Deposits	150	0.46	0.38
Money Market Funds	21	0.34	0.28
<b>Total Investments</b>	171	0.45	0.37
<b>Net Debt</b>	240		

- 7 The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years. The Authority's current strategy is to maintain borrowing at the lowest level possible unless interest rate prospects present a clear case for taking long term borrowing ahead of immediate requirements.

The Council's CFR is greater than its borrowing, as to minimise interest costs the Council utilises its internal resources over the short term instead of undertaking more expensive external borrowing. However, the increased emphasis on imaginative capital investment to transform the financial position will require some new external borrowing over the coming year.

### Interest Rate Forecast

- 8 Following the recent rise in interest rates from the historic low of 0.25%, the expectations for any further increases in short term interest rates are subdued. The Council's Treasury Management advisers, Arlingclose, forecast that official UK Bank Rate will remain at 0.5% for the immediate to medium term future and the minutes of the MPC meeting re-emphasised that any increases in the bank rate would be expected to be limited and at a gradual pace. A chart showing the projected UK bank rate provided by Arlingclose is shown in Appendix D.

The case for any further changes in interest rates is balanced on both sides. Higher inflation, in part as a result of the depreciation in sterling following the

vote to leave the European Union contributes to the upward pressure on interest rates. This pressure is balanced by the challenging outlook facing the UK economy. Lower economic growth expectations following a softening in household consumption growth and the uncertainty around EU negotiations contribute to this. 30-year gilt yields and PWLB rates have risen by 0.2% in the last three months. Officers will continue to monitor developments with the advice of Arlingclose but giving due regard to other published information.

## **Borrowing Strategy**

- 9 The Council currently holds a significant cash balance, however this is expected to decrease over the course of 2018/19 and the medium term. This occurs in a situation in which interest rates, although increased during 2017/18, remain historically low.

The council must ensure that its total debt does not, except in the short-term, exceed the total of the CFR in the preceding year i.e. 2017/18, plus the estimates of any additional CFR for the year 2018/19 and the following two financial years. This allows some flexibility for early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

If borrowing is undertaken in advance of need there will be a net cost of holding this money until it is used - the “cost of carry”.

The cost of carry needs to be viewed in conjunction with forecast changes in interest rates; where a delay in borrowing could lead to the need to borrow at a future higher rate and where the increased interest over the loan period would far outweigh the short term cost to carry. This needs to be considered against a backdrop of uncertainty and affordability constraints in the Authority’s wider financial position. Any decision to borrow in advance will be considered carefully to ensure that value for money can be demonstrated, and that the council can ensure the security of such funds.

- 10 The Authority will adopt a flexible approach to borrowing in consultation with Arlingclose Ltd. The following issues will be considered prior to undertaking any external borrowing: -

- Ensure that the ongoing revenue liabilities created, and the implications for future capital plans and budgets have been considered;
- Evaluate economic and market factors that might influence the manner and timing of the decision to borrow;
- Consider the pros and cons of alternative forms of funding, interest rate structures and repayment profiles;
- Consider the positive and negative impacts of borrowing in advance of need on the council’s cash balances, in particular the increased exposure to credit risk that will arise as a result of investing this additional cash in advance of need; and
- Consider the requirement in the context of the maturity profile of existing debt and borrowing sources.

## Sources of Borrowing and Portfolio Implications

- 11 In conjunction with advice from Arlingclose, the Authority will keep under review the following borrowing sources:
- Internal balances;
  - PWLB and any successor body;
  - Other local authorities;
  - European Investment Bank (Pending EU negotiations);
  - Leasing;
  - Structured finance;
  - Capital markets (stock issues, commercial paper and bills); and
  - Commercial banks and other financial institutions
  - UK Municipal Bonds Agency Plc and other special purpose companies created to enable local authority bond issues.

As the Council did not foresee an immediate need to borrow, and as it was aware of the risks of joint and several liability, it did not take any part in setting up the Municipal Bonds Agency (MBA). The option of joining the MBA or issuing bonds in our own name, are continually under review.

- 12 The council's cash balances are expected to decrease over the course of 2018/19 and the council will continue to use internal resources in lieu of external borrowing as the most cost effective means of funding capital expenditure. As cash balances decrease, the council is likely to borrow externally. Total borrowing cannot exceed the authorised limit for borrowing, currently proposed to be £1bn for 2018/19. The actual level of in year borrowing will depend on number of factors including actual use of reserves, level of capital and revenue expenditure and timing of key cash flows e.g. grants and council tax receipts. The Council anticipate the level of borrowing required will be in the region of £80m between 2018/19 and 2019/20.
- 13 Furthermore, the cost of carry means the use of short term borrowing and repayment by Equal Instalments of Principal (EIP) is more cost effective. This increases volatility in the debt portfolio in terms of interest rate risk but is counterbalanced by its lower interest rates and that borrowing costs are closer to investment returns. It also maintains an element of flexibility to respond to possible future changes in the requirement to borrow. The Authority's exposure to shorter dated and variable rate borrowing is kept under regular review.
- 14 The Authority has £80.5m exposure to LOBO loans (Lender's Option Borrower's Option) and £15m regular fixed rate loans. Of the LOBO Loans £10.0m of these can be "called" within 2018/19.
- 15 LOBOs are so-called because lenders can exercise their rights at set times to amend the interest rate on the loan. At that point, the Borrower can accept the revised terms or reject them and repay the loan without penalty. LOBO loans present a potential refinancing risk to the Authority since the decision to call a LOBO is entirely at the lender's discretion which is compensated for by a lower interest rate being paid. This risk is mitigated by the fact that the Council's

current cash holdings mean that any repayment could be accommodated by reducing deposits in a relatively short time and that it would financially advantageous to do so at current interest rates.

- 16 Any LOBOs called will be discussed with Arlingclose prior to acceptance of any revised terms. The default position will be the repayment of the LOBO without penalty i.e. the revised terms will not be accepted. It is considered a significant possibility that some LOBOs may be renegotiated over the next few years due to the need to comply with Basle III regulations for banks in 2019.

### **Debt Rescheduling**

- 17 The Authority's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs.
- 18 The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans have adversely affected the scope to undertake worthwhile debt restructuring. For example, the Council's most expensive loan is £3.05m at a rate of 8.875%, to repay it would cost £0.935m, a 30% premium on the value of the loan before the cost of re-financing. The rationale for undertaking any debt rescheduling or repayment would be one or more of the following:
- Reduce investment balances and credit exposure via debt repayment
  - Align long-term cash flow projections and debt levels
  - Savings in risk adjusted interest costs
  - Rebalancing the interest rate structure of the debt portfolio
  - Changing the maturity profile of the debt portfolio
- 19 The possible benefit of undertaking a restructuring needs to be carefully evaluated as it depends on how the repayment is resourced. Officers will monitor the portfolio together with Arlingclose and remain alert for opportunities where the potential savings justify the risks involved. Borrowing and rescheduling activity will be reported to the Cabinet and Council in the Annual Treasury Management Report and the mid-year report.

### **Annual Investment Strategy**

- 20 In accordance with investment guidance issued by the Department for Communities and Local Government (CLG), and best practice, this Authority's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority's investments is secondary, followed by the yield earned on investments. However, the likely rise in inflation presents a further risk to the Council in so far as current investment yields are likely to be below the rate of inflation. This means that the value of these investments is declining as time goes on. Though not clearly visible, this will progressively erode the purchasing power of Treasury investments.

- 21 The graph in Annex D shows a comparison between Brent's portfolio and that of Arlingclose's other clients. Brent's portfolio has a very low risk compared with many of the others, which also equates to a lower yield. However, the majority of authorities are to the bottom right, therefore the Council has successfully executed this strategy to obtain higher returns than authorities with similar risk profiles. Brent currently uses quite a narrow range of the instruments which are available, chosen because they are short term and with highly rated counterparties, principally the UK government, local authorities and major UK banks. Additional yield can be offered either in return for higher inherent risk or reduced liquidity (i.e. longer maturities or lower marketability). However, this risk can be mitigated in a number of ways:
- Diversification over a range of counterparties;
  - Seeking collateral or additional security for capital invested;
  - Focusing on capital strength or sound business models.
- 22 Corporate bonds, for example, can give significantly higher yields than our current deposits but give exposure to risks from economic, commercial and operational difficulties. Diversification would involve investing small amounts with a large number of companies or buying diversified Funds. Seeking additional security could involve exchanging our deposit for known high credit quality assets, or a claim on a pool of assets. Seeking capital strength would involve investing in companies with high levels of assets in relation to liabilities or a strong fixed asset base, or whose business is not subject to marked fluctuations in activity or profitability. Annex C compares some readily available options.
- 23 The Council has a borrowing portfolio of £411m and a Capital Financing Requirement of £581m. This £170m difference generates 0.45% of interest. If borrowed up to its Capital Financing Requirement for 25 years on Equal Instalment of Principal terms, it would cost 2.62% from the PWLB. Together, this equals a total 3.07% return, representing a saving of £5.2m to the Council, but also an opportunity to invest.
- 24 Brent currently holds a historically high level of cash which has risen over the last five years. A significant part of this is related to unspent capital grants and Section 106 contributions, which are already reducing. The Capital programme has increased in scale and the relative ease of direct purchasing of assets (PRS and land) means that spend is more likely to meet ambitious targets than in prior years. Therefore overall, it is expected the Council will see the balance of investments decrease.
- 25 Having an appropriate lending list of counterparties, remains critically important to protecting Brent's investments. A list of extremely secure counterparties would be very small, and the limits with each would be correspondingly high. This would expose the authority to a risk of an unlikely but potentially large loss. This arises because the arrangements for dealing with banks in difficulty now require a loss to be imposed on various categories of liabilities of the banks to allow the bank to recapitalise itself and continue in business (sometimes referred to as bail in).

- 26 Local authority deposits could be exposed to a loss of up to 40%, beyond which the government would be able to give support. As a consequence, the Council has taken steps to reduce exposure to banks, by shortening maturity limits, by investing principally in instruments which can be sold in the event of warning signs being noticed and by diversifying. The Authority and its advisors remain alert for signs of credit or market distress that might adversely affect the Authority. However, The Council wishes to maintain the option of using a wider range of instruments which are not subject to bail in, where appropriate, and this would include the instruments referred to in Annex C. All of these would be need a thorough vetting by officers and the Council's Treasury advisors, Arlingclose.
- 27 Investments are categorised as Specified or Non-Specified within the investment guidance issued by the CLG. Specified investments are sterling denominated investments with a maximum maturity of one year. They are also of a high credit quality as determined by the Authority and are not investments that needed to be accounted for as capital expenditure. Non-specified investments are, effectively, everything else. Investments for more than a year remain non-specified until they mature.
- 28 The types of investments that will be used by the Authority and whether they are specified or non-specified are as follows:

**Table 2: Specified and Non-Specified Investments**

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Investments with Registered Providers	✓	✓
Certificates of deposit with banks and Building Societies	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	✗
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	✗
Commercial Paper	✓	✗
Corporate Bonds	✓	✓
AAA-Rated Money Market Funds	✓	✗
Other Money Market Funds and Collective Investment Schemes	✓	✓
Debt Management Agency Deposit Facility	✓	✗

- 29 Registered Providers (Housing Associations and Registered Social Landlords) have been included within specified and non-specified investments for 2018/19. Any investments with Registered Providers will be analysed on an individual basis and discussed with Arlingclose prior to investing.
- 30 The minimum credit rating for non-UK sovereigns is AA+ (or equivalent). For specified investments the minimum long term rating for counterparties is A- (or equivalent). Within these criteria the Chief Finance Officer (CFO) will have discretion to accept or reject individual institutions as counterparties on the basis of any information which may become available. The countries and institutions that currently meet the criteria for investments are included in Annex A. The Council uses the lowest rating quoted by Fitch, Standard and Poor or Moody's, as recommended by CIPFA.
- 31 Any institution will be suspended or removed should any of the factors identified above give rise to concern, and caution will be paramount in reaching any investment decision regardless of the counterparty or the circumstances. Credit ratings are monitored continually by the Authority, using the advice of Arlingclose on ratings changes, and action taken as appropriate.
- 32 The Authority banks with National Westminster Bank (NatWest). At present, NatWest does not meet the Authority's minimum credit criteria (its Fitch and S&P ratings are BBB+). While it does not give cause for immediate concern, its status is being monitored and the necessary actions should it deteriorate have been considered. In the meantime, as far as is consistent with operational efficiency, no money is being placed with NatWest and credit balances in the various Council accounts are being kept to a minimum level.

### **Investment Strategy**

- 33 With short term interest rates expected to remain low for many years, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns.
- 34 Following on from the banking crisis of 2008/09 and government interventions to prevent the collapse of the banking system, there has been an increase in legislative restrictions on the extent and manner in which public money can be used in the event of an impending bank failure. In future, governments will be unable to invest public money to rescue banks in difficulty until a significant contribution has been made by those who have certain kinds of investments in the bank concerned, a process called "Bail in". These include deposits by those deemed to be in a position to assess the risk involved, including local authorities.
- 35 Secured deposits of various kinds are not included in bail in provisions. Some other forms of deposits are, but can be sold if felt to be at risk. It is likely that the Council's preferred instruments in lending to institutions without some kind of government guarantee will increasingly be in the form of secured or marketable instruments.

- 36 In order to diversify a portfolio largely invested in cash, investments will be placed with a number of approved counterparties over a range of maturity periods. Maximum investment levels with each counterparty will be set by the Chief Finance Officer to ensure that prudent diversification is achieved.
- 37 Money market funds (MMFs) will be utilised but good treasury management practice prevails, and whilst MMFs provide good diversification, the Authority will also seek to mitigate operational risk by using at least two MMFs where practical. The Authority will also restrict its exposure to MMFs with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF. In addition, each Fund will be limited to a maximum deposit of £10m.
- 38 The investment strategy will provide flexibility to invest cash for periods of up to 370 days in order to access higher investment returns, although lending to UK local authorities can be for up to 5 years. The upper limit for lending beyond a year is £40m. In practice, lending for more than one year will be only to institutions of the highest credit quality and at rates which justify the liquidity risk involved. Marketable instruments may have longer maturities, though the maturity will be considered in conjunction with the likely liquidity of the market and credit quality of the institution.
- 39 Annex C summarises the main features of some instruments which the Council does not use at present but would like to reserve the option to use in the future. Before using any of these, officers would take advice from Arlingclose and adopt suitable guidelines to manage risk from exposure to the new instruments.
- 40 Following the financial crisis and the increasing complexity of financial products the European Commission conducted a review of the existing Markets in Financial Instruments Directive (MiFID) regulations. The result of this review is the MiFID II regulations due to take effect from January 2018. The main change from these regulations is that the council will be reclassified as a retail client with the opportunity to opt up to professional client status. Under the existing regulations, the council is treated as a professional client. As a retail client the council would have increased protection however this would be balanced against potentially higher fees and access to a more limited range of products. The council is currently in the process of opting up to professional client status with counterparties.
- 41 Collective Investment Schemes (Pooled Funds):  
The Authority has evaluated the use of Pooled Funds and determined the appropriateness of their use within the investment portfolio. Pooled funds enable the Authority to diversify the assets and the underlying risk in the investment portfolio and provide the potential for enhanced returns. Investments in pooled funds will be undertaken with advice from Arlingclose. The Authority currently has no investments in Pooled Funds at present, but may make prudent use of them in the future.
- 42 Investment Policy:  
Treasury Management in the Public Services: Code of Practice (the Code) was updated in November 2011, with a greater focus on risk management and significance of capital security as the Council's primary objective in relation to investments.

- 43 The Council maintains, as the cornerstones for effective treasury management:-
- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
  - Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

### **Policy on Use of Financial Derivatives**

- 44 The Authority does not currently use standalone financial derivatives (such as swaps, forwards, futures and options) and will only do so where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy. Where schemes contain an embedded derivative they will be subject to evaluation as part of the appraisal of the particular scheme.
- 45 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and any relevant foreign country limit.
- 46 The Authority will only use derivatives after seeking expertise, receiving a legal opinion and ensuring officers have the appropriate training for their use.

### **Policy on apportioning Housing Revenue Account (HRA)**

- 47 Local authorities are required to recharge interest expenditure and income attributable to the HRA in a way which is fair to the HRA without detriment to the General Fund. The guidance is non-specific, so the Council is required to adopt a policy that will set out how interest charges attributable to the HRA will be determined. The CIPFA Code recommends that local authorities outline this policy in their TMSS.
- 48 As of 1 April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. Individual loans or parts of loans have been allocated to the HRA, on the basis of achieving the same long term rate as that which applied to the General Fund at the self-financing date. In the future, new long-term borrowing will be assigned in its entirety to one pool or the other, allocating the costs and benefits to each accordingly.
- 49 Differences between the value of the HRA loans pool and the HRA's underlying need to borrow results in a notional element of internal borrowing. This balance will be assessed over the year and interest charged to the HRA at an appropriate rate for short term borrowing. The HRA will also hold reserves and balances which will be invested with the Council, and interest will be paid on identified balances at a rate which recognises that any investment risk is borne by the General Fund.

## **Monitoring and Reporting on the Treasury Outturn and Prudential Indicators**

- 50 The CFO will report to the Audit Committee, Cabinet and Full Council on treasury management activity as follows:
- Annually, against the strategy approved for the year.
  - A mid-year report on the implementation of strategy and main features of the year's activity to date.

