



SUMMONS TO ATTEND COUNCIL MEETING

Monday, 13 September 2010 at 7.00 pm
Council Chamber, Brent Town Hall, Forty Lane,
Wembley, HA9 9HD

To the Mayor and Councillors of the London Borough of Brent and to each and every one of them.

I hereby summon you to attend the MEETING OF THE COUNCIL of this Borough.

GARETH DANIEL
Chief Executive

Dated: Friday, 3 September 2010

For further information contact: Peter Goss, Democratic Services Manager
020 8937 1351, peter.goss@brent.gov.uk

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www.brent.gov.uk/committees

The press and public are welcome to attend this meeting

Agenda

Apologies for absence

- | Item | Page |
|---|---------|
| 1 Minutes of the previous meeting | 1 - 10 |
| 2 Declarations of personal and prejudicial interests | |
| <p>Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.</p> | |
| 3 Mayor's announcements | |
| 4 Changes to the Constitution | 11 - 56 |
| <p>At the meeting of Council on 12 July 2010 it was stated that changes to the way Full Council operated had been discussed and informally agreed and that these would be submitted to this meeting for agreement.</p> <p>This report sets out the proposed changes to the Council's constitution in relation to the operation of full council and the structure of the Overview and Scrutiny Committees, the arrangements for the Annual Council Meeting and other miscellaneous and incidental matters.</p> <p>Ward Affected: All Wards; Contact Officer: Fiona Ledden,
Borough Solicitor
Tel: 020 8937 1292
fiona.ledden@brent.gov.uk</p> | |
| 5 Appointments to committees and outside bodies and appointment of chairs/vice chairs (if any) | |
| 6 Report from the Leader or members of the Executive | 57 - 58 |
| <p>To receive reports from the Leader or members of the Executive in accordance with Standing Order 38.</p> | |
| 7 Questions from the Opposition and other Non- Executive Members | |
| <p>Questions will be put to the Executive.</p> | |
| 8 Debate - Crime and community safety | |
| <p>To debate a key issue affecting the Borough. The theme for this meeting</p> | |

to be crime and community safety.

9 Reports from the Chairs of Overview and Scrutiny Committees

To receive reports from one or more of the Chairs of the Overview and Scrutiny Committees in accordance with Standing Order 41.

10 London Borough of Brent petition scheme 59 - 76

The council is required to have a petition scheme which outlines how the council will respond to petitions and the arrangements for a petition to trigger attendance by senior officers at an overview and scrutiny committee and a debate at a meeting of full council. There is also a requirement that by 15 December 2010 there should be provision for on-line petitions to be submitted. This report proposes a petition scheme and outlines how the new arrangements will work.

Ward Affected: All Wards; **Contact Officer:** Fiona Ledden,
Borough Solicitor
Tel: 020 8937 1292
fiona.ledden@brent.gov.uk

11 The Members' Allowances Scheme 77 - 106

This report sets out recommended changes to the Brent Members' Allowances Scheme, following consideration by the Constitutional Working Group.

Ward Affected: All Wards; **Contact Officer:** Fiona Ledden,
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fiona.ledden@brent.gov.uk

12 Treasury Management 107 - 122

This report provides information to members on borrowing and investment activity, and performance compared to prudential indicators during 2009/10. It also sets out revised requirements in the 2009 Treasury Management Code of Practice. The Code requires that the Treasury Management Annual Report should be agreed by Full Council.

Ward Affected: All Wards; **Contact Officer:** Duncan McLeod,
Director of Finance and Corporate Resources
Tel: 020 8937 1424
duncan.mcleod@brent.gov.uk

13 London Local Authorities Bill

123
126

London Councils on the 13 July 2010 agreed to promote a private Bill which will provide flexibility in relation to travel concessions on railways and will provide for an arbitration mechanism in relation to the cost of the reserve scheme. Following the decision Local Councils has asked each individual Borough including Brent for support.

Ward Affected: All Wards; **Contact Officer:** Fiona Ledden,
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14 Urgent business

At the discretion of the Mayor to consider any urgent business.



- Please remember to **SWITCH OFF** your mobile phone during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public.
 - Toilets are available on the second floor.
 - Catering facilities can be found on the first floor near The Paul Daisley Hall.
 - A public telephone is located in the foyer on the ground floor, opposite the Porters' Lodge



LONDON BOROUGH OF BRENT

Minutes of the ORDINARY MEETING OF THE COUNCIL
held on Monday, 12 July 2010 at 7.15 pm

PRESENT:

The Worshipful the Mayor
Councillor Harbhajan Singh

The Deputy Mayor
Councillor M Aslam Choudry

COUNCILLORS:

Aden	Adeyeye
Al-Ebadi	Arnold
Ashraf	Mrs Bacchus
Baker	Beck
Beckman	Beswick
Brown	Butt
Cheese	Chohan
S Choudhary	Clues
Colwill	Crane
Cummins	Daly
Denselow	Gladbaum
Harrison	Hashmi
Hector	Hirani
Hossain	Hunter
John	Jones
Kabir	Kataria
Long	Lorber
Mashari	Matthews
McLennan	Mistry
Mitchell Murray	J Moher
R Moher	Moloney
Naheerathan	Ogunro
Oladapo	BM Patel
CJ Patel	HB Patel
HM Patel	RS Patel
Powney	Ms Shaw
Sheth	Steel
Thomas	

Apologies for absence

Apologies were received from: Councillors Allie, Castle, Green, Leaman, Sneddon

and Van Kalwala

1. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meetings held on 1 March (circulated separately), 24 May (Annual meeting) and 26 May 2010 be approved as accurate records of the meetings.

2. **Declarations of personal and prejudicial interests**

None declared.

3. **Mayor's announcements**

The Mayor spoke on behalf of the Council in expressing his pleasure at seeing Councillor Steel at the meeting after his recent illness.

The Mayor announced that past Mayor, Gwen Tookey was recovering from a fall and wished her well.

The Mayor drew attention to the list of current petitions showing progress on dealing with them circulated around the chamber in accordance with Standing Orders.

4. **Appointments to committees and outside bodies and appointment of chairs/vice chairs (if any)**

RESOLVED:-

that the following appointments be made:

Planning Committee

- Councillor Long to replace Councillor Hossian
- Councillor Hossain to replace Councillor Long as first alternate to Councillor Adeyeye

Overview and Scrutiny Committee

- Councillor Colwill as vice chair

Staff Appeals Sub-Committee (A)

- Councillor Beck as first alternate to Councillor Castle
- Councillor CJ Patel as second alternate to Councillor Castle

Staff Appeals Sub-Committee (B)

- Councillor Beck as first alternate to Councillor Castle
- Councillor CJ Patel as second alternate to Councillor Castle

School Admissions Forum

- Councillor Ashraf
- Councillor CJ Patel as first alternate to Councillor Ashraf
- Councillor Hashmi as second alternate to Councillor Ashraf

Welsh Harp Joint Consultative Committee

- Councillor Hashmi as first alternate to Councillor Ashraf
- Councillor CJ Patel as second alternate to Councillor Ashraf

5. **Changes to the Council's Financial Regulations**

Members had before them the report that set out the proposed new interim financial regulations to cover the period April to September 2010.

RESOLVED:

- (i) that the proposed new Financial Regulations set out in appendix A be adopted to take effect immediately and that the Council's constitution be amended accordingly;
- (ii) that it be noted that changes would be required in Autumn 2010.

6. **Question time**

The selected questions submitted under the provisions of standing order 38 had been circulated together with written responses from the respective Lead Members. The Members who had put the questions were invited to ask their supplementary questions.

The following three questions had been selected by the Leader of the Liberal Democrat Group.

Parking income

The question from Councillor Clues had asked about the level of income generated from motorists. He stated that the answer he had received did not answer the part of his question that asked what was proposed to reduce the level of income. As a supplementary question he asked that, given that in the Labour election leaflets it had implied that £11 million was too much income from parking in the borough and that it was claimed that Labour were "working with the motorists to get a fairer deal", what proposals would be brought forward to reduce the amount of income from motorists in Brent.

Councillor J Moher (Lead Member for Highways and Transportation) expressed surprise that the question of election leaflets had been raised and considered the example given as mild. He added that there was no commitment to reduce the level of income and reminded Council that the use of the surplus was governed by law. Councillor Moher stated that what he would not be doing would be to furtively raid the account but would instead spend the money in consultation with motorists.