### **Training**

- 51 CIPFA's Code of Practice requires the CFO to ensure that all members with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. Arlingclose delivered a training session for members on 19 June 2017. Staff regularly attend training courses, seminars and conferences provided by Arlingclose, CIPFA and others. Relevant staff are also encouraged to study for professional qualifications from CIPFA and other appropriate organisations.

### **Treasury Management Advisers**

- 52 The Authority uses Arlingclose as Treasury Management Advisers and receives the following services:
- Credit advice
  - Investment advice
  - Technical advice
  - Economic & interest rate forecasts
  - Workshops and training events
  - HRA support
  - Other matters as required

The Authority maintains the quality of the service with its advisers by holding quarterly meetings and tendering periodically.

**Annex A****ANNUAL INVESTMENT STRATEGY 2018/19****List of institutions which meet the Council's credit worthiness criteria:**

<b>Jurisdiction</b>	<b>Counterparty</b>
UK	Lloyds/Bank of Scotland plc
UK	Barclays Bank plc
UK	Close Brothers Ltd
UK	Goldman Sachs International Bank
UK	HSBC Bank plc
UK	Abbey National/Santander (UK) plc
UK	Standard Chartered Bank
UK	Coventry Building Society
UK	Leeds Building Society
UK	Nationwide Building Society
Australia	Australia and NZ Banking Group
Australia	Commonwealth Bank of Australia
Australia	National Australia Bank Ltd
Australia	Westpac Banking Corporation
Canada	Bank of Montreal
Canada	Bank of Nova Scotia
Canada	Canadian Imperial Bank of Commerce
Canada	Royal Bank of Canada
Canada	Toronto-Dominion Bank
Denmark	Danske Bank a/s
Finland	Op Corporate Bank
Germany	FMS Wertmanagement
Germany	Kreditanstalt fuer Wieferauf
Germany	Landesbank Hessen-Thuringen
Germany	Landeskred Baden-Wuerttenburg
Germany	Landwirtschaftliche Rentenbank
Germany	Landesbank Sachsen-Anhalt

Netherlands	Bank Nederlandse Gemeenten
Netherlands	Cooperatieve Rabobank UA
Netherlands	ING Bank NV
Netherlands	Nederlandse Waterschapsbank
Norway	Kommunalbanken AS
Singapore	DBS Bank Ltd
Singapore	Overseas-Chinese Banking Corporation
Singapore	United Overseas Bank Ltd
Sweden	Nordea Bank AB
Sweden	Svensk Exportkredit AB
Sweden	Svenska Handelsbanken a shs
Switzerland	Credit Suisse AG

The list above represents the institutions which meet the criteria at the time of preparation of the strategy. It does not include institutions to whom we are prepared to lend on the basis of sovereign or quasi sovereign status. The Authority's Chief Finance Officer may introduce new names which meet the criteria from time to time and may adopt more restrictive limits on maturity or value as seems prudent. The Council may also lend any amount to any UK national or local government body for up to 5 years. However, in light of the reductions of central government funding, additional credit worthiness criteria will be required, so smaller bodies with weaker balance sheets would be unlikely to meet the Council's rigorous standards.

An operational list of institutions which are approved to take deposits from the Council will be prepared and circulated to dealing and approving Officers from time to time. This includes money market funds. A protocol will also be maintained describing how investments will be chosen and managed.

Group Limits - for institutions within a banking group, the authority may lend the full limit to a single bank within that group, but may not exceed the limit for all group members. All direct investments with a bank or group will be subject to that limit.

## **Annex B**

### **Non-Specified Investments**

#### **Instrument**

Call accounts, term deposits and Certificates of Deposit (CDs) with banks, building societies and local authorities which do not meet the specified investment criteria (on advice from Arlingclose)

Deposits with registered providers

Gilts

Bonds issued by multilateral development banks

Sterling denominated bonds by non-UK sovereign governments

Money Market Funds rated below AAA and Collective Investment Schemes

Corporate and debt instruments issued by corporate bodies

Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573. These would be capital expenditure.

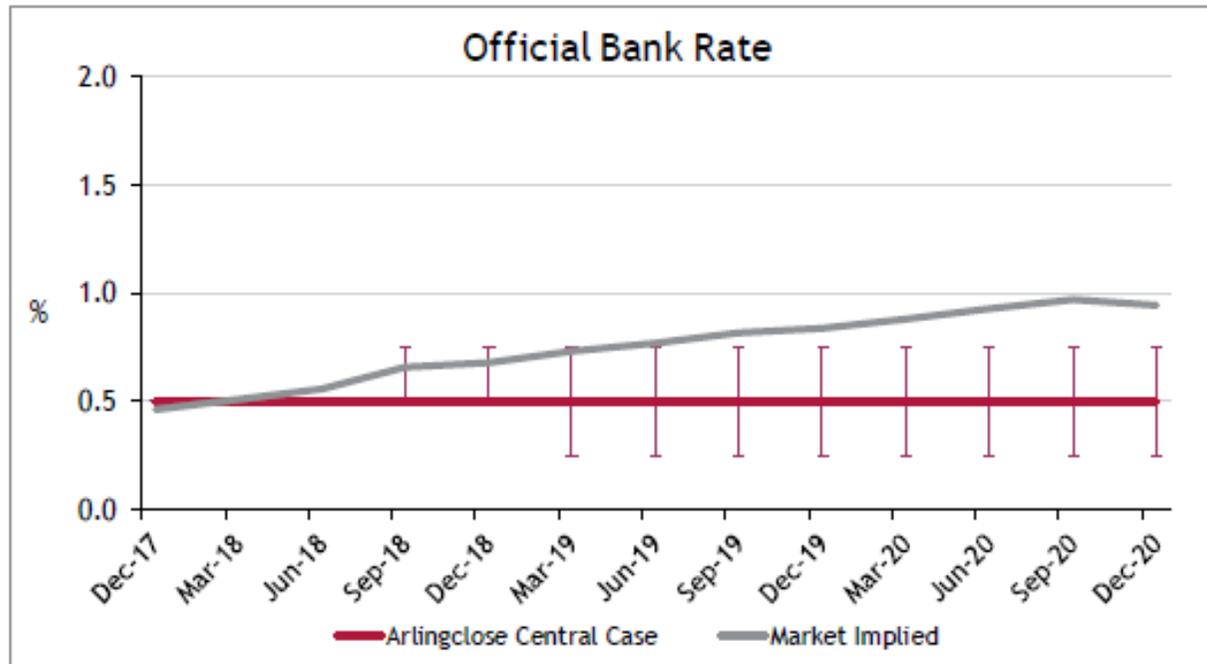
The Authority will hold up to a maximum of £40m in non-specified investments at any time, which may all be in one category subject to individual counterparty limits.

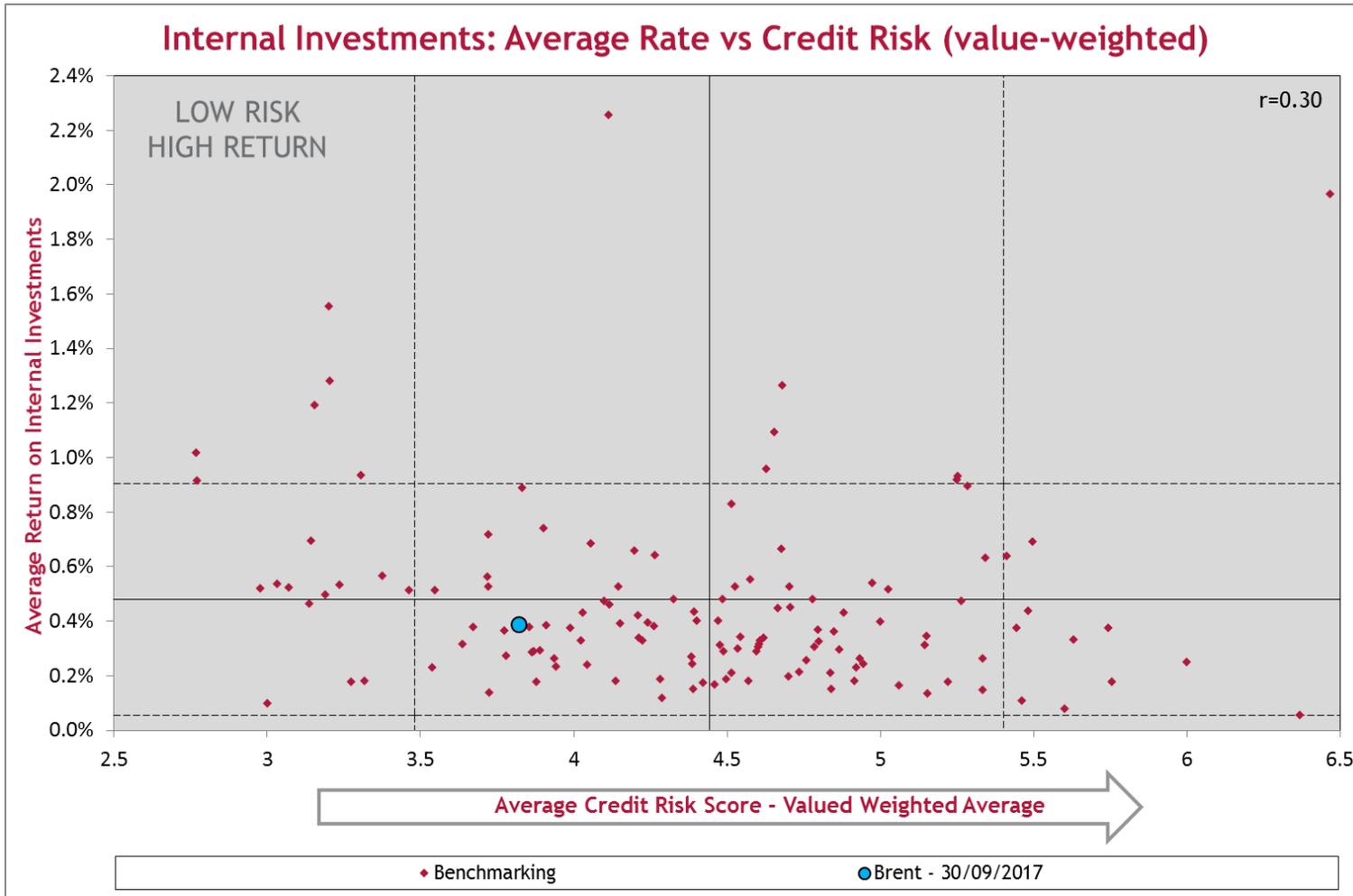
## Annex C

### Other available options

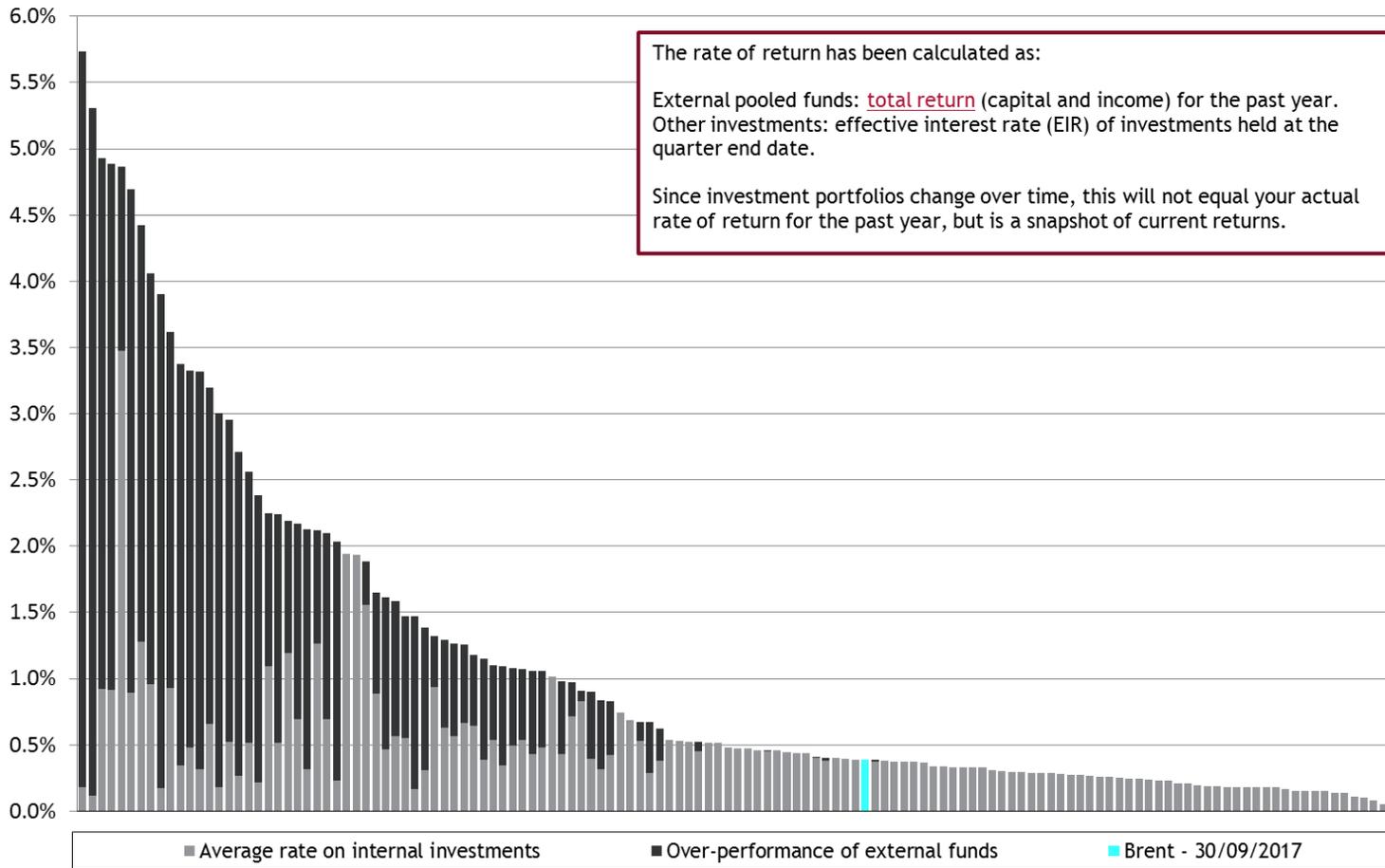
All of the instruments are exempt from the risk of being bailed in, if the institution borrowing the Council's money is eligible for bail in.

Instrument (and suitable time scale)	Features	Advantages	Disadvantages
Short bond or cash plus funds 6 months – 2 years	Purchase shares Cash invested in a diversified portfolio of liquid securities	Improved yield from various sources Redeemable asset	Volatility low but value could be below purchase price for some periods
Repurchase arrangement (repo) 1 month – 1 year	Loan to counterparty secured by exchange of collateral as security repayment (usually government stocks)	Offers improved yield by allowing extension of maturity limits	Not easily marketable, so would normally be held to maturity
Covered bonds 3 months – 3 years	Bond guaranteed by nomination of a pool of assets as security. Bond will have its own credit rating	Offers improved yield by allowing extension of maturity limits and use of counterparties who would be excluded by their own rating	Marketable but the market price would fluctuate so should be bought with the intention of holding to maturity
Corporate bonds 1 month – 2 years	Loan to company in marketable form. Security is the company's credit rating and assets	Improved yield because of lower liquidity and economic risk. Corporate capital structures are often more secure than financial counterparties	Risks of a different nature to financial counterparties: more exposed to market and economic risk
Corporate bond funds 6 months – 3 years	Purchase shares Cash invested in a diversified portfolio of corporate borrowing	Diversification means reduced risk Wide range of yields depending on liquidity and risk appetite	Higher level of volatility so may have to be prepared to wait to liquidate investment on favourable terms
Property Funds 5 years	Purchase shares Cash invested in a diversified portfolio of properties	Yields can be high by Treasury standards	Can be very volatile and may need long periods to be able to achieve value





### Total Return on Total Investment Portfolio (Internal plus External Funds)



## Prudential Indicators, 2018/19 – 2020/21

### 11.1 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities when setting and reviewing their Prudential Indicators.

### 11.2 Estimate of Capital Financing Requirement at the end of years:

	2018/19 £m	2019/20 £m	2020/21 £m
Estimated capital financing requirement for:			
- General Fund	492.7	619.0	632.8
- HRA	167.0	194.5	194.5
- Total	659.7	813.5	827.3
HRA Limit on Indebtedness*	199.3	199.3	199.3

\*The capital programme is under regular review to ensure the HRA Limit on Indebtedness is not breached.

### 11.3 Estimate of Total Capital Expenditure to be incurred in years:

	2018/19 £m	2019/20 £m	2020/21 £m
Planned capital spending:			
- General Fund	175.3	261.0	253.6
- HRA	51.6	49.6	15.2
- Total	226.9	310.6	268.8

### 11.4 Affordability indicators:

The ratio of financing costs to net revenue stream is an indicator of affordability and is based on costs net of investment income:

Ratio of Financing Costs to Net Revenue Stream	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %
General Fund	6.02	8.15	8.37
HRA	16.75	18.05	19.09
<b>Total</b>	<b>7.58</b>	<b>9.58</b>	<b>9.90</b>

### 11.5 Incremental Impact of Capital Investment Decisions:

The incremental impact of capital investment decisions is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2018/19 Estimate £</b>	<b>2019/20 Estimate £</b>	<b>2020/21 Estimate £</b>
Increase in Band D Council Tax	17.61	58.59	63.37
Increase in Average Weekly Housing Rents	1.50	4.00	5.55

### 11.6. Authorised Limit and Operational Boundary for External Debt:

11.6.1 The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR. The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

11.6.2 The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements. The Operational Boundary and Authorised Limit are prepared on the same basis but the Authorised Limit includes additional headroom to allow for strategic decisions which may increase borrowing for short periods.