Highways maintenance

The question from Councillor Beck had asked for confirmation of when the programme for spending the additional £1.5 million on repairs to potholes and roads would be published. He again referred to the Labour pre election pledge to use money saved on consultants to repair roads. As a supplementary question Councillor Beck asked how many consultants had been got rid of and how much money this had generated for investment in Brent's roads.

Councillor J Moher (Lead Member for Highways and Transport) referred to the written answer provided to Councillor Beck. He accused the previous Liberal Democrat led administration of front loading repairs to roads and pavements during the first two years and then reducing spend during the latter two years of the administration. Even on a reduced spend he accused the previous administration of failing to complete the programme and stated that the issue of maintaining Brent's roads and pavements would be tackled in a proper way.

CCTV enforcement policy

The question from Councillor Green had asked if the new CCTV enforcement policy was going to be a money making scheme. In the absence of Councillor Green, Councillor Ashraf asked a supplementary question on his behalf. He asked given that Labour now ran Brent and any decisions taken were of their choosing, and further given that the current income from parking was around £14 million - £3 million more than the £11 million thought to be too much - would warning tickets for drivers who breach the new CCTV enforcement policy be issued so that the traffic can still be policed but without making more money.

Councillor J Moher (Lead Member for Highways and Transport) referred to the report included with the summons for the Council meeting concerning the enforcement of moving traffic and parking contraventions by means of CCTV cameras which gave a clear indication of how the new arrangements would work. Councillor Moher stressed the importance of the proposal, which included taking over responsibility from the police. He hoped all councillors would familiarise themselves with what was proposed. He referred to the previous administration considering the proposals back in March 2009 but not progressing them. He also referred to discussion at a previous meeting of the Forward Plan Select Committee about training staff to exercise judgement when enforcing the policy.

The following two questions had been selected by the Leader of the Conservative Group.

Funding for South Kilburn Estate

The question from Councillor Colwill had asked if there had been any change to the funding that was announced in April for the South Kilburn Estate. He referred to a story that had appeared in the local newspaper suggesting that the money had been removed. Councillor Colwill stated that there was £16 million surplus left in the Kilburn regeneration money pot and as a supplementary question, he asked for confirmation that the money would stay in South Kilburn.

Councillor Crane (Lead Member for Regeneration and Economic Development) replied that the Council was working in partnership on the regeneration of South Kilburn. He did not know the exact amount of money ringfenced for this area and

would ask officers to provide this. Nevertheless he was confident that the area would remain a priority for regeneration. However, he warned that the longer term implications of Government cuts were not known but it was clear they would affect all regeneration schemes and in turn affect working people.

Planning enforcement

The question from Councillor HB Patel had asked if it was intended to alter planning procedures so that serial contraveners were penalised. He stated that unauthorised developments were of great concern to all and only 25% of notices had been complied with. As a supplementary question, Councillor Patel asked what percentage of the 75% had complied following taking action against those that contravene planning applications and was the Lead Member prepared to take positive action to stop this process.

Councillor Powney (Lead Member for Environment, Planning and Culture) replied that he thought his written answer covered the supplementary question being asked. He emphasised that the Council was an aggressive enforcer of planning regulations. However it was better to get people to comply with planning permissions because it was cheaper than pursuing enforcement.

The following five questions had been selected by the Leader of the Labour Group.

Civic centre development

The question from Councillor Hector had asked what plans there were for the current Town Hall and if these had been affected by the economic climate. Councillor Hector indicated that she was satisfied with the answer she had received from the Leader of the Council and did not wish to ask a supplementary question.

Building Schools for the Future (BSF) funding

The question from Councillor Gladbaum had asked what efforts had been made to lobby local MPs on BSF funding. Councillor Gladbaum felt the Lead Member would be as appalled as she was by the Government's decision which would adversely impact on young people in the borough for decades to come. As a supplementary question she asked if there were any other sources of funding to replace the £80 million lost to the borough.

Councillor Arnold (Lead Member for Children and Families) agreed that the cutting of the programme and the way it had been done was shocking. She stated that it appeared the Government did not understand the need and so it was difficult to see where other funding would come from. The Council was left with seven schools in desperate need of rebuild/repair and a shortage of places because many of the schemes had included plans for expansion.

'Free schools'

The question from Councillor Harrison had asked if the Lead Member agreed that the Conservatives 'free schools' plan was a shambles. As a supplementary question, Councillor Harrison asked if the Lead Member was aware of where the funding would come from for free schools and would it be at the expense of existing schools.

Councillor Arnold (Lead Member for Children and Families) stated that the proposal did not appear to have been properly thought through and made reference to the Swedish experience. More information from the Government was awaited but it had already been mentioned that resources might be drawn from existing funding for schools.

Budget cuts

The question from Councillor S Choudhary had asked if recent press reports that decisions had already been made to cut services were accurate. He stated that the suggested cuts were as a result of the cuts made by the Government but as a supplementary question asked if assurances could be given that the Council would seek to protect front line services from the savage cuts imposed by the Government.

Councillor John (Leader) stressed that the reports in the local press were very inaccurate but it was true that the Council faced very difficult times with £60 million to £90 million of budget cuts to be made over the next few years. Careful consideration would be given to where any cuts were made and decisions would be taken to ensure services continued to be delivered in a joined up way.

Kingsbury Road traffic scheme

The question from Councillor Naheerathan had asked if the Kingsbury Road traffic scheme would be reviewed. He stated that he was very satisfied with the reply he had received from the Lead Member because it indicated that the scheme would be reviewed next spring.

Councillor J Moher (Lead Member for Highways and Transport) added that the main objection from local residents was that they felt they had not been consulted and so a review of the scheme would be included in the 2010/11 programme.

7. Reports from:

7.1 the Executive

The Borough Solicitor advised that discussions at the Constitutional Working Group had resulted in agreement that the format of future Council meetings should change. Officers would be reporting to the September meeting of Full Council on the required changes to standing orders but in the meantime it had been agreed informally that this meeting of Council should allow for debate on the items reported by the Executive.

Brent Local Development Framework - adoption of the core strategy

Councillor Powney introduced the report circulated which summarised the key recommendations of the Planning Inspector following the submission of the core strategy to the Secretary of State in September 2009. He explained that the most significant views of the of the Inspector were outlined in (a) – (e) under paragraph 3.4 and expressed the hope that these would be accepted.

Enforcement of moving traffic and parking contraventions by means of CCTC cameras

Councillor J Moher introduced the report circulated which sought approval for the transfer of powers to the Council for moving traffic contraventions, as listed in appendix A of the report. He pointed out to members the effects of what was being proposed. He was pleased that there appeared to be cross party support for this. Councillor J Moher referred to press coverage that had suggested that the proposals were a money making exercise but he stated that the money raised by the scheme would be used to recover the costs and provide training. He stated that motorists had fair warning of the scheme and that it would deter anti social motorists and so commended it to the Council.

Building Schools for the Future

Councillor Arnold reported on the huge implications for the borough of the government decision to halt the Building Schools for the Future programme. The secondary schools affected by the announcement were the two Crest academies, Copeland, Alperton, Cardinal Hinsley and Queens Park. She added that this would also prevent the vision being realised of the schools affected becoming community hubs.

Voluntary sector grants

Councillor R Moher reported on decisions made on main programme grants which, following the recommendations of a task group, had been agreed for a three year period and tied to one of the main themes of the Council. This year the theme was crime and community safety and regeneration. Twenty organisations had had their grants agreed totalling £370,573 and of those that had not received a grant, two had lodged an appeal although other funding streams already existed for them.

Impact of the chancellor's budget

Councillor Butt reported that despite expecting a tough budget it had been worse than predicted with £7 million grants being withdrawn. The effect on the Council would be the need for up to a further £30 million savings required over the next 4 years on top of the savings already being achieved. The announcement regarding housing benefit rent levels would result in 2,000 residents being affected and a £9 million reduction affecting the most vulnerable in the borough. The schools budget had been affected by the removal of £115 million. He stated that all those people who might expect assistance would be affected.

Commenting on the Executive's report, Councillor Lorber stated that he had a number of concerns about the enforcement of moving traffic and parking contraventions by means of CCTV and this was the very reason why the proposal had not been agreed beforehand. Concerns included the level of fines and London Councils was currently consulting on the scale of penalties to ensure they were proportionate to the incident. For this reason he suggested it was premature to introduce the proposals. Allied to this item was the amount of CCTV cameras in the borough which, Councillor Lorber suggested, once installed could be used for other purposes. If the Council invested in installing the cameras and the Government then decided they could not continue to be used it would be a waste of resources

and this was another reason why now was not the right time to introduce these proposals. Councillor Lorber stated that for the reasons indicated he would oppose the recommendation before Council.