	<b>2017/18 Approved £m</b>	<b>2017/18 Revised £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>
Authorised Limit	900	900	1000	1200	1200
Operational Boundary	800	800	900	1100	1100

## 11.7 Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

11.7.1 These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net principal outstanding sums (i.e. fixed rate debt net of fixed rate investments).

11.7.2 The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

	2017/18 Approved %	2017/18 Revised %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100	100	100	100	100
Upper Limit for Variable Interest Rate Exposure	40	40	40	40	40

11.7.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Authority's treasury management strategy.

## 11.8 Maturity Structure of Fixed Rate borrowing:

11.8.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

11.8.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

11.8.3 LOBOs are classified as maturing on the next call date i.e. the earliest date that the lender can require repayment.

<b>Maturity structure of fixed rate borrowing</b>	<b>Level at 30/11/17 %</b>	<b>Lower Limit %</b>	<b>Upper Limit %</b>
under 12 months	3.49	0	40
12 months and within 2 years	10.09	0	40
2 years and within 5 years	12.22	0	40
5 years and within 10 years	1.10	0	60
10 years and within 20 years	5.98	0	75
20 years and within 30 years	12.63	0	75
30 years and within 40 years	51.78	0	75
Over 40 years	2.71	0	75

## 11.9 Credit Risk:

- 11.9.1 The Authority considers security, liquidity and yield, in that order, when making investment decisions.
- 11.9.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk.
- 11.9.3 The Authority also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:
- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
  - Sovereign support mechanisms;
  - Credit default swaps (where quoted);
  - Share prices (where available);
  - Economic fundamentals, such as a country's net debt as a percentage of its GDP;
  - Corporate developments, news, articles, markets sentiment and momentum, and subjective overlay.
- 11.9.4 The only indicators with prescriptive values remain to be long term credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

**11.10. Upper Limit for total principal sums invested over 364 days:**

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2017/18 Approved £m	2017/18 Revised £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
	40	40	40	40	40

**This page is intentionally left blank**

**ADVICE FROM THE DIRECTOR OF LEGAL AND HR SERVICES**

**1. INTRODUCTION**

This appendix sets out in some detail Members' individual responsibilities to set a legal budget and how Members should approach the task. It also reminds Members about the rules concerning pecuniary and other interests.

**2. WHEN THE BUDGET MUST BE SET**

Under Section 31A of the Local Government Finance Act 1992, budget calculations have to be made before 11<sup>th</sup> March, but they are not invalid merely because they are made on or after 11<sup>th</sup> March. However, delay in setting the Council Tax will have very serious financial consequences. It will render the Council vulnerable to legal proceedings requiring it to set the tax. In any event, it is important that the tax is set well in advance of 1<sup>st</sup> April as no sum is payable for Council Tax until 14 days after the date of posting bills. Serious financial losses will accrue very soon from a late setting of Council Tax as income is delayed and interest is foregone.

An important feature of Council Tax is that the statutory budget calculation must be followed exactly. If not the Council Tax resolution will be invalid and void.

**3. NOTICE**

There is a requirement to publish notice of the amount set for Council Tax in at least one local paper within 21 days of the Council's decision under section 38(2) of the Local Government and Finance Act 1992. There is also a duty to consult with representatives of Non-Domestic Ratepayers about the proposed revenue and capital expenditure before the budget requirement is calculated under section 65 of the Local Government and Finance Act 1992.

**4. MEMBERS' FIDUCIARY DUTIES**

The obligation to make a lawful budget each year is shared equally by each individual Member. In discharging that obligation, Members owe a fiduciary duty to the Council Taxpayer.

The budget must not include expenditure on items which would fall outside the Council's powers. Expenditure on lawful items must be prudent, and any forecasts or assumptions such as rates of interest or inflation must themselves be rational. Power to spend money must be exercised bona fide for the purpose for which they were conferred and any ulterior motives risk a finding of illegality. In determining the Council's overall budget requirement, Members are bound to have regard to the level of Council Tax necessary to sustain it. Essentially

the interests of the Council Taxpayer must be balanced against those of the various service recipients.

Within this overall framework, there is of course considerable scope for discretion within the 2018/19 financial year, especially on the part of the Cabinet. Setting a budget is not the same as deciding what expenditure will in fact be incurred. To budget for expenditure is to estimate likely expenditure and/or make financial provision for such expenditure. However, Members will bear in mind that in making the budget commitments are being entered which will have an impact on future years. Some such commitments are susceptible to change in future years, such as staff numbers which are capable of upward or downward adjustment at any time. Other commitments however impose upon the Council future obligations which are binding and cannot be adjusted, such as loan charges to pay for capital schemes. For some specific proposals within the overall Budgetary framework, Cabinet decisions have already been made. For some other proposals, subject to relevant consultation where necessary, decisions by the Cabinet will need to be made, especially where the making of such a decision would result or would be likely to result in the permanent closure of a facility used by the public or a permanent and significant reduction in the level of services or facilities provided to the public other than where such closure or reduction in service is considered necessary by the relevant strategic director for reasons of health and safety.

Only relevant and lawful factors may be taken into account and irrelevant factors must be ignored. A Member who votes in accordance with the decision of his or her political group but who does so after taking into account the relevant factors and professional advice will be acting within the law. Party loyalty and party policy are capable of being relevant considerations for the individual Member provided the member does not blindly toe the party line without considering the relevant factors and professional advice and without properly exercising any real discretion.

Under the Brent Member Code of Conduct members are required when reaching decisions to have regard to relevant advice from the Chief Finance Officer and the Monitoring Officer (the Director of Legal and HR Services). If the Council should fail to set a budget at all or fail to set a lawful budget, contrary to the advice of these two officers there may be a breach of the Code by individual members if it can be demonstrated that they have not had proper regard to the advice given.

## **5. ARREARS OF COUNCIL TAX AND VOTING**

In accordance with section 106 of the Local Government Finance Act 1992 (“the 1992 Act”), where a payment of Council Tax that a member is liable to make has been outstanding for two months or more at the time of a meeting, the Member must disclose the fact of their arrears (though they are not required to declare the amount) and cannot vote on any of the following matters if they are the subject of consideration at a meeting:

- (a) Any decision relating to the administration or enforcement of Council Tax.

- (b) Any budget calculation required by the Local Government Finance Act 1992 underlying the setting of the Council Tax.
- (c) Any recommendation, resolution or other decision which might affect the making of the Annual Budget calculation.

Members should note the following points:

- (i) These rules are extremely wide in scope. Virtually any Council decision which has financial implications is one which might affect the making of the budget underlying the Council Tax for next year and thus is caught. The former DoE (now MHCLG) shared this interpretation as it made clear in its letter to the AMA dated 28<sup>th</sup> May 1992.
- (ii) The rules do not apply just to full Council meetings but extend to committees and sub-committees of the Council and to the Cabinet and its Highways Committee.
- (iii) Members who make a declaration are not entitled to vote on the matter in question but are not prevented by the section from taking part in the discussion.
- (iv) Members will have a defence under section 106 of the 1992 Act if they did not know that the section applied to them (i.e., that they were in arrears to the relevant extent) at the time of the meeting. Thus unwitting Members who for example can prove that they did not know and had no reason to suppose at the time of the meeting that their bank has failed to honour a standing order will be protected should any prosecution arise.
- (v) It is not enough to state that a benefit application has been submitted which has not yet been determined, as Members remain liable to pay pending determination.
- (vi) Breach of the rules is a criminal offence under section 106 of the 1992 Act which attracts a maximum fine of £1,000.

Members' attention is also be drawn to the effect of the Local Authorities (Standing Orders)(England)(Amendment) Regulations 2014 which came into effect on 25 February 2014 which is that where any vote is taken at a Council meeting on setting the budget for the authority, the Minutes of the meeting will record the names of all Councillors present at the vote and how each Councillor voted (for or against) or the fact that they abstained from voting.

## **6. DISCLOSABLE PECUNIARY INTERESTS**

Members are reminded to consider whether they have a disclosable pecuniary interest or a personal or prejudicial interest in the setting of the council's budget. If a member has a relevant interest they must disclose the interest at the meeting, subject to the provisions in the Code in respect of sensitive interests. If the interest is a disclosable pecuniary interest or a prejudicial interest (as set out in the Brent Members Code of Conduct) the member may not participate in the discussions or vote on the matter, although if the interest is prejudicial only,

the member may remain for the purposes of making representations or asking questions.

Members should seek early advice to avoid any confusion on the night of the meeting if they consider they have a relevant interest.

### **Dispensations**

The Council's Monitoring Officer may, on written request from a Member, grant a dispensation to relieve the applicant from the restrictions on participation and voting. Dispensation may be granted if:-

- Without the dispensation the number of persons prohibited from participating would be so great a proportion to impede the effectiveness of the meeting;
- The representation of different political groups would be affected and likely to alter the likely outcome of any voting at the meeting;
- Granting the dispensation is in the interests of persons living in the Borough;
- Every Member of the Council's Cabinet would be precluded from participating in the meeting;
- It is appropriate to grant a dispensation.

Dispensation may be granted for up to 4 years. A dispensation will mean that the Member to whom it is granted can speak and vote on a matter in which they have a relevant interest. Where the Monitoring Officer is undecided on the best response, and time is not of the essence, the decision could be passed to Standards Committee for decision and there is no Standards Committee meeting currently fixed before the budget setting meeting.

## **7. RESPONSIBILITIES OF CHIEF FINANCIAL OFFICER AND AUDITORS' POWERS**

### **Chief Financial Officer and Monitoring Officer**

Section 114 of the Local Government Finance Act 1988 places the Chief Financial Officer under an obligation to prepare a report (to full Council) if it appears to him that the expenditure the Authority proposes to incur in a financial year is likely to exceed its resources available to meet that expenditure. A failure to take note and act on such a report could lead to a complaint to the Standards Board. Similarly, the Council's Monitoring Officer is required to report to Full Council if it appears to her that a decision has been or is about to be taken which is or would be unlawful or would be likely to lead to maladministration.

Under section 25 of the Local Government Act 2003 the Chief Financial Officer is required to report to the authority on the robustness of the estimates made for the purposes of the calculations required to be made by the Council and the adequacy of the proposed financial reserves. These are the estimates which the Cabinet is required to determine and submit to Full Council and are contained within this report. However, if the Council were minded to agree a budget based on different estimates e.g. if Council did not agree with the

estimates provided by the Cabinet then those estimates which the Council would adopt would effectively become 'the estimates' for the purpose of Section 25 and as such should be subject to a report by the Chief Financial Officer.

### **External Auditors' Powers**

Section 91 of the Local Government Act 2000 and section 19A of the Audit Commission Act 1998 provide that an External Auditor may issue an "Advisory Notice" if he has reason to believe that an Authority is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency. This power is to be used where the matter is significant either in amount or in principle or both.

While the advisory notice has effect it is not lawful for the authority to implement or take the course of action in question unless it has considered the issues raised in the notice and given the auditor notice that it intends to proceed with that course of action in a specified period and that period has expired.

In addition, it is also open to the Auditor to apply for judicial review on any decision of an Authority or failure to act which it is reasonable to believe would have an effect on the accounts of an Authority.

## **8. SPECIFIC BUDGET ADVICE**

### **Balances and Other Budget Calculations**

A local authority must budget so as to give a reasonable degree of certainty as to the maintenance of its services. In particular local authorities are required by section 31A(2)(b) and (c) of the Local Government Finance Act 1992 to calculate as part of their overall budget what amounts are appropriate for contingencies and reserves. The Council faces various contingent liabilities set out in the main budget report. Furthermore the Council must ensure sufficient flexibility to avoid going into deficit at any point during the financial year. Members will need to pay careful attention to the advice of officers here. As set out previously, under section 25 of the Local Government Act 2003 the Chief Finance Officer is required to report to the authority on the adequacy of the proposed financial reserves.

In addition to advising on the robustness of the estimates as set out above, the Chief Finance Officer is also required to report on the robustness of the proposed financial reserves. The same advice applies to these as to the other calculations required to be made by the Council.

Having considered the officer's report the Council is then required to "*have regard to the report*" but it is not required to adopt the recommendations in it. However, Members must demonstrate they have acted reasonably if they do not adopt the recommendations.

## **Localism Act 2011**

Sections 72 to 79 and Schedules 5 to 7 of the Localism Act 2011 amended the legislation regarding the calculation of council tax. Schedule 5 of the Localism Act provides for a council tax referendum to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State. Authorities will not be able to exceed the Secretary of State's principles without having held such a referendum. The principles applicable for 2018/19 are discussed at paragraphs 6.4 to 6.6 of the main report.

## **Alternative Proposals**

If alternative proposals to those contained in this report are moved at the budget setting meeting, the Chief Finance Officer will need to consider if the estimates or proposed financial reserves contained in this report are affected and whether a further report (which may be oral) is required under section 25 of the Local Government Act 2003. If the Chief Finance Officer is unable to report on the estimates or the reserves because of the lateness of the alternative proposals then he will not be able to comply with this statutory requirement. The Act does not say what happens if this duty is not fulfilled and nor does it say whether the Council can set the budget without that advice. It follows from this then that there is no express statutory prohibition. However, the authority is at risk of a Judicial Review by an interested person, e.g. a resident, if the Council has failed to have regard to a report of the Chief Finance Officer on the estimates and reserves used for its budget calculations.

## **Capital Programme**

The requirements of the "*Prudential Code*" established in the Local Government Act 2003 are set out in the report.

## **Expenditure Charged to the Housing Revenue Account**

Members will be aware that the Housing Revenue Account (HRA) is by law to be maintained separately from the General Fund and there are strict rules which determine to which account any expenditure must be charged. There are only very limited areas of discretion here. Members should bear in mind that if they wished to review any current determination which affects the apportionment of charges between the General Fund and HRA, they would need to do so on the basis of an officers' report and specific legal advice. The Housing Revenue Account must be maintained in balance throughout the year and the Council is under a duty to prevent a debit balance in the Housing Revenue Account pursuant to Section 76 Local Government and Housing Act 1989.

## **Equalities Legislation**

Section 149 of the Equality Act 2010 sets out the public sector equality duty which requires the Council, when exercising its functions to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimization and other conduct prohibited under the Equality Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

A 'protected characteristic' is defined in the Equality Act as:

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race; (including ethnic or national origins, colour or nationality)
- religion or belief;
- sex;
- sexual orientation.

Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.

Having due regard to the need to 'advance equality of opportunity' between those who share a protected characteristic and those who do not, includes having due regard to the need to remove or minimize disadvantages suffered by them. Due regard must also be had to the need to take steps to meet the needs of such persons where those needs are different from persons who do not have that characteristic, and encourage those who have a protected characteristic to participate in public life.

Complying with the duty may involve treating some people better than others, as far as that is allowed by the discrimination law.

Due regard to the need to eliminate discrimination, advance equality, and foster good relations must form an integral part of the decision making process. The Council must consider the effect that implementing a particular policy will have in relation to equality before making a decision.

There is no prescribed manner in which the equality duty must be exercised. However, the council must have an adequate evidence base for its decision making. This can be achieved by gathering details and statistics on who use the facilities. A careful consideration of this assessment is one of the key ways in which the Council can show "due regard" to the relevant matters. Where it is apparent from the analysis of the information that the proposals would have an adverse effect on equality then adjustments should be made to avoid that effect (mitigation).

The duty is not to achieve the objectives or take the steps set out in s.149. Rather, the duty on public authorities is to bring these important objectives relating to discrimination into consideration when carrying out its functions. "Due

regard” means the regard that is appropriate in all the particular circumstances in which the authority is carrying out its functions.

There must be a proper regard for the goals set out in s.149. At the same time, the council must also pay regard to any countervailing factors, which it is proper and reasonable for them to consider. Budgetary pressures, economics and practical factors will often be important. The weight of these countervailing factors in the decision making process is a matter for the Council.

The equality and diversity implications of budget proposals are considered at all stages of the budget process, from the development of the initial budget strategy, through consideration of individual growth and savings proposals, to the production of service development plans. The processes in place are therefore aimed at ensuring that the budget proposals in this report do not discriminate against communities or individuals because of age, ethnicity, gender, disability, religion, or sexual orientation, and support the council in meeting its other duties to promote equal opportunities and good race relations.

## **Appendix H - Fees & Charges 2018/19**

### **Background**

- 1.1. By using its powers to charge for goods and services, Brent Council is able to generate additional income to support investment in services and/or reduce the overall level of expenditure to be met by local tax payers.
- 1.2. In using these powers however, the Council will wish to take care to ensure that the consequences of charging on individuals, the wider aims of the Council itself and / or organisations do not adversely impact on those who are vulnerable or in difficulties.
- 1.3. The overriding aim of the charging policy is to maximise income generation and collection to enhance the social and economic well-being of the community the council serves, whilst ensuring a fair price for all services reflecting the ability of the community to pay and the relative demand for the service. Maximisation of income, following a decision to charge, is also dependent on a charge being raised and that amount being collected, both in a timely way.
- 1.4. In February 2017, Cabinet agreed an overall policy to amend Fees and Charges. This policy was produced so that managers, through delegated powers, had greater flexibility and control in optimising commercial returns.

### **Application of the Fees and Charges Policy**

- 1.5. This work stream though integral to each directorate, has initially been led by the Civic Enterprise Board to establish a strategic approach to how fees and charges are set. This work continues throughout the year.
- 1.6. In 2017/18, £349k of additional net income was delivered. No additional net income was assessed for Adult Social Care, Children's services or Education / Schools.
- 1.7. An additional £410k has already been committed for delivery through 2018/19 through an increase in waste charges and in Highways & Transportation (excl. parking). Tennis court hire and pitch booking increases are expected to achieve a further £34k and £16k will be achieved by raising the printing charges within libraries. It should be noted that these income increases are predicated on volumes remaining the same as in 2017/18.

<b>Additional Income</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Cumulative</b>
Waste		376	<b>376</b>
Planning and Development	56		<b>56</b>
Highways and Transportation (Excl. Parking)	86	34	<b>120</b>
Culture, Sport and Recreation	145	16	<b>161</b>
Public Safety / Food Safety	34		<b>34</b>
Licensing (inc Land Charges)	7		<b>7</b>
Pest Control	21		<b>21</b>
<b>Additional Income totals</b>	<b>349</b>	<b>444</b>	<b>775</b>

- 1.8. For 2018/19, a refreshed fees and charges list is being produced and all directorates are being challenged to increase discretionary fees and charges by 10% unless justification can be given otherwise. The aim is to bring all discretionary services to a cost recovery position initially, and then in line with the wider market for individual services where appropriate.
- 1.9. Appropriate consideration will be made for vulnerable groups including those on low incomes and to avoid further increasing costs where other options for meeting costs for delivery remain.

# Brent Council Fees and Charges Policy

## 1 Introduction

- 1.1 By using its powers to charge for goods and services and imposing fines, fixed penalties and other such financial sanctions, Brent Council is able to generate additional income to support investment in services and/or reduce the overall level of expenditure to be met by local tax payers.
- 1.2 The aim of this Fees and Charges Policy is to ensure that the Council makes use of all the powers available to it in order to recover the full cost of providing services. In using these powers however, the Council will wish to take care to ensure that the consequences of charging on individuals, the wider aims of the Council itself and / or organisations do not adversely impact on those who are vulnerable or in difficulties. The Policy therefore is aimed at meeting the following objectives from the Borough Plan and 2020 Vision:-

### *Borough Plan*

**Our Values:** Fairness, Respect, Equality and Excellence

### *2020 Vision*

**Raising income through our assets** – to support the delivery of core services

## 2 Background

- 2.1 The overriding aim of the charging policy is to maximise income generation and collection to enhance the social and economic well being of the community the council serves, whilst ensuring a fair price for all services reflecting the ability of the community to pay and the relative demand for the service. Maximisation of income, following a decision to charge, is also dependent on a charge being raised and that amount being collected, both in a timely way.

### *Legal Position*

- 2.2 The majority of the Council's statutory services, Building Control being a key exception, are funded directly from the Council's other main sources of revenue, i.e. government grants and local taxation.
- 2.3 Income received by Brent from fees and charges is generated by both statutory and discretionary services. Where fees and charges apply to statutory services these are often set nationally, for example, some planning and licensing fees.
- 2.4 The remaining income generating services where the Council levies fees and charges are of a discretionary nature. Discretionary services are those that an authority has the power to provide but is not obliged to. They include services provided directly to the public in general such as leisure services as well as charges for the costs incurred by the council (such as legal costs) when entering into planning or highways agreements with specific persons.

- 2.5 The legal powers that the Council has to raise fees and charges are set out in the final section of this policy.

### **3 Managers' Guidance**

#### *Overview*

- 3.1 The Managers' Guidance has been written to provide information to managers in Brent Council responsible for applying fees and charges to goods and services delivered. The aim is to encourage a consistent and cost effective approach to the setting of charges for services provided by:
- a. Specifying the process and frequency for reviewing existing charges for all areas of the council's work for which charges could in principle be set
  - b. Providing guidance on the factors that need to be taken into consideration when charges are being reviewed
  - c. Requiring more active use of market intelligence when setting charges
  - d. Establishing parameters for calculating different levels of charges
  - e. Recommending the criteria for applying concessions or discounted charges consistently across the council

#### *Calculation of Fees and Charges*

- 3.2 Fees and charges raised must be based on the full cost of the service. Charges cannot be set at a level to recover more than cost if that is all the Council has the legal power to do, but the definition of cost includes direct costs of service provision together with overhead and central costs. The cost recovery limit applies to the overwhelming majority of services which the Council can set a charge for. If, however, the Council has the legal power to do so careful consideration should be given to charging more than the full cost of the service. For example, charging could be used as a tool to manage excess demand for limited spaces on leisure centre classes. In overview there are 3 ways in which fees and charges may be set:
- a. Fees and charges prescribed by legislation, usually in a regulatory context, and varied from time to time which the person liable has an obligation to pay;
  - b. Fees and charges reviewed and set by members (e.g. Cabinet or Full Council) from time to time (usually annually); and
  - c. Fees and charges reviewed and set by officers from time to time acting under delegated powers.

- 3.3 As part of the annual budget cycle each department will carry out a recalculation of existing fees and charges together with opportunities to raise additional income from new areas of charging, and present proposals for revised charges.

#### *Approvals*

- 3.4 In broad terms setting fees for regulatory services (i.e. licensing, planning, etc) are non-executive functions. These therefore need to be submitted to Full Council for approval. Full Council can, however, delegate this function to a committee, officer etc.
- 3.5 Fees and charges for discretionary services are usually executive functions and therefore need to be approved by Cabinet. Cabinet can, however delegate this function.

#### *Concessionary Charging*

- 3.6 The purpose of offering concessions must be to support council priorities. Generally the reasons for operating concessionary charges will fall into one of two categories: to influence the level of demand for a service or to reflect the circumstances of service users. Concessions must also be reviewed at least on an annual basis, to confirm both the level of subsidy and also their ongoing relevance.
- 3.7 The Finance Department will maintain a list of concessions in operation and keep under review requests for concessions to be offered. For customer / clients who cannot pay, action must be taken to ensure that there are sufficient safeguards in place to allow access to service, and that appropriate steps are taken to recognise the realistic payment capacity of vulnerable individuals.
- 3.8 Concessionary charges should not normally apply at times when it would result in a loss of income from customers paying the full charge, unless prior approval has been given by a senior Council officer.
- 3.9 No concessions will be provided to non-Brent residents.

#### *Education related services*

- 3.10 With regards to education related services, services and packages will be based around the academic year and not on the municipal financial year.

#### *VAT*

- 3.11 Managers must ensure that the correct treatment of VAT is applied to the fees and charges they are responsible for. The correct treatment should be agreed with Finance in advance of application.

#### *Other statutory requirements*

- 3.12 Managers must also ensure that when setting fees and charges or reporting to members they are aware of any special statutory requirements that need to be complied with. For example, before changes to some fees and charges can be implemented, there may be a statutory requirement to consult and/or publish a notice

in a local newspaper.

## **4 Payment Methods**

- 4.1 All collection methods and payment terms must be effective, efficient and appropriate for the service. The preferred methods of payment are those direct to the bank such as direct debits and standing orders.
- 4.2 Wherever practical do to so payment for services provided should be sought in advance to minimise debt recovery issues.
- 4.3 The full cost recovery analysis will need to factor in the cost of processing payments and that some payment methods are preferred.

## **5. Equality impact Assessments**

- 5.1 Under Section 149 of the Equality Act 2010, the Council has a duty when exercising its functions to have 'due regard' to the need to eliminate discrimination and other conduct prohibited under the Act and advance equality of opportunity and foster good relations between those who share a "protected characteristic" and those who do not. This is the public sector equality duty. The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision. Due regard is the regard that is appropriate in all the circumstances.
- 5.2 Before the Council exercises its fees and charging powers, the impact on individuals or groups of individuals who share a protected characteristic must be carefully considered and properly factored into the decision making process using the Council's EA screening template.

## **6 Review of Policy**

- 6.1 This Policy is to be reviewed a minimum of every two years to ensure consistency with wider council and departmental objectives and priorities. The next review of this policy is scheduled to take place in April 2019.

## Fees and Charges - Legal Powers

Under the Localism Act 2011 there is a general power of competence which explicitly gives councils the power to do anything that an individual can do which is not prohibited by other legislation. This activity can include **charging** (i.e. to recover the costs of providing a discretionary service which the person has agreed to) or can be undertaken for a commercial purpose (i.e. to generate efficiencies, surpluses and profits) through a special purpose trading company. This is what is more commonly known as **trading**. Charging and trading activities can be aimed at benefiting the Council, the borough or its local communities.

These powers are in addition to similar powers set out in the Local Government Act 2003. The 2003 Act empowers councils to charge for any discretionary services (i.e. services councils have the *power* to provide but do not have a *duty* to provide by law) on a cost recovery basis. For example, the Council could decide to provide a new discretionary service, that is an addition to or enhancement of a statutory service, and then charge for it.

The 2011 Act power and the 2003 Act power cannot be used where charging is prohibited or where another specific charging regime applies. Statutory guidance published in 2003 outlines how costs and charges should be established and that guidance remains in force (see: '*General Power for Best Value Authorities to Charge for Discretionary Services*', ODPM, 2003). The Council must have regard to the guidance when charging for discretionary services under the 2003 Act.

In particular, the guidance contains useful advice on setting charges. It explains that for each discretionary service for which a charge is made, councils need to secure that, taking one year with another, the income from charges for that service does not exceed the costs of provision. The requirement to take one year with another recognises the practical difficulties council will face in estimating the charges. It establishes the idea of balancing the books over a period of time (not less than 1 year and no more than 3 years). Any over or under recovery that results in a surplus or deficit of income in relation to costs in one period should be addressed by the council when setting its charges for future periods so that over time income equates to costs.

The 2003 Act also enables councils to trade in activities related to their functions on a commercial basis with a view to profit through a company.

Under the Local Authorities (Goods and Services) Act 1970 councils also have powers to enter into agreements with each other and a long list of designated bodies. These activities are not limited to cost recovery and a profit can be generated from these activities.

In terms of leisure and recreational facilities, section 19 of the Local Government (Miscellaneous Provisions) Act 1976 permits councils to charge for these beyond cost recovery limitations.

**This page is intentionally left blank**

## **Fees and Charges Policy - Guidance for Managers**

### **1) Frequency for reviewing charges**

The setting of appropriate fees and charges should be an integral part of service planning and improvement. Fees and charges (which includes fines, fixed penalties and other such financial sanctions) can be varied in-year and should be reviewed regularly through the year. An annual review is the **minimum** requirement to ensure they are consistent with the Council's priorities, are fully recovering all costs and take account of service aims, market sensitivity and customer preferences.

### **2) Factors to consider when reviewing charges**

Reviews of charges will need to consider the following factors:

- whether the particular service is applying the council's definition of full cost recovery
- competitor charges and market conditions
- inflationary pressures - charges should be increased in line with inflation unless there is a good reason why not. It is good practice to use a consistent measure of inflation across services where possible.
- trends in user demand and the forecast effect of price changes
- customer survey results
- whether it is being subsidised, and to what extent
- council wide and service budget targets
- cost structure implications arising from developments such as investments made in the service
- alternative charging structures that could be more effective
- proposals for targeted promotions during the year, and evaluation of any that took place in the previous year
- method and cost of income collection
- any bad debt provisions as appropriate
- time factors where advance bookings have been taken, notifications to customers of any change to fees must be timely and in advance
- if fees are amended regularly during the year, considerations need to be given to amending internal systems, particularly re: paid customers
- the public sector equality duty (i.e. section 149 of the Equality Act 2010)

A list of questions is provided at **Annex B** to assist service managers to review fees and charges.

### **3) The use of market intelligence**

All managers of services for which a new charge is introduced (particularly for services that have previously been provided for free) should consult with the market and users of the service who are most likely to be affected on the range, quality and cost of the services. Where cost effective to do so, comprehensive and accurate usage statistics, commensurate to the size of the service, should be maintained for all services and at all facilities where charges are made. This will enable analysis of usage, justification of any subsidy given by the Council and accurate forecasting of the effect of price changes on usage. This is necessary to understand the needs, behaviour and expectations of the market and its users, and their ability to pay. This information should be used in the review of charges.

All managers of services for which a charge is made should take steps to identify competitors offering similar or related services, and make use of comprehensive and dynamic market intelligence in evaluating:

- their charging policy
- the range of services provided
- the quality of services provided
- their cost structure

Benchmarking should be undertaken regularly with other councils in the local area, service providers and with relevant national groupings of authorities, to ensure that charges are at comparable levels and that significant differences are understood and justified.

#### **4) Parameters for calculating different levels of charges**

Charges should be set at a level to maximise both take-up and income targets. Wherever possible the income raised should cover the full cost of providing the service in question. If a service is unable to cover the full cost then the subsidy to the service should be fully justified in terms of achieving the Council's priorities. There are restrictions on making a profit from charging in many cases. Guidance on calculating full costs is set out in **Annex C**.

Full cost should be based on the direct cost of service provision including staff, supplies and services, equipment, premise costs including support service costs where appropriate but not capital charges – however the revenue implications of capital charges can be considered after consultation with Finance.

For certain services it will be normal entrepreneurial practice to set promotional charges, differential charging and frequent user discounts:

- Promotional charges are defined as short term charges that are targeted to increase take-up or awareness of the services that are available
- Differential charges can be used to dampen demand at peak times and increase revenue from spare capacity
- Frequent user discounts are to be used only for commercial reasons such as generating customer loyalty where alternative provision from competitors exists, and where market analysis shows a real risk of reduced income if they are not offered.

**Fines/Penalties** - There may be circumstances where income generation is not the only key driver for the way in which charges are set, for example, where the Council wishes to manage demand, or deter or incentivise certain behaviours such as encouraging re-cycling, discouraging trade use of civic amenity waste sites etc. In this context, however, the general principles of charging should apply and in particular that any charged activities, enforcement etc. must at least recover cost.

#### **5) Concessions**

There are two potential areas of concessions, the first type based on an individual's status, for example child, student, pensioner, disabled person plus a second level based on ability to pay linked to receipt of means-tested benefits, such as housing benefit.

Concessionary charges should not normally apply at times or in situations which would result in the loss of income from customers paying the full charge. No concessions will be provided to non-Brent residents.

Within the overall aim of minimising any social or economic barriers to the take-up of services, Managers should at all times consider ways in which a proportion of income generated from charges could be used in the interests of social inclusion. The types of mechanisms that might be made available to encourage take-up of council services by disadvantaged groups might include transport to facilities, provision of child care, additional promotional discounts to encourage use, or development activity to raise levels of aspiration. Accurate user statistics should be maintained to ensure that a subsidy being provided on social inclusion grounds is effective.

## **6) Parking**

The level of on-street parking charges must be set for traffic management reasons, such as to ration available space and ensure that there is a rapid turnover of parking spaces, rather than to maximise revenue. Whilst it is reasonable for a Council to take due regard of estimated costs and income arising from the management of parking, it is not lawful for a local authority to use the Road Traffic Regulation Act 1984 to justify imposing charges to raise revenue. This is because section 122 of the Road Traffic Regulation Act 1984 does not include the maximisation of revenue from parking charges as one of the relevant considerations to be taken into account in securing the safe, expeditious and convenient movement of traffic.

## **7) Process for Reviewing Charges**

The following arrangements for reviewing charges will be applied to all areas of the Council where charges for services already exist or could in principle be set:

- Reviews should be carried out in consultation with the relevant Cabinet Member.
- The Chief Executive or the relevant Strategic Director, in consultation with the relevant Cabinet Member, have the delegated power to set and vary fees and charges either annually or more frequently where this is considered necessary. For example, in order to protect usage and income in response to significant market developments. The parameters within which officers can set and vary fees are set out in **Annex A**. However, there are some fees and charges which officers cannot set or vary because it requires a decision by members. The fees and charges which have been excluded from the scope of officer delegated powers are also set out in **Annex A**.
- When introducing a new charge it will be necessary to establish the lawful basis of any charge.

## **Fees and Charges Charging Policy Framework**

### **Annex A**

#### **Setting of Fees and Charges by Officers**

1) Statutory Fees

These are set by Government and the Council is unable to vary the amounts to be charged. The Chief Executive or the relevant Strategic Director can implement any changes to statutory fees in accordance with the law and any changes shall be reported to Cabinet and Full Council as part of the annual budget process.

2) All other fees and charges

- i) The following fees and charges must be approved by Cabinet or Full Council (in the absence of any other delegation) before any changes are made:-
  - Parking fees
  - Garden waste fees
- ii) Other than those fees and charges set out in 2(i) above, all other fees and charges may be set or varied from time to time to reflect increases in inflation or market conditions on the following basis:-
  - a) The Chief Executive and relevant Strategic Director may impose new fees and charges, or vary current fees and charges up to +/-20% overall in any one calendar year period.
  - b) However, if the fees and charges are below £1, they can be increased by up to £1 overall in any one calendar year period.
  - c) Any new or varied fees and charges must be reported to Cabinet and Full Council as part of the annual budget process.

## **Annex B**

The Head of Service is responsible for the target setting and performance management of income generation.

### **Charging Review – Questions to be considered**

The following questions, based on the Audit Commission's 2008 document "*Positively Charged*", are provided to assist service managers to undertake a review of their charges.

#### **1. What do we want to achieve including:**

- How much income is being targeted for and why?
- Whose use of services does the Council wish to subsidise and by how much?
- Whose behaviour does the Council wish to influence and in what ways?
- How will charges help improve value for money, equity and access to services?