The view regarding the fairness and proportionality of the penalties imposed by the enforcement of traffic contraventions was echoed by Councillor HB Patel. He expressed the hope that the Council would use the new powers to make sure traffic was able to move freely and not use them as a money making scheme.

Support was expressed for the proposals put forward in the report on adopting the Local Development Framework core strategy. However, the Executive was urged to ensure that strategic objective 3 on enhancing the vitality and viability of town, district and local centres was translated into hard proposals that would benefit local people and traders.

In response to the comments made, Councillor J Moher pointed out that before the Council implemented the proposals for enforcement of moving traffic contraventions it would need the approval of London Councils and would therefore see the review being undertaken by London Councils on the level of fines. Many other Councils were making similar arrangements. As far as he was concerned any other purpose the CCTV cameras might be put to would be open for further consideration. Councillor Moher expressed the hope that all sides on the Council would support this important local safety scheme.

Councillor Powney responded to the observations made on the core strategy by explaining that the site specific aspects would follow but for this meeting the Council was only being asked to approve the core strategy.

RESOLVED:

- (i) that the core strategy, as submitted to the Secretary of State and incorporating the changes recommended by the Inspector, set out in Appendix 1 to the report submitted, be adopted;
- (ii) that the powers to enforce moving traffic contraventions be transferred from the Metropolitan Police to the Council pursuant to the London Local Authorities and Transport for London Act 2003 as from 1 January 2011.

(Councillor D Brown wished it recorded that he had voted against resolution (ii) above).

7.2 Chair of Overview and Scrutiny Committee

In the absence of the Chair there was no report from Overview and Scrutiny Committee.

8. Urgent business

None.

The meeting closed at 8.30 pm

COUNCILLOR HARBHAJAN SINGH
Mayor

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Full Council
13 September 2010

**Report from the
Borough Solicitor**

For Action

Wards Affected:
None

Changes to the Constitution

1.0 Summary

- 1.1 This report sets out proposed changes to the Council's constitution in relation to the structure of the Overview and Scrutiny Committees, the operation of full council, the arrangements for the Annual Council Meeting and other miscellaneous and incidental matters.

2.0 Recommendations

That members:

- 2.1 Agree the changes to the Constitution set out in **Appendices A - F**
- 2.2 Agree that the Borough Solicitor make such changes to the constitution as are incidental to the changes set out in **Appendices A - F**
- 2.3 Appoint the Director of Policy and Regeneration as the Scrutiny Officer.

3.0 Detail

Background

- 3.1 Each Council is required by law to maintain a constitution the content of which is also prescribed. The constitution sets out the manner in which council business is conducted. The Council's constitution in its current format was originally adopted in 2002 and has been amended periodically since then to accommodate various changes required by law, or to alter processes to better suit the circumstances of the Council.

- 3.2 It has become established practice in Brent that at the beginning of a new administration a time limited cross party group is set up to determine constitutional issues, with the objective of making the constitution as effective as possible for the next four years.
- 3.3 Following the change in administration after the May 2010 elections a cross party Constitutional Working Group was established, which included officer representation, to consider various aspects of the Council's decision making and scrutiny arrangements including the committee structure and the operation of full council. The meetings took place during June and July 2010. The recommendations set out in this report reflect the decisions made by agreement at those Constitutional Working Group meetings.
- 3.4 There are three main areas of change; the Overview and Scrutiny arrangements, the operation of full council meetings, and the arrangements for the ceremonial Mayor making. There is also an update on the role of area consultative forums, and a change in membership of the Audit Committee. An explanation of these changes is set out in the paragraphs below and attached to this report at **Appendix A - F** are those parts of the Constitution which are significantly affected. Members' approval is sought for these changes.
- 3.5 There are also a number of miscellaneous changes which arise throughout the Constitution as a consequence of these major changes. To save the cost of attaching each minor change as an appendix to this report a full amended version of the constitution has been provided to each Group Office in advance of this meeting. Members are asked to agree that the Borough Solicitor be permitted to make these incidental changes.