#### **2. What's the current picture?**

- What is the current charge?
- How do charges compare to similar councils and other service providers?
- How are charges structured and why?
- Are cost effective mechanisms available for paying and collecting charges?
- Are income targets being achieved?
- What is the impact, intended or unintended, of charges on local people?
- Which people are using services and which aren't?
- Which users are paying for services and which aren't?
- Are concessions being taken up by the people at whom they are targeted?
- Are the take-up of related benefits in this area being maximised?

#### **3. What do local people think of our charges?**

- Have service users and the public been consulted about the current and proposed charges plus their views on value for money of the service?

#### **4. What are the next steps?**

- What changes, if any, should be made to the level and structure of charges?
- How will the impact of charges be evaluated?
- What data will be required?
- Can the data be collected cost effectively?
- When will approach be reviewed?

## **Annex C**

### **Calculation of Overheads Costs in Fees**

#### **1. Introduction**

The full cost of running the organisation will not be visible to service managers who may be making commercial decisions as to the setting of fees and charges. The basis upon which the costs of delivering a service are calculated can be used to determine if charging or trading is an appropriate model for maximising income.

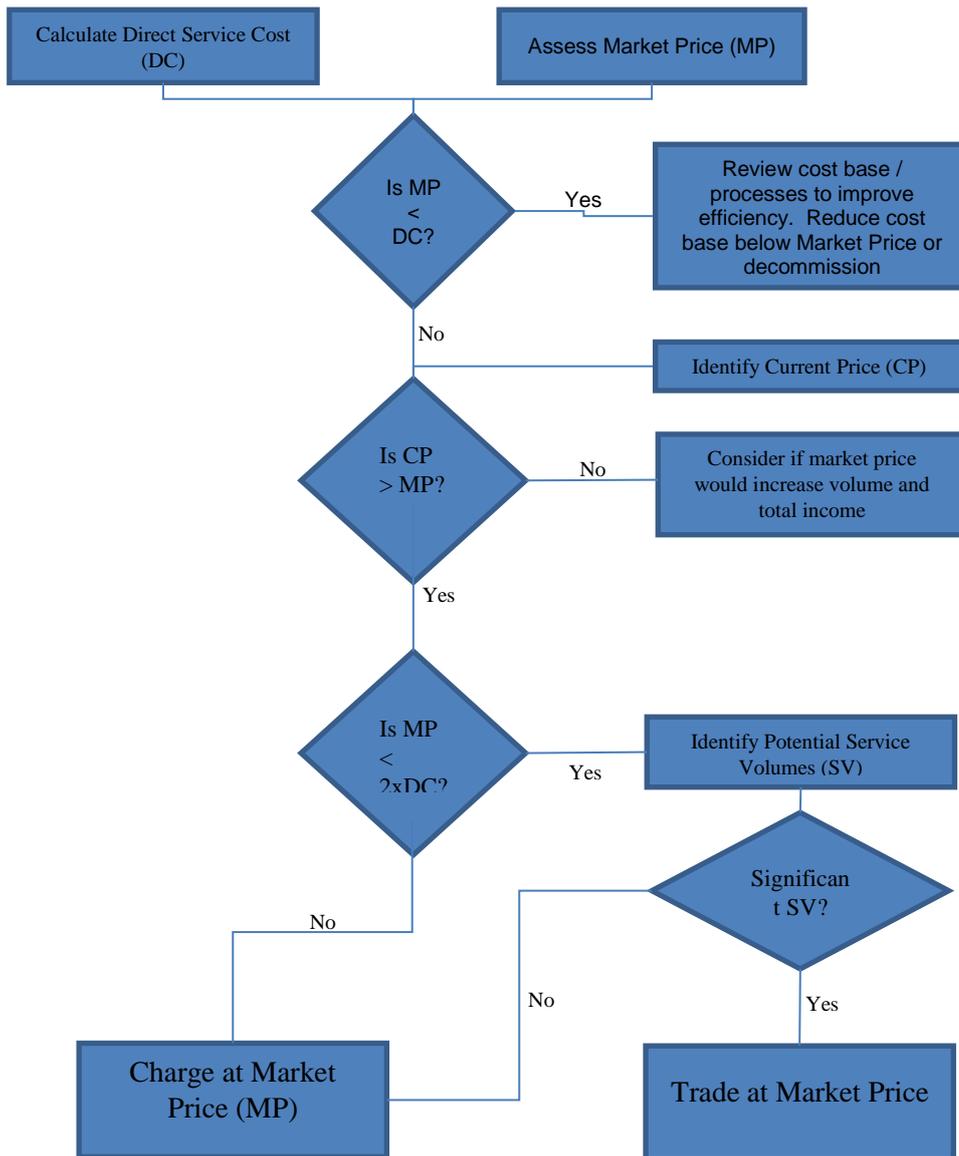
#### **2. The difference between Charging and Trading**

Charging in the context of this policy means the power to charge for a service. The limiting factor in charging for goods and services provided is that in most cases it is limited to cost recovery only. Whereas trading for services allows for fees and charges to be regulated by the market. The limiting factor for trading for services is the market price for the service and the sustainability of any company set up specifically to trade for that service.

Ultimately, the maximum price for a service is set by the market, the decision as to whether to charge or to trade in that service is determined by the cost base for delivery of that service.

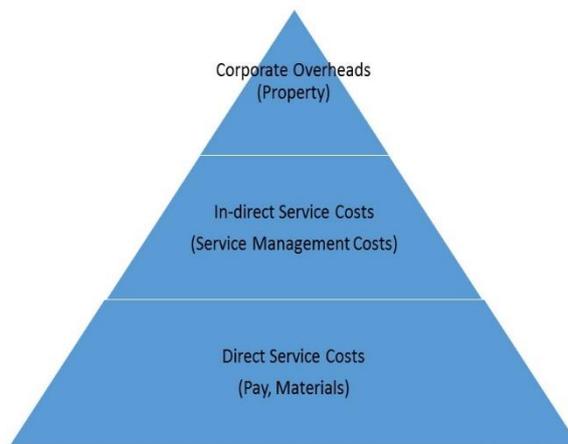
#### **3. Trade or Charge 'Acid Test' decision matrix**

The following flowchart is a simplification of the process for assessing whether charging or trading is appropriate.



#### 4. Calculating the total cost of delivery

Calculating the costs of a service is a complex process that overlays direct costs, service overheads and corporate overheads to produce a total service unit cost.



#### *Direct service costs*

Direct service costs include pay, national insurance and pension plus any associated costs such as travel, materials, printing, stationery – any costs that the service manager has within their budgetary control. The unit of cost would be based upon the service being offered – per instance, per hour, per session and would include all of the direct service costs for providing that unit of service. Units may be combined if appropriate such as visits per week to calculate the cost of a visit.

#### *In-direct service costs*

This could include annual leave, statutory holiday and training (non-chargeable time), service management and administration & support, service specific IT etc.

#### *Corporate overheads*

Corporate overheads would include the political and management infrastructure of the Council, property and support services.

### **5. Applying corporate overheads**

The audited accounts of the Council have been reviewed to assess the value of corporate overheads in relation to staff costs. The corporate overhead costs that may be included within the calculation of the total service unit cost is **80% of the staff cost** of service provision.

Incorporating this level of corporate overheads into a total service unit cost enables the Council to set fees and charges at as close to the market rate as possible, this maximising income from fees and charges, only considering setting up companies to trade for services where there is a compelling case to do so.

### **6. Recommendation**

In considering which charging basis to use it is recommended that services charge the **market or benchmarked rate for fees and charges**. Where the market price is greater than double the direct cost of providing the service, a review of the actual costs of delivering the service should be undertaken and consideration as to whether trading in that service is appropriate.

## Equality Analysis- Blank Form – Online EA System

### Stage 1 Screening Data

#### **1. What are the objectives and expected outcomes of your proposal? Why is it needed? Make sure you highlight any proposed changes.**

The proposals are intended to vary levels of fees and charges across a range of council services to raise additional income to support the delivery of core services. The proposed fees and charges have been adjusted in line with Outer London Averages (2013-14). In some cases the fees have been adjusted downwards to be in line with competitors' charges. No additional net income is planned for Adult Social Care, Children's services or Education / Schools.

The work stream is part of the Council's Brent 2020 vision and is one of the projects the Council needs to take over the next five years so that it can continue to deliver priorities and support the residents of Brent.

#### **2. Who is affected by the proposal? Consider residents, staff and external stakeholders.**

The proposals will affect anyone in receipt of these services.

Any potential staff implications will be assessed separately.

#### **3.1 Could the proposal impact on people in different ways because of their equality characteristics?**

Any increase in fees and charges, regardless of the service provided, will have a more adverse impact on those individuals and socio-economic groups who are less able to meet the cost.

#### **3.2 Could the proposal have a disproportionate impact on some equality groups?**

**If you answered 'Yes' please indicate which equality characteristic(s) are impacted**

Fees imposed for waste collection, for example, will have a more adverse impact on those less able to transport waste themselves due to a mobility difficulty, disability or age. Increased charges of burial services will have an impact on age and socio-economic groups. Decreased gym membership fees may have a positive impact on residents.

Most proposals require only a modest revision of fees and charges. Any proposed changes that may have a more significant impact on service users with protected characteristics, will require individual equality analyses and will be subject to separate decisions around policy and implementation.

#### **3.3 Would the proposal change or remove services used by vulnerable groups of people?**

No services will be removed but charges may increase / decrease to bring the Council in line with Outer London Averages (2013-14) or with competitors' charges. No additional net income is planned for Adult Social Care, Children's services or Education / Schools.

This work is intended to sustain and support the delivery of core services across the Council.

### **3.4 Does the proposal relate to an area with known inequalities?**

The proposals relate to the affordability of Council services. Any increase in fees and charges, regardless of the service provided, will have a more adverse impact on those individuals and socio-economic groups who are less able to meet the cost.

### **3.5 Is the proposal likely to be sensitive or important for some people because of their equality characteristics?**

Yes.

### **3.6 Does the proposal relate to one of Brent's equality objectives?**

Yes. It relates to the following equality objective: To ensure that local public services are responsive to different needs and treat users with dignity and respect.

### **Recommend this EA for Full Analysis?**

Yes. At this stage a high level analysis has been carried out given the broad range of services involved.

**4. Use the comments box below to give brief details of what further information you will need to complete a Full Equality Analysis. What information will give you a full picture of how well the proposal will work for different groups of people? How will you gather this information? Consider engagement initiatives, research and equality monitoring data.**

Any proposed changes that may have a more significant impact on service users with protected characteristics, will require individual equality analyses and will be subject to separate decisions around policy and implementation.

### **Stage 2: Analysis**

**5. What effects could your policy have on different equality groups and on cohesion and good relations?**

#### **5.1 Age (*select all that apply*)**

- Positive
- Neutral
- Negative

**Please give details:** Some charges may particularly impact on specific age groups (e.g. burial service charges and fees) those who are less mobile or have a disability (e.g. waste collection charges). On the whole, however, children, young people and vulnerable adults are protected from the proposed fees and charges. No additional net income is planned for Adult Social Care, Children's services or Education / Schools.

### **5.2 Disability (*select all that apply*)**

- Positive
- Neutral
- Negative

**Please give details:**

Some charges may particularly impact on those who are less mobile or have a disability (e.g. waste collection charges). On the whole, however, children, young people and vulnerable adults are protected from the proposed fees and charges. No additional net income is planned for Adult Social Care, Children's services or Education / Schools.

### **5.3 Gender Identity (*select all that apply*)**

- Positive
- Neutral
- Negative

**Please give details:**

### **5.4 Marriage and civil partnership (*select all that apply*)**

- Positive
- Neutral
- Negative

**Please give details:**

### **5.5 Pregnancy and maternity (*select all that apply*)**

- Positive
- Neutral
- Negative

**Please give details:**

Some charges may particularly impact on those who are less mobile (e.g. waste collection charges).

**5.5 Race (*select all that apply*)**

- Positive
- Not known
- Negative

**Please give details:**

Any proposed changes that may have a more significant impact on service users with protected characteristics, will require individual equality analyses and will be subject to separate decisions around policy and implementation.

**5.7 Religion or belief (*select all that apply*)**

- Positive
- Not known
- Negative

**Please give details:**

Any proposed changes that may have a more significant impact on service users with protected characteristics, will require individual equality analyses and will be subject to separate decisions around policy and implementation.

**5.8 Sex (*select all that apply*)**

- Positive
- Not known
- Negative

**Please give details:**

Any proposed changes that may have a more significant impact on service users with protected characteristics, will require individual equality analyses and will be subject to separate decisions around policy and implementation.

**5.9 Sexual orientation (*select all that apply*)**

- Positive
- Neutral
- Negative

**Please give details:**

**5.10 Other (please specify): socio-economic groups**

- Positive
- Neutral
- Negative

**Please give details:**

Any increase in fees and charges, regardless of the service provided, will have a more adverse impact on those individuals and socio-economic groups who are less able to meet the cost.

**6. Could any of the impacts you have identified be unlawful under the Equality Act 2010? Prohibited acts include direct and indirect discrimination, harassment, victimisation and failure to make a reasonable adjustment.**

- Yes
- No

Any proposed changes that may have a more significant impact on service users with protected characteristics, will require individual equality analyses and will be subject to separate decisions around policy and implementation.

**7. Please provide a brief summary of any research or engagement initiatives that have been carried out to formulate your proposal.**

A benchmarking exercise was undertaken to establish the arrangements and charges of comparable services at neighbouring boroughs. Those areas identified as offering services that attract a fee, make a charge or impose a fine were contacted to provide a record of those charges. Potential new charges/fees were also sought. Information was also sought with respect to the level of demand for each service.

**What did you find out from consultation or data analysis?**

It was established that the council offers comparable services at non-comparable charges and that there were significant opportunities to adjust charges in line with those imposed by neighbouring boroughs and local competitors.

**Were the participants in any engagement initiatives representative of the people who will be affected by your proposal?**

The proposals are wide-ranging and cover a number of unrelated different council services.

Any proposed changes that may have a more significant impact on service users with protected characteristics, will require individual equality analyses and will be subject to separate decisions around policy and implementation.

**How did your findings and the wider evidence base inform the proposal?**

The proposals were informed by analysis of charges made for similar / comparable services in neighbouring boroughs.

**STAGE 3: ACTION PLANNING**

**8. What actions will you take to enhance the potential positive impacts that you have identified?**

Any proposed changes that may have a more significant impact on service users with protected characteristics, will require individual equality analyses and will be subject to separate decisions around policy and implementation.

**9. What actions will you take to remove or reduce the potential negative impacts that you have identified?**

Please refer to point 8 above.

**10. Please explain how any remaining negative impacts can be justified?**

Raising additional income is crucial for the Council so that it is able to sustain and support the delivery of core services.

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	17/18 CHARGE	18/19 PROPOSED CHARGE
<b>COMMUNITY &amp; WELLBEING</b>	<b>Housing Needs</b>			
COMMUNITY & WELLBEING	Housing Needs	Furniture Storage and Removals	£28 per container, up to a maximum of £56; Non Working Customers	£28 per container, up to a maximum of £56; Non Working Customers
<b>COMMUNITY &amp; WELLBEING</b>	<b>Private Housing Services</b>			
COMMUNITY & WELLBEING	Private Housing Services	Houses in Multiple Occupation Mandatory licences	540.00	840.00
COMMUNITY & WELLBEING	Private Housing Services	Houses in Multiple Occupation Additional licences	540.00	840.00
COMMUNITY & WELLBEING	Private Housing Services	Other Houses Selective licences	340.00	540.00
COMMUNITY & WELLBEING	Private Housing Services	Admin charge for Work in Default	75.00	100.00
COMMUNITY & WELLBEING	Private Housing Services	Notices	300.00	330.00
COMMUNITY & WELLBEING	Private Housing Services	Specifications for Empty Property Grant	550.00	550.00
COMMUNITY & WELLBEING	Private Housing Services	DFG and SWG Agency Service	16.5% of cost of works or minimum of £66	16.5% of cost of works or minimum of £66

<b>COMMUNITY &amp; WELLBEING</b>	<b>Libraries</b>			
COMMUNITY & WELLBEING	Libraries	Reservations - If an item is not on the catalogue and has to be ordered	3.00	3.00
COMMUNITY & WELLBEING	Libraries	Audio Visual loans	2.00	2.00
COMMUNITY & WELLBEING	Libraries	Overdue charges on items returned late	0.20	0.30
COMMUNITY & WELLBEING	Libraries	Printing and photocopying charges	0.10	0.20
COMMUNITY & WELLBEING	Libraries	Reserved book from the British Library	10.00	10.00
<b>COMMUNITY &amp; WELLBEING</b>	<b>Culture, Sports and Recreation</b>			
COMMUNITY & WELLBEING	Sports	B.Active card (Resident standard card)	41.00	41.00
COMMUNITY & WELLBEING	Sports	B.Active card (Non resident standard card)	72.00	72.00
COMMUNITY & WELLBEING	Sports	B.Active card (60+ or disabled resident Concession)	6.75	6.75
COMMUNITY & WELLBEING	Sports	B.Active card (Resident Concession - 6 months)	3.50	3.50
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Sports Hall Hire - Peak	58.00	59.45

COMMUNITY & WELLBEING	Bridge Park Sports Centre	Sports Hall Hire - Juniors Peak	43.50	44.60
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Sports Hall Hire - Off Peak	27.50	35.60
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Sports Hall Hire - Juniors Off Peak	20.60	26.70
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Dance Studio Peak	39.00	40.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Dance Studio - Off Peak	23.50	24.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Badminton Court Peak	10.50	10.75
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Badminton Court - Off Peak	5.20	6.45
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Table Tennis Peak	6.00	6.15
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Table Tennis - Off Peak	4.00	4.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Gym Membership	25.00	25.60
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Gym Membership - Joint	49.00	42.50
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Gym Membership - Annual	250.00	256.00

COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym Membership - concessions	20.00	20.60
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym Membership - off peak use	18.00	18.60
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym Membership - corporate	23.75	24.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym Induction - Adults	19.00	19.50
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym Induction - Youth 14-16	6.00	6.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Gym casual use - Adults Peak	6.50	6.70
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym casual use - Adults Off Peak	4.80	4.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym casual use - Youth 14-16	3.10	5.10
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Sauna and Steam - Peak	6.50	6.70
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Sauna and Steam - Off Peak	4.80	5.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Parties	110.00	110.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Active Brent - (60+)	3.70	3.70

COMMUNITY & WELLBEING	Bridge Park Sports Centre	Holiday Scheme	11.00	11.30
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Junior Crs/session	3.80	3.80
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Boardroom - Full Day	69.00	69.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Community Suite - Full Day	139.90	139.90
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Tropics Suite - Full Day	209.00	209.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Syndicate Room - Full Day	258.00	258.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Conference Room - Full Day	404.00	404.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Function Hall - Full Day	800.00	800.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Sports hall - Full Day	1,900.00	1,900.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Boardroom - Per Hour	12.00	12.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Community Suite - Per Hour	24.00	24.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Tropics Suite - Per Hour	35.00	35.00

COMMUNITY & WELLBEING	Culture, Sports and Recreation	Syndicate Room - Per Hour	43.00	43.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Conference Room - Per Hour	68.00	68.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Function Hall - Per Hour	90.00	90.00
COMMUNITY & WELLBEING	Bridge Park Room Hire	Kitchen		420.00
COMMUNITY & WELLBEING	Bridge Park Room Hire	Servery		265.00
<b>CHILDREN &amp; YOUNG PEOPLE</b>	<b>Early Help</b>			
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery)	200.00	220.00
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery)	150.00	165.00
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery)	250.00	275.00
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery)	175.00	192.50
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery)	150.00	165.00
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery)	225.00	247.50

CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery)	175.00	192.50
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery)	135.00	148.50
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery)	200.00	220.00
<b>CHILDREN &amp; YOUNG PEOPLE</b>	<b>Gordon Brown OEC</b>			
CHILDREN & YOUNG PEOPLE	Gordon Brown OEC	Residential stays for Brent Schools	142.00	156.00
CHILDREN & YOUNG PEOPLE	Gordon Brown OEC	Residential stays for non Brent Schools	150.00	172.50
CHILDREN & YOUNG PEOPLE	Gordon Brown OEC	Non-residential day visit for non Brent Schools	5.50	6.05
CHILDREN & YOUNG PEOPLE	Gordon Brown OEC	Non-residential day visit for Brent Schools	7.50	8.25
<b>CHILDREN &amp; YOUNG PEOPLE</b>	<b>Setting and School Effectiveness Service</b>			
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Compliance and Governor Training Annual package	1,733.00	1,906.30
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Compliance and Governor Training Pay as you go rate (blended course rate)	110.00	121.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	FFT annual subscription (Primary)	165.00	181.50

CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	FFT annual subscription (Secondary)	825.00	907.50
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Moderation of Teacher Assessment	516.00	567.60
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Newly Qualified Teachers - Acting as Appropriate Body for NQT Induction Standard (3 term) rate	300.00	330.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Brent Music Service Instrumental/vocal tuition	660.00	660.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Brent Music Service Large group tuition	743.00	743.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Brent Music Service Music'sCool' where class teacher remains with BMS teacher	1,518.00	1,584.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Brent Music Service Music'sCool' where BMS teacher provides PPA cover	2,013.00	2,013.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Brent Music Service Wider Opportunities	1,000.00	1,089.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Environmental Health</b>			
REGEN & ENVIRONMENT	Environmental Health	Return of stray dog (first day)	30.00	30.00
REGEN & ENVIRONMENT	Environmental Health	Return of stray dog (maximum)	30.00	30.00
REGEN & ENVIRONMENT	Environmental Health	Dog Fouling Fixed Penalty	80.00	100.00

REGEN & ENVIRONMENT	Environmental Health	Works in default - Single property or shared dwellings	97.00	110.00
REGEN & ENVIRONMENT	Environmental Health	2nd Post Mortems - Defence cases	685.00	754.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Pest Control</b>			
REGEN & ENVIRONMENT	Pest Control	Pest - Bedbugs (2 visits)	220.00	220.00
REGEN & ENVIRONMENT	Pest Control	Combined Rats and cockroaches	227.00	227.00
REGEN & ENVIRONMENT	Pest Control	Pest - Beetles, garden ants (1 visit)	99.00	99.00
REGEN & ENVIRONMENT	Pest Control	Pest - Cockroaches (1 visit)	139.00	139.00
REGEN & ENVIRONMENT	Pest Control	Pest - Fleas (2 visits)	144.00	144.00
REGEN & ENVIRONMENT	Pest Control	Pest - Mice (3 visits)	110.00	110.00
REGEN & ENVIRONMENT	Pest Control	Combined mice and cockroaches	227.00	227.00
REGEN & ENVIRONMENT	Pest Control	Pest - Rats (3 visits)	110.00	110.00
REGEN & ENVIRONMENT	Pest Control	Pest - Wasps (1 visit)	60.00	60.00

REGEN & ENVIRONMENT	Pest Control	Wasps (two nests at same premises)	85.00	85.00
REGEN & ENVIRONMENT	Pest Control	Pest treatment, Pharoah Ants	220.00	220.00
REGEN & ENVIRONMENT	Pest Control	Pest treatment, Clothes Moths	199.00	199.00
REGEN & ENVIRONMENT	Pest Control	Pest treatment, Squirrels	110.00	110.00
REGEN & ENVIRONMENT	Pest Control	Pest treatment - appointment missed/treatment not carried out	35.00	35.00
REGEN & ENVIRONMENT	Pest Control	Pest Control price differential - paying by card instead of cheque	0.00	0.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Building Control</b>			
REGEN & ENVIRONMENT	Building Control	Demolition Notices		300.00
REGEN & ENVIRONMENT	Building Control	Copy of Section 25 PHA certificate/notice		25.00
REGEN & ENVIRONMENT	Building Control	Street Naming & Numbering (house/property name change)		100.00
REGEN & ENVIRONMENT	Building Control	Street Naming & Numbering (Rename of street)		500.00
REGEN & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 1-2 plots)		150.00

REGEN & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 3-5 plots)		186.00
REGEN & ENVIRONMENT	Building Control	Street Naming & Numbering (New property -10 plots)		246.00
REGEN & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 11-20 plots)		366.00
REGEN & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 21-50 plots)		726.00
REGEN & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 51-100 plots)		1,000.00
REGEN & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 100+ plots plots)		7.00
REGEN & ENVIRONMENT	Building Control	Street Naming & Numbering (New property additional charge where this includes naming a street)		200.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Public Safety</b>			
REGEN & ENVIRONMENT	Public Safety	Stadium Safety Certification (General/New Style)	95.00	104.00
REGEN & ENVIRONMENT	Public Safety	Stadium Safety Certification (Special)	95.00	104.00
REGEN & ENVIRONMENT	Public Safety	Revision of Safety Certificate	95.00	104.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Highways and Transportation</b>			

REGEN & ENVIRONMENT	Highways and Transportation	Domestic Vehicle Crossing	70.00	70.00
REGEN & ENVIRONMENT	Highways and Transportation	Industrial Vehicle Crossover	70.00	70.00
REGEN & ENVIRONMENT	Highways and Transportation	Temporary Traffic Management Order	2,250.00	2,250.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Public Realm (Recreation)</b>			
REGEN & ENVIRONMENT	Public Realm (Recreation)	Hire of pavilion per hour	50.00	51.35
REGEN & ENVIRONMENT	Public Realm (Recreation)	Hire of pavilion per hour after 8pm in Winter, after 10pm in summer per hour	64.00	65.72
REGEN & ENVIRONMENT	Public Realm (Recreation)	Partial cost recovery of events in parks - Category 2	1,000.00	1,027.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Partial cost recovery of events in parks - Category 3	2,000.00	2,054.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Reinstatement (Refundable deposit)- category 3	2,500.00	2,567.50
REGEN & ENVIRONMENT	Public Realm (Recreation)	Partial cost recovery of events in parks (ticketed events) up to 300 hundred attendees	200.00	205.40
REGEN & ENVIRONMENT	Public Realm (Recreation)	Deposit	3,000.00	3,000.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Partial cost recovery of events in parks (ticketed events) up to 600 hundred attendees	400.00	410.80

REGEN & ENVIRONMENT	Public Realm (Recreation)	Deposit	6,000.00	6,000.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Partial cost recovery of events in parks (ticketed events) up to 1000 hundred attendees	900.00	924.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Deposit	10,000.00	10,000.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Adult Single	77.00	79.07
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Adult Short Season [13 week pre booked]	902.00	926.35
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Adult Long Season [17 weeks pre-booked]	1,178.00	1,209.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 11-a-side Single	46.10	47.34
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 9-a-side Single	40.00	41.08
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 7-a-side Single	27.00	27.73
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 5-a-side Single	18.50	18.95
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 11-a-side Short Season [13 week pre booked]	540.00	554.58
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 11-a-side Long Season [17 weeks pre-booked]	707.00	726.09

REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 9-a-side Short Season [13 week pre booked]	470.00	482.69
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 9-a-side Long Season [17 weeks pre-booked]	612.00	628.52
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 7-a-side Short Season [13 week pre booked]	317.00	325.55
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 7-a-side Long Season [17 weeks pre-booked]	413.00	424.15
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 5-a-side Short Season [13 week pre booked]	215.00	220.80
REGEN & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 5-a-side Long Season [17 weeks pre-booked]	280.00	287.56
REGEN & ENVIRONMENT	Public Realm (Recreation)	Rugby Adult Single	84.00	86.27
REGEN & ENVIRONMENT	Public Realm (Recreation)	Rugby junior Single	49.00	50.32
REGEN & ENVIRONMENT	Public Realm (Recreation)	Gaelic Adult single (with changing)	102.00	104.75
REGEN & ENVIRONMENT	Public Realm (Recreation)	Gaelic Adult single (without changing)	71.50	73.43
REGEN & ENVIRONMENT	Public Realm (Recreation)	Gaelic junior single (with changing)	60.00	61.62
REGEN & ENVIRONMENT	Public Realm (Recreation)	Gaelic junior single (without changing)	41.00	42.10

REGEN & ENVIRONMENT	Public Realm (Recreation)	Hurling Adult single	102.00	104.70
REGEN & ENVIRONMENT	Public Realm (Recreation)	Hurling Junior single	53.50	54.90
REGEN & ENVIRONMENT	Public Realm (Recreation)	Cricket single	110.00	112.97
REGEN & ENVIRONMENT	Public Realm (Recreation)	Cricket Adult [11 week season]	1,116.00	1,146.13
REGEN & ENVIRONMENT	Public Realm (Recreation)	Cricket Junior (11 week season)	556.00	571.01
REGEN & ENVIRONMENT	Public Realm (Recreation)	Cricket junior single	64.50	66.24
REGEN & ENVIRONMENT	Public Realm (Recreation)	Artificial cricket wicket (Adults) per match	75.00	77.03
REGEN & ENVIRONMENT	Public Realm (Recreation)	Artificial cricket wicket (juniors) per match	45.00	46.22
REGEN & ENVIRONMENT	Public Realm (Recreation)	Bowls - per green	2,345.00	2,408.31
REGEN & ENVIRONMENT	Public Realm (Recreation)	Bowls - per rink per season	474.00	486.80
REGEN & ENVIRONMENT	Public Realm (Recreation)	Tennis Court - adult, per hour	6.63	6.80
REGEN & ENVIRONMENT	Public Realm (Recreation)	Tennis Court - junior, per hour	2.00	2.05

REGEN & ENVIRONMENT	Public Realm (Recreation)	Tennis Court - where no more than 50% of players are Adults	3.30	3.38
REGEN & ENVIRONMENT	Public Realm (Recreation)	Multi Use Games Areas (not including changing rooms)	17.25	17.71
REGEN & ENVIRONMENT	Public Realm (Recreation)	Netball Court - adult per hour (not including changing rooms)	30.00	30.81
REGEN & ENVIRONMENT	Public Realm (Recreation)	Netball Court - junior per hour (not including changing rooms)	20.00	20.54
REGEN & ENVIRONMENT	Public Realm (Recreation)	Adult training soccer/rugby/Gaelic/Hurling not on a pitch (per 2 hours including changing rooms, excluding floodlights)	60.00	61.62
REGEN & ENVIRONMENT	Public Realm (Recreation)	Junior training soccer/rugby/Gaelic/hurling not on a pitch (per 2 hours including changing rooms, excluding floodlights)	35.00	35.94
REGEN & ENVIRONMENT	Public Realm (Recreation)	Floodlights per hour	20.00	20.54
REGEN & ENVIRONMENT	Public Realm (Recreation)	Yoga in the park unmarked ground	16.00	16.43
REGEN & ENVIRONMENT	Public Realm (Recreation)	Unmarked ground school/sports use (Morning or afternoon - 3 hours including changing rooms)	50.00	51.35
REGEN & ENVIRONMENT	Public Realm (Recreation)	Hire of changing rooms only (during normal staffing hours)	48.00	49.30
REGEN & ENVIRONMENT	Public Realm (Recreation)	Power Driven Model Aircraft Flying Licence	38.00	41.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Late cancellation fees	25.00	25.00

REGEN & ENVIRONMENT	Public Realm (Recreation)	Bootcamp/ personal fitness sessions (per hour)	50.00	51.35
<b>REGEN &amp; ENVIRONMENT</b>	<b>Parks</b>			
REGEN & ENVIRONMENT	Parks	Soccer junior	540.00	554.58
REGEN & ENVIRONMENT	Parks	Soccer junior single (VAT to be added)	46.10	47.34
REGEN & ENVIRONMENT	Parks	Rugby single	84.00	86.27
REGEN & ENVIRONMENT	Parks	Rugby junior single	49.00	50.32
REGEN & ENVIRONMENT	Parks	Soccer/Rugby Training (VAT to be added)	50.00	51.35
REGEN & ENVIRONMENT	Parks	Gaelic single	102.00	104.75
REGEN & ENVIRONMENT	Parks	Gaelic junior single	60.00	61.62
REGEN & ENVIRONMENT	Parks	Unmarked ground school/sports use (VAT to be added)	50.00	51.35
REGEN & ENVIRONMENT	Parks	Circus - per day	2,000.00	2,000.00
REGEN & ENVIRONMENT	Parks	Power Driven Model Aircraft Flying Licence	38.00	41.00

REGEN & ENVIRONMENT	<b>Applicable to only Brent residents</b>			
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Person 16yrs (ADULT) + (earth)	2,200.00	2,420.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Baby/Child under 16 full grave space	2,200.00	2,420.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Baby/Child under 16 half grave space	950.00	1,045.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Path side graves (earth)	3,250.00	3,575.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Woodland grave for 1 interment (includes 1 tree)	2,450.00	2,695.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Woodland grave for ashes	2,450.00	2,695.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Person 16yrs (ADULT) + (earth)	700.00	770.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Baby/Child under 16 full grave space	250.00	275.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Baby/Child under 16 half grave space	200.00	220.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Person 16yrs + (earth)	960.00	1,056.00
REGEN & ENVIRONMENT	Cemeteries - Brent Residents	Child full plot [re-open grave]	250.00	275.00

REGEN & ENVIRONMENT	Cemeteries - Brent Residents	Child half plot [re-open grave]	200.00	220.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Person 16yrs + (vault)	350.00	385.00
REGEN & ENVIRONMENT	Cemeteries - Brent Residents	Person 16+ Vault (reopen)	350.00	385.00
REGEN & ENVIRONMENT	Cemeteries - Brent Residents	Cremated remains in existing vault	130.00	143.00
REGEN & ENVIRONMENT	<b>Applicable to only Brent residents - Common Graves</b>			
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Person 16yrs + (earth)	1,000.00	1,100.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Baby/Child under 16 full grave space	600.00	660.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Baby/Child under 16 half grave space	350.00	385.00
REGEN & ENVIRONMENT	<b>Applicable to only Brent residents - Cremated Remains / Ashes</b>			
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - In new half grave space	840.00	924.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - In new half grave space	220.00	242.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - In existing graves space	220.00	242.00

REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - in existing vault	130.00	143.00
REGEN & ENVIRONMENT	<b>Applicable to Non Brent residents</b>			
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Person 16yrs + (earth)	3,360.00	3,696.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Baby/Child under 16 full grave space	3,360.00	3,696.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Baby/Child under 16 half grave space	1,150.00	1,265.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Path side graves (earth)	4,900.00	5,390.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Woodland grave for 1 interment (includes 1 tree)	3,550.00	3,905.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - Woodland grave for ashes	3,550.00	3,905.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Person 16yrs + (earth)	1,025.00	1,127.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Baby/Child under 16 full grave space	360.00	396.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Baby/Child under 16 half grave space	285.00	313.50
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Path side graves (earth)	1,025.00	1,127.50

REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Woodland grave for 1 interment (includes 1 tree)	1,025.00	1,127.50
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Woodland grave for ashes	330.00	363.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Person 16yrs + (earth)	1,025.00	1,127.50
REGEN & ENVIRONMENT	Cemeteries - Non Residents	Child full plot [re-open grave]	250.00	275.00
REGEN & ENVIRONMENT	Cemeteries - Non Residents	Child half plot [re-open grave]	200.00	220.00
REGEN & ENVIRONMENT	<b>Applicable to Non Brent residents - Common Graves</b>			
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Person 16yrs + (earth)	1,460.00	1,606.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Baby/Child under 16 full grave space	910.00	1,001.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - Baby/Child under 16 half grave space	460.00	506.00
REGEN & ENVIRONMENT	<b>Applicable to Non Brent residents - Cremated Remains / Ashes</b>			
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial rights - In new half grave space	1,635.00	1,798.50
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - In new half grave space	390.00	429.00

REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - In existing graves space	390.00	429.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Interment - in existing vault	200.00	220.00
REGEN & ENVIRONMENT	Cemeteries - Non Residents	Person 16+ Vault (reopen)	350.00	385.00
REGEN & ENVIRONMENT	Cemeteries - Non Residents	Cremated remains in existing vault	130.00	143.00
REGEN & ENVIRONMENT	<b>Applicable for both Brent residents &amp; non residents</b>			
REGEN & ENVIRONMENT	Public Realm (Recreation)	Coffin/casket 7' long or 28" wide in earth grave	410.00	451.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Coffin/casket 7' long or 30+" wide in earth grave	540.00	594.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Earth grave for 3 (Carpenders park only)	545.00	599.50
REGEN & ENVIRONMENT	Public Realm (Recreation)	Shroud timbers & slats	130.00	143.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Grave surround	45.00	49.50
REGEN & ENVIRONMENT	Public Realm (Recreation)	Transfer burial rights	80.00	88.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Burial Register search fee	30.00	33.00

REGEN & ENVIRONMENT	Public Realm (Recreation)	Chapel hire	75.00	82.50
REGEN & ENVIRONMENT	Public Realm (Recreation)	Saturday burials at Alperton, Paddington and Willesden	600.00	660.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Cancellation of an interment or late arrival of funeral cortege of more than 20 mins	250.00	275.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Memorial [full with Landing]	295.00	324.50
REGEN & ENVIRONMENT	Public Realm (Recreation)	Headstone / plaque	250.00	275.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Inscriptions / works	90.00	99.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Memorial removal for interment	140.00	154.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Memorial replacement after interment	140.00	154.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Memorial raise and level (full memorials)	55.00	60.50
REGEN & ENVIRONMENT	Public Realm (Recreation)	Memorial raise and level (plaques)	38.00	41.80
REGEN & ENVIRONMENT	Public Realm (Recreation)	Tree Plaque at Carpenders Park (inc. VAT) (Single)	200.00	220.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Tree Plaque at Carpenders Park (inc. VAT) (Double)	270.00	297.00

REGEN & ENVIRONMENT	Public Realm (Recreation)	Bench with plaque on to existing landing (inc. VAT)	1,100.00	1,210.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Bench Plaques only at Carpenders Park (inc. VAT - 5 years)	130.00	143.00
REGEN & ENVIRONMENT	Public Realm (Recreation)	Concrete based bench with plaque (inc. VAT not at Carpenders Park)	1,200.00	1,320.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Allotments</b>			
REGEN & ENVIRONMENT	Allotments	Allotment type site 126m2 (5 pole)	83.50	85.75
REGEN & ENVIRONMENT	Allotments	Allotment cost per pole	16.70	17.15
<b>REGEN &amp; ENVIRONMENT</b>	<b>Planning</b>			
REGEN & ENVIRONMENT	Planning	Correspondence Service L 1 (Householder & Small Business)	200.00	220.00
REGEN & ENVIRONMENT	Planning	Correspondence Service L2 (up to 4 residential units/400m2 floorspace)	500.00	550.00
REGEN & ENVIRONMENT	Planning	Meeting Service L 1 (householder & small business)	300.00	330.00
REGEN & ENVIRONMENT	Planning	Meeting Service L 1 + optional Site Visit Service (householder & small business)	475.00	520.50
REGEN & ENVIRONMENT	Planning	Meeting Service L 2 (up to 4 residential units or up to 499m2 of floorspace)	800.00	880.00

REGEN & ENVIRONMENT	Planning	Meeting Service L3 (5 to 9 residential units or 500 to 999m2 of floorspace)	1,500.00	1,650.00
REGEN & ENVIRONMENT	Planning	Meeting Service L4 (more than 10 residential units or more than 1,000m2 of floorspace)	4,000.00	4,400.00
REGEN & ENVIRONMENT	Planning	Initiation, programming, 1st review (up to 149 units or 2,500m2))	9,000.00	9,000.00
REGEN & ENVIRONMENT	Planning	Initiation, programming, 1st review (150 plus units or over 2,500m2)	12,000.00	12,000.00
REGEN & ENVIRONMENT	Planning	Strategic Meeting (up to 149 units or 2,500m2)		4,500.00
REGEN & ENVIRONMENT	Planning	Strategic Meeting (150 plus units or 15,000m2)		6,000.00
REGEN & ENVIRONMENT	Planning	Issue Meeting		2,000.00
REGEN & ENVIRONMENT	Planning	Presentation to Planning Committee		4,000.00
REGEN & ENVIRONMENT	Planning	Planning/development briefs/ frameworks/ masterplans	7,500.00	8,250.00
REGEN & ENVIRONMENT	Planning	Copies of planning decision notices	15.00	16.50
REGEN & ENVIRONMENT	Planning	Copies of archived documents	15.00	16.50
REGEN & ENVIRONMENT	Planning	Confirmation of compliance with clauses in a S106		500.00

REGEN & ENVIRONMENT	Planning	S106 Legal Fee (per hour)		200.00
REGEN & ENVIRONMENT	Planning	S106 Planning Negotiation Fee - Simple (1-3 obligations)	750.00	825.00
REGEN & ENVIRONMENT	Planning	S106 Planning Negotiation Fee - Moderate (4-7 obligations)	1,275.00	1,400.00
REGEN & ENVIRONMENT	Planning	S106 Planning Negotiation Fee - Complex (8+ obligations / review mechanisms)	1,750.00	1,925.00
REGEN & ENVIRONMENT	Planning	S106 Planning Negotiation Fee - Simple Deed of Variation	375.00	410.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Initial for Simple Agreement	400.00	440.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Initial for Moderate Agreement	450.00	495.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Initial for Complex Agreement	500.00	550.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Standard Simple Obligation	100.00	110.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Standard Moderate Obligation	300.00	330.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Standard Complex Obligation	525.00	575.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Affordable Housing	525.00	575.00

REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Viability Review	925.00	1,000.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Sustainability	650.00	715.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Energy	650.00	715.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Sustainability and Energy	1,300.00	1,430.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Highway Works (No Verification)	300.00	330.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Travel Plan	1,300.00	1,430.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Car Club (Off Site)	650.00	715.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Permit Fee (No Approval)	100.00	110.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Permit Free (Approval)	300.00	330.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Training and Employment	650.00	715.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Community Access Plan	525.00	575.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Notices	50.00	55.00

REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Financial Contributions	150.00	165.00
REGEN & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Considerate Constructors Scheme	100.00	110.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Brent Start</b>			
REGEN & ENVIRONMENT	Brent Start	Learning and skills - Accredited courses	3.00	3.30
REGEN & ENVIRONMENT	Brent Start	Learning and skills - Accredited courses, concessions	0.00	0.00
REGEN & ENVIRONMENT	Brent Start	Learning and Skills - Family learning	0.00	0.00
REGEN & ENVIRONMENT	Brent Start	Learning and Skills - Personal and community development learning	4.00	4.40
REGEN & ENVIRONMENT	Brent Start	Learning and Skills - Personal and community development learning - concessions (A)	2.00	2.20
REGEN & ENVIRONMENT	Brent Start	Learning and Skills - Personal and community development learning - concessions (B)	1.00	1.10
REGEN & ENVIRONMENT	Brent Start	Learning and Skills - targeted community development courses	3.00	3.20
REGEN & ENVIRONMENT	Brent Start	Learning and Skills - targeted community development courses - concessions (A)	1.50	1.60
REGEN & ENVIRONMENT	Brent Start	Learning and Skills - targeted community development courses - concessions (B)	0.00	0.00

REGEN & ENVIRONMENT	Brent Start	Full cost recovery courses	12.00	15.00
REGEN & ENVIRONMENT	Brent Start	Room hire	20.00	25.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Food and Health &amp; Safety</b>			
REGEN & ENVIRONMENT	Food and Health & Safety	Cadaver certificate (3 working days' notice)	58.00	63.80
REGEN & ENVIRONMENT	Food and Health & Safety	Cadaver certificate (urgent next day service)	113.00	124.30
REGEN & ENVIRONMENT	Food and Health & Safety	Food Export Health Certificates (3 working days)	58.00	65.00
REGEN & ENVIRONMENT	Food and Health & Safety	Food Export Health Certificates (urgent next day service)	113.00	125.00
REGEN & ENVIRONMENT	Food and Health & Safety	Food destruction certificate	220.00	242.00
REGEN & ENVIRONMENT	Food and Health & Safety	Freezer breakdown certificate	220.00	242.00
REGEN & ENVIRONMENT	Food and Health & Safety	Pool water analysis single pool	200.00	220.00
REGEN & ENVIRONMENT	Food and Health & Safety	Pool water analysis double pool	375.00	412.50
REGEN & ENVIRONMENT	Food and Health & Safety	Schools Legionella Water Sampling	1,585.00	1,585.00

REGEN & ENVIRONMENT	Food and Health & Safety	Schools Drinking Water Sampling	530.00	530.00
REGEN & ENVIRONMENT	Food and Health & Safety	Food Hygiene Rating Scheme (FHRS) rating re-assessment	260.00	286.00
REGEN & ENVIRONMENT	Food and Health & Safety	Special treatments exhibition including any treatment from categories B, C or D	£1,185 plus £95 per company administering	£1300 plus £95 per company administering
REGEN & ENVIRONMENT	Food and Health & Safety	Special treatments - lasers (Cat A)	750.00	825.00
REGEN & ENVIRONMENT	Food and Health & Safety	Special treatments - massage, acupuncture, tattooing etc (cat B)	610.00	670.00
REGEN & ENVIRONMENT	Food and Health & Safety	Special treatments - beauty treatments, etc (Cat C)	365.00	400.00
REGEN & ENVIRONMENT	Food and Health & Safety	Special treatments - manicure, nose and ear piercing, etc (Cat D)	200.00	220.00
REGEN & ENVIRONMENT	Food and Health & Safety	Special treatments - licence variation including addition or change of therapist	105.00	115.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Licensing</b>			
REGEN & ENVIRONMENT	Licensing	Animal Boarding Establishment Licence	250.00	275.00
REGEN & ENVIRONMENT	Licensing	Breeding of Dogs Licence	270.00	297.00
REGEN & ENVIRONMENT	Licensing	Leaflet distribution (application)	180.00	198.00

REGEN & ENVIRONMENT	Licensing	Occasional sales except educational establishments (application)	179.00	197.00
REGEN & ENVIRONMENT	Licensing	Performing Animals Registration	250.00	275.00
REGEN & ENVIRONMENT	Licensing	Pet Animals (Pet Shop Licence)	182.00	200.00
REGEN & ENVIRONMENT	Licensing	Poisons Act Licence	45.00	50.00
REGEN & ENVIRONMENT	Licensing	Sex establishments	327.30	360.00
REGEN & ENVIRONMENT	Licensing	Street trading (new application)	74.00	81.50
REGEN & ENVIRONMENT	Licensing	Street trading (daily fee)	3.00	3.00
REGEN & ENVIRONMENT	Licensing	Street trading (variation)	50.00	55.00
REGEN & ENVIRONMENT	Licensing	Licensing Surgeries (to help small businesses)	150.00	165.00
REGEN & ENVIRONMENT	Licensing	Rejected searches	25.00	30.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Land Charges</b>			
REGEN & ENVIRONMENT	Land charges	Full Official Search (LLC1 and CON29 2016)	250.00	280.00

REGEN & ENVIRONMENT	Land charges	Full Official Search and each additional Parcel	45.00	50.00
REGEN & ENVIRONMENT	Land charges	LLC1	70.00	80.00
REGEN & ENVIRONMENT	Land charges	LLC1 Additional Parcel	20.00	25.00
REGEN & ENVIRONMENT	Land charges	CON 29 - 2016	180.00	200.00
REGEN & ENVIRONMENT	Land charges	Con 29 - 2016 each additional Parcel	25.00	30.00
REGEN & ENVIRONMENT	Land charges	CON 29O requested each question submitted with LLC1 and CON 29 - 2016 forms	25.00	30.00
REGEN & ENVIRONMENT	Land charges	CON 29 O each question requested separately	25.00	40.00
REGEN & ENVIRONMENT	Land charges	Copy Search of replies	30.00	40.00
REGEN & ENVIRONMENT	Land charges	CON29 O requested separately for each additional parcel	25.00	30.00
REGEN & ENVIRONMENT	Land charges - EIR	CON29 2016 Individual first question	20.00	25.00
REGEN & ENVIRONMENT	Land charges - EIR	CON29 2016 Individual each additional question	2.50	3.00
REGEN & ENVIRONMENT	Land charges - EIR	CON29 2016 Individual All questions listed on our website under Environmental Informational Regulations details 'Local Land Charges	90.00	100.00

REGEN & ENVIRONMENT	Land charges - EIR	CON29 2016 Individual each additional parcel	5.00	6.00
REGEN & ENVIRONMENT	Land charges - EIR	Copy of replies CON29 2016 individual replies	10.00	15.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Public Realm (Highways)</b>			
REGEN & ENVIRONMENT	Public Realm (Highways)	Temporary Crossing – Commercial:	500.00	500.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Crane Oversail	500.00	350.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Crane (mobile platform):	300.00	300.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Scaffold Licence Fee (0-10m)	211.00	211.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Scaffold Licence Fee (10-15m)	270.00	270.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Scaffold Licence Fee (15m+)	565.00	565.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Hoarding Licence Fee(0-10m)	211.00	211.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Hoarding Licence Fee (10-15m)	270.00	270.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Hoarding Licence Fee (15m+)	565.00	565.00

REGEN & ENVIRONMENT	Public Realm (Highways)	Skip Licence Fee	45.00	49.50
REGEN & ENVIRONMENT	Public Realm (Highways)	Skips (fines)	207.00	207.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Building Material licences (Residential)	150.00	150.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Builders Material Licences (Commercial)	300.00	300.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Skip Company - Annual Registration fee:	270.00	297.00
REGEN & ENVIRONMENT	Public Realm (Highways)	Container/Portacabin licences:	300.00	300.00
<b>REGEN &amp; ENVIRONMENT</b>	<b>Trading Standards</b>			
REGEN & ENVIRONMENT	Trading Standards	Registration of Premises for Auction	327.00	335.00
REGEN & ENVIRONMENT	Trading Standards	Primary Authority - bulk purchase	55.89	58.18
REGEN & ENVIRONMENT	Trading Standards	Primary Authority - pay as you go	69.91	72.77
REGEN & ENVIRONMENT	Trading Standards	Verification of Weights & Measures Equipment	60.00	61.32
REGEN & ENVIRONMENT	Trading Standards	Calibration of Weights for Business	60.00	61.32

REGEN & ENVIRONMENT	Trading Standards	Testing of Working Standards and Testing Equipment for other LAs	60.00	61.32
REGEN & ENVIRONMENT	Trading Standards	Extra Staff Member assisting with above W&M fees	36.12	36.74
REGEN & ENVIRONMENT	Trading Standards	Use of Safety Lab	63.32	65.00
REGEN & ENVIRONMENT	Trading Standards	Licence to store explosives	Various Fees from 54.00 - 500.00	Various Fees from 54.00 - 500.00
REGEN & ENVIRONMENT	Trading Standards	Financial Investigator	36.09	37.00
REGEN & ENVIRONMENT	Trading Standards	Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014, Full Charge Penalty Notice	5,000.00	5,000.00
REGEN & ENVIRONMENT	Trading Standards	Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014, Reduced Charge Penalty Notice	2,500.00	5,000.00
REGEN & ENVIRONMENT	Trading Standards	Penalty Charge Notice under Part 3, Chapter 3 Consumer Rights Act 2015	5,000.00	5,000.00
<b>RESOURCES</b>	<b>Registration and Nationality</b>			
RESOURCES	Registration and Nationality	Approved Premises Weddings BCC Internal Monday - Thursday Before 4pm	150.00	160.00
RESOURCES	Registration and Nationality	Approved Premises Weddings BCC internal Monday - Thursday After 4pm	325.00	400.00
RESOURCES	Registration and Nationality	Approved Premises Weddings Internal Friday Before 4pm	175.00	185.00

RESOURCES	Registration and Nationality	Approved Premises Weddings Internal Friday After 4pm	325.00	400.00
RESOURCES	Registration and Nationality	Approved Premises Weddings Internal Saturday Before 4pm	250.00	275.00
RESOURCES	Registration and Nationality	Approved Premises Weddings Internal Saturday After 4pm	400.00	450.00
RESOURCES	Registration and Nationality	Approved Premises Weddings Internal Sunday Before 1pm	325.00	350.00
RESOURCES	Registration and Nationality	Approved Premises Weddings Internal Sunday After 4pm	450.00	500.00
RESOURCES	Registration and Nationality	Approved Premises Weddings Internal & External Venues Bank Holidays inc Christmas and Easter weekends	600.00	700.00
RESOURCES	Registration and Nationality	Approved Premises Weddings external Monday - Friday Before 4pm	325.00	400.00
RESOURCES	Registration and Nationality	Approved Premises Weddings external Monday - Friday After 4pm	400.00	450.00
RESOURCES	Registration and Nationality	Approved Premises Weddings external Saturday Before 4pm	400.00	450.00
RESOURCES	Registration and Nationality	Approved Premises Weddings external Saturday After 4pm	500.00	550.00
RESOURCES	Registration and Nationality	Approved Premises Weddings external Sunday Before 4pm	450.00	500.00
RESOURCES	Registration and Nationality	Approved Premises Weddings external Sunday After 4pm	600.00	650.00

RESOURCES	Registration and Nationality	NCS adult fee: Monday - Friday	60.00	65.00
RESOURCES	Registration and Nationality	NCS adult fee: Saturday	75.00	80.00
RESOURCES	Registration and Nationality	NCS minor: Monday - Friday	40.00	45.00
RESOURCES	Registration and Nationality	NCS minor: Saturday	50.00	55.00
RESOURCES	Registration and Nationality	Private Ceremonies (M- F)	110.00	120.00
RESOURCES	Registration and Nationality	Citizenship Private Ceremony-weekend	150.00	160.00
RESOURCES	Registration and Nationality	Settlement Checking Service 1 single adult Mon- Sat	100.00	110.00
RESOURCES	Registration and Nationality	Settlement Checking Service per child Mon - Sat	30.00	50.00
RESOURCES	Registration and Nationality	EEA Passport check PR & QP Mon - Fri	25.00	25.00
RESOURCES	Registration and Nationality	EEA Passport check PR & QP Sat	30.00	30.00
RESOURCES	Registration and Nationality	EEA Passport check PR & QP Sun	40.00	40.00
RESOURCES	Registration and Nationality	Change of date	20.00	20.00

RESOURCES	Registration and Nationality	Admin charge priority certificates	10.00	10.00
RESOURCES	Registration and Nationality	Passport Checking Service	10.00	15.00
RESOURCES	Registration and Nationality	EEA Passport check postal charge 5KG to 10 KG	27.00	27.00
RESOURCES	Registration and Nationality	EEA Passport check Postal charge 10KG above	42.00	42.00
RESOURCES	Registration and Nationality	NEW SERVICE - Nationality Document Return Service (NDRS) Mon-Fri	N/A	50.00
RESOURCES	Registration and Nationality	NEW SERVICE - Nationality Document Return Service (NDRS) weekends	N/A	60.00
RESOURCES	Registration and Nationality	NDRS postal charge up to 1KG	N/A	10.00
RESOURCES	Registration and Nationality	NDRS Postal charge Up to 2KG	N/A	15.00
RESOURCES	Registration and Nationality	NDRS postal charge 5KG to 10 KG	27.00	27.00
RESOURCES	Registration and Nationality	NDRS Postal charge 10KG above	42.00	42.00



# **BRENT COUNCIL PAY POLICY STATEMENT**

**Financial Year 2018/19**

**April 2018**

## Contents

Purpose.....	3
Strategic Context.....	3
Review of Employee Benefits .....	4
Council Pay Rates and Scales.....	4
Remuneration of Senior Management (Chief Officers) .....	4
Remuneration of Lowest Paid Employees .....	5
London Living Wage .....	5
Pay Multiple .....	5
Pay Grading .....	6
Local Conventions for the GLPC Job Evaluation Scheme .....	6
Public Health Transfer.....	7
Pay on Appointment.....	7
Annual Pay Progression.....	7
Performance Related Pay and Bonuses .....	8
National / Regional Pay Agreements .....	8
Market Supplements .....	9
Fees for Election Duties .....	9
Pension .....	9
Payments on Termination of Employment .....	9
Re-employment of Employees .....	9
Tax avoidance.....	10
Publication and access to information.....	10

# **BRENT COUNCIL PAY POLICY STATEMENT**

**Financial Year 2018/19**

## **Purpose**

The council's pay policy outlines Brent's policy on pay and benefits for all employees (excluding Schools) and has been developed to meet the relevant statutory provisions of the Localism Act 2011.

The pay policy will be reviewed on an annual basis and any changes will be approved in advance of each new financial year.

The pay policy statement can be amended during the course of any financial year, but only by a resolution of the Full Council. If it is amended during the year to which it relates, the revised version of the statement will be published as soon as reasonably practicable.

## **Strategic Context**

The current and future pay and benefit arrangements are embodied in the council's Workforce Strategy which reflects the Borough Plan priorities. The council's Borough Plan and Brent 2020 programme provide the strategic framework for the council's workforce and people priorities.

The overarching objective for the Workforce Strategy is to have the right people, with the right skills, attitudes and experience, in the right place at the right time to enable the organisation to deliver on its corporate objectives and priorities.

Key strategic aims of the Workforce Strategy are:

- Achieving organisational effectiveness and strong performance management
- Recruiting, retaining and rewarding a diverse, highly skilled and motivated workforce
- Valuing diversity and reducing inequalities
- Developing high performing managers and talented staff
- Building the professionalism and skills of the workforce to support Transforming Brent 2020 projects and deliver high quality services

The council is committed to being a good employer and maintaining its excellent track record in employing a workforce which reflects the community in composition. In order to recruit and retain a high quality workforce, the council will pay its staff at

appropriate salary levels to attract and retain staff, throughout the council, particularly those in hard to recruit roles. Since the move to the Civic Centre in 2013, employees have adapted to new ways of working.

## **Review of Employee Benefits**

The council's pay arrangements and terms and conditions play a key role in enabling the council to fully realise its objectives and in ensuring the workforce is 'fit for purpose'. The council is committed to fair and equitable pay and benefits arrangements to maintain a flexible, talented and performance focused workforce. The council carried out a gender pay gap audit in September 2016 which revealed that the overall gender pay gap was -0.4% for comparison of "weighted" median pay (this is now 0.2%) and 6.8% for comparison of "unweighted" median pay (this remains unchanged). The benchmark average for the public sector is 11%.

All the council's pay arrangements are contained within a single policy document.

## **Council Pay Rates and Scales**

Pay scales are reviewed annually in line with the National Joint Council agreements and are usually effective from 1<sup>st</sup> April each year.

The following pay scales have been adopted by the council:

- Greater London Provincial Council (GLPC) London Pay Scales (GLPC job evaluated and Greater London Whitley Council evaluated) (main pay scales)
- Senior Manager Pay Scales (Hay job evaluated) (senior managers)
- Soulbury Pay Scales (Education Psychologists, Advisors and Inspectors)
- Soulbury Pay Scales (Youth and Community Service, Young People and Community Service Managers)
- Teaching Pay Scales (for centrally employed local authority teachers)

## **Remuneration of Senior Management (Chief Officers)**

The council defines its senior management as the top 3 tiers in the management structure. This includes all statutory and non-statutory Chief Officers and Deputy Chief Officer roles. It comprises the Chief Executive, Strategic Directors and Operational Directors.

Currently the pay, expenses and declaration of interest are published for the Corporate Management Team which comprises the Chief Executive and the Strategic Directors, together with the Chief Finance Officer and the Director of Legal and HR Services. . The council appointed a new Chief Executive in September

2015. The rate of pay of the Chief Executive and Strategic Directors and other Senior Managers are in accordance with the council's senior management pay rates.

The council may, in exceptional circumstances, employ senior managers under contracts for services. The council generally will aim to pay such individuals at a rate consistent with the pay of directly employed staff performing a comparable role, although there may be circumstances where there is a business case to support a higher pay rate for a short term period to ensure continuity of service and meet any statutory obligations. The council's approach to dealing with HMRC changes to regulations for provision of personal services from April 2017 is to base decisions on the use of the Her Majesty's Revenue and Customs' (HMRC) online assessment tool to determine whether individuals hired on an interim basis will be on a PAYE or personal services basis. Most agency workers, consultants and interims are required to pay tax on a PAYE basis.

### **Remuneration of Lowest Paid Employees**

The council defines its lowest paid employees as those staff paid on the lowest established grade and scale point which in Brent is Scale 3 spinal point 14 of the Greater London Provincial Council (GLPC) Pay Scales currently £18,657 per annum.

### **London Living Wage**

The council has implemented the London living wage. This rate has been applied to all staff (other than the apprentices identified below) who receive less than £10.20 per hour. Those whose substantive salary is below the London Living Wage are placed on the nearest spinal column point to ensure an equivalent rate to the London Living Wage. Level 2 Apprentices are paid at the highest National Living Wage for apprentices rate and Level 3 Apprentices are paid a higher hourly rate of £8.01 per hour. The Council is an accredited London Living Wage Employer and asks its contractors supplying services to the Council to pay their staff the London Living Wage. As contractors are employers in their own right, the council cannot force contractors to pay the London Living Wage but has built into its procurement procedures a requirement to do so in relation to council contracts where possible. The Council also encourages schools to pay the London Living Wage.

### **Pay Multiple**

The 'pay multiple' is the ratio between the highest paid salary and the lowest/median average salary of the council's workforce. The council's highest paid employee is the Chief Executive. The current median salary is SCP 34 £33,444.

The current multiples are  
Lowest salary multiple is 1:10.6

Median salary multiple is: 1:5.8

This is within what is regarded as good practice for the median salary multiple as described by Will Hutton in his 2011 Fair Pay Review in the Public Sector which identified multiples at or around 8.00. The council has not set a target for a maximum multiple. The pay multiple has remained relatively unchanged from 2016/2017. As the Chief Executive is at the top of the pay scale, the lowest and median pay multiples are unlikely to increase.

## **Pay Grading**

Single Status was introduced in 2009 for staff on the main pay scales. Single Status introduced common job evaluation schemes and pay scales for the council's former manual workers, administrative, professional, technical and clerical employees with the exception of education psychologists, nursery nurses, youth and community workers, chief officers and the chief executive.

Staff who recently transferred to the council from Brent Housing Partnership have not yet moved over to Single Status.

Senior managers including chief officers have locally determined rates of pay which are linked to national negotiations for the determination of pay awards. A revised pay and grading structure for senior managers was introduced on 1<sup>st</sup> April 2013. The aim of the review was to reduce costs whilst ensuring the council's pay arrangements remained competitive.

Also in 2013, the council rationalised the terms and conditions for senior managers. Those senior management posts which fall within the Joint National Committee (JNC) Chief Officer definition are employed on JNC terms and conditions and all other senior managers are employed on National Joint Committee (NJC) for Local Government Services terms and conditions with some local variations. The senior management posts which fall within the JNC definition are predominately the strategic directors and other directors with statutory responsibilities e.g. Section 151 officer. This means that the majority of senior managers have terms and conditions which are largely consistent with those for other staff. A number of changes were also made to the JNC for Chief Officer terms and conditions to align them more with the terms and conditions for all other staff.

## **Local Conventions for the GLPC Job Evaluation Scheme**

Virtually all local authorities and organisations that use the GLPC Scheme have local conventions in place. Virtually all local authorities and organisations that use the GLPC Scheme have a set of local conventions in place. Without local conventions,

evaluators may interpret the scheme's factor level definitions differently. This exposes the authority to the potential risk of inconsistency and can lead to inaccurate gradings.

The council in March 2013 introduced local conventions to ensure that the scheme is applied consistently and fairly to all employees. These have been reviewed and amended in accordance with refreshed guidance notes on the job evaluation scheme issued by the GLPC in 2016.

## **Public Health Transfer**

Following major changes to the public health system, responsibility for public health transferred to local authorities on 1<sup>st</sup> April 2013. Fifteen staff transferred into the council under NHS terms and conditions including pay. A Director of Public Health has been recruited on Brent terms and conditions.

## **Pay on Appointment**

All employees are normally appointed on the lowest pay spinal column point for their job evaluated grade. Employees may be appointed at a higher point, where they are currently earning more than the lowest pay spine for the role and where it is considered that they already possess the skills and experience needed to justify a higher salary within the grade. Appointment at a higher point on the salary scale has to be authorised by the service Operational Director and the Director of Legal and HR Services.

The council delegates authority to the Senior Staff Appointments Sub-Committee to make appointments to the council of all officers at Operational Director level and above, with the exception of the Chief Executive, in which case a recommendation to appoint is made to Full Council for its final decision to confirm the appointment or not. The starting salary for new appointments to these posts is agreed by the body making the appointment. The starting salary for any other post where the overall remuneration package on new appointment (excluding pension contributions in accordance with the Local Government Pension Scheme regulations) is to exceed £100,000 will normally be agreed by full council or a committee of the council unless the Chief Executive agrees otherwise.

## **Annual Pay Progression**

Brent's pay policy is primarily based on evaluated pay grades, each having a salary range comprising a number of incremental points. Other pay grades are nationally prescribed and also have incremental progression arrangements. Most employees incrementally progress through the pay grade for their job. Progression will normally be one increment (pay spine column point) on the 1st of April each year until the top

of the grade is reached for those on the main pay scales. Separate arrangements apply during the first year of service where the start date is between 1<sup>st</sup> October and 31<sup>st</sup> March and on the anniversary of joining for those on senior manager pay scales.

Pay progression is subject to satisfactory performance assessed during the annual appraisal process and can be withheld if there is a current disciplinary sanction in place or where poor performance is currently being addressed through Council procedures.

### **Performance Related Pay and Bonuses**

Council employees including the Chief Executive and directors do not receive performance related payments or bonuses.

### **National / Regional Pay Agreements**

The council operates the national (JNC/NJC) and regional Greater London Provisional Council (GLPC) collective bargaining arrangements for pay and conditions of service for all employees, including senior managers. Pay is increased in line with national and regional pay agreements.

Details of the 2016/18 pay award agreement are:

From 1<sup>st</sup> April 2016:

- Salary increases ranging from 1% to 6.6% on the higher and lower spine points, with low earners receiving higher proportional increases in salary. Most grades will receive a 1% increase with higher percentage increases applying only to the lowest paid staff.

and...

From 1<sup>st</sup> April 2017:

- Salary increases ranging from 1% to 3.4%. Most grades will receive a 1% increase with higher percentage increases applying only to the lowest paid staff.
- The total increase to the national pay bill resulting from this offer is 2.4% over two years (covering the period 1 April 2016 to 31 March 2018).
- The individual basic salaries and salary scales of all officers within scope of the JNC for Chief Officers of Local Authorities increased by 1.0% with effect from 1<sup>st</sup> April 2016 and will increase by a further 1.0% with effect from 1<sup>st</sup> April 2017.

No agreement is yet in place from April 2018.

## **Market Supplements**

The council has recently re-introduced market supplement payments to children's social workers to address the ongoing recruitment difficulties and to ensure the council remains competitive in the recruitment market. Apart from children's social workers, there are only a small number of supplements in existence and these have planned end dates. Individual service areas do not have discretion to apply market supplements and there is a governance structure in place to agree any new supplements based on a sound business case.

## **Fees for Election Duties**

Election fees paid to employees (including chief officers) who assist in elections are in line with the rates agreed by the Government whenever general, regional or European elections occur. In light of the referendum vote on 23<sup>rd</sup> June 2016 for the UK to leave the European Union, there are unlikely to be further European elections to assist with. Where local elections occur fees will be determined using the cross-London agreed rates.

## **Pensions**

All non-teaching employees are able to join the Local Government Pension Scheme (LGPS). Teachers are able to join the Teachers' Pension Scheme. Benefits for both schemes are paid in accordance with government regulations. National Health Service employees who transferred to the council under TUPE have access to the NHS Pension Scheme under special provisions agreed as part of the transfer into local government. Employees joining Public Health after the transfer are employed on Council terms and conditions and do have access to the LGPS.

## **Payments on Termination of Employment**

In the event that the council terminates the employment of an employee on the grounds of redundancy the terms of the council's redundancy and early retirement arrangements will apply. Termination payments will be subject to any caps introduced by government legislation as will repayment of severance payments set by legislation. It is anticipated that regulations on capping payments and repayment of severance will be introduced although the timescale is unclear. Where practicable, and unless the Chief Executive agrees otherwise, termination payments which exceed £100k will normally be agreed by full council or a committee of the council.

## **Re-employment of Employees**

Section 7 of the Local Government and Housing Act 1989 requires that every

appointment to paid office or employment in a local authority shall be made on merit.

The re-engagement of employees including chief officers who are made redundant is subject to the council's re-engagement arrangements (contained within the council's Managing Change Policy). The policy sets out the minimum period a former employee must wait before being eligible to work for the council again, as well as outlining other restrictions.

Employees who are made redundant may not be re-engaged within twelve months of their termination of employment for reasons of redundancy. After twelve months the employee may be re-engaged via the normal recruitment procedures either to carry out similar work or a different job. Re-engagement is subject to the approval of the relevant Operational Director and Director of Legal and HR Services.

### **Tax avoidance**

All permanent Brent staff including senior managers are paid through payroll which means that all taxes are deducted at source. A review of temporary staff is regularly conducted and it is Brent's policy to cover vacancies through the use of approved agency workers or by appointing staff on fixed term contracts. Temporary workers providing services through their own companies will be carrying out projects and generally not covering permanent roles other than in exceptional circumstances e.g. where interim cover is essential whilst a permanent appointment is recruited. Where these situations do occur they will be limited in duration, usually to less than 6 months.

### **Publication and access to information**

Brent's annual Pay Policy Statement will be published on the website where it can be easily accessed. Information about chief officers' remuneration is published on the council's website [www.brent.gov.uk](http://www.brent.gov.uk) in the section Senior Staff Salaries.