Overview and Scrutiny Committees.

Background and legal position

- 3.7 The Local Government Act 2000 (as amended) requires that there be committees of the council which perform reviewing and scrutinising roles in relation to executive decision making and decisions of the council. There are also other legal powers and functions attributed to the overview and scrutiny committees in other legislation, such the power to review and scrutinise health bodies originally set out in the Health and Social Care 2001 (now replaced by the National Health Service Act 2006).
- 3.8 Currently the reviewing and scrutinising role is carried out by a main Overview and Scrutiny Committee and its 4 sub committees and a separate Children and Families Overview and Scrutiny Committee. The current sub committees are Health Select Committee, Budget Panel, Forward Plan Select Committee and Performance and Finance Select Committee. It is now proposed that there be 6 overview and scrutiny committees consisting of 5 main committees and a sixth ad hoc committee. It is proposed that the statutory roles performed by the current overview and scrutiny committees be performed by these new committees and that there be a reorganisation and in some cases a new focus of the terms of reference of the new overview and scrutiny committees. The proposed committee structure is shown at **Appendix A**.

Reasons for change

- 3.9 The current overview and scrutiny committee structure offers an opportunity to work in a cross cutting way while providing a capacity for budget scrutiny and undertaking task group reviews. The annual overview and scrutiny survey consistently shows that this structure has enabled members to develop cross cutting expertise, while task group work is clearly the most valued aspect of the function. However, changes in legislation, greater emphasis on partnership working and place, and the implementation of the council's transformation programme means that increasingly some agenda items can either fall across or between committees, and the current structure is less able to address the current issues.
- 3.10 The changes to the overview and scrutiny committee structure are designed to provide a greater opportunity for non executive members to scrutinise the development and implementation of the council's improvement and efficiency programme and enable increased focus on partnerships without compromising the effective review of the health provisions.
- 3.11 The Council's Improvement and Efficiency Action Plan sets out a programme of projects designed to reconfigure the way in which the council provides services to the public, at the same time as achieving substantial efficiencies and effective service delivery. During 2009/10 the Budget Panel spent some time examining the Improvement and Efficiency Action Plan and the Budget Panel recommended that the overview and scrutiny function should play a key role in the governance of the Improvement and Efficiency Action Plan. There are two key aspects to scrutinising the action plan; Firstly budget setting and benefits realisation – are the projects delivering the saving they are designed to make, at the point they are designed to make them? Secondly, are the projects delivering better services for local communities and improving the council's efficiency and performance? These roles have been included in the Budget and Finance Overview and Scrutiny Committee and the One Council Overview and Scrutiny Committee proposed terms of reference which are attached as **Appendix A**.
- 3.12 To ensure there is enough capacity to undertake scrutiny of both the partnership and health agenda the Constitutional Working Group agreed to the development of two committees.
- 3.13 The Local Government and Public Involvement in Health Act 2007 placed greater emphasis on partnership working and scrutiny of partnerships and gave enhanced powers to overview and scrutiny committees to require information from partner authorities. Brent's Local Strategic Partnership has recently been reviewed and the role of overview and scrutiny in providing challenge and governance was recognised within this review. Delivering the Local Area Agreement through Total Place and the Neighbourhood agenda is a silver project within the council's Improvement and Efficiency Action Plan. This project will be steered by the Local Strategic Partnership. Clearly overview and scrutiny will play a role in examining and or developing partner relationships, proposed projects and monitoring their impact. It is proposed that this area of scrutiny is allocated to the Partnership and Place Overview and Scrutiny Committee. The terms of reference are attached as **Appendix A**

- 3.14 Scrutiny of health inequalities is a major aspect of the current Health Select Committee's work. Bringing together scrutiny of health partnerships into the remit of one committee - the Health Partnerships Overview and Scrutiny Committee - would give members a better opportunity to scrutinise the way the Council and its partners work together to improve the health of the people of Brent. The terms of reference are attached as **Appendix A**
- 3.15 It is proposed that the Forward Plan Select Committee be removed from the committee structure and that the function of considering call-in be performed by a Call-in Overview and Scrutiny Committee which will be convened as and when required and will be chaired by the chair of the One Council Overview and Scrutiny Committee. Pre decision scrutiny can be undertaken by any committee within whose remit the proposed decision falls.
- 3.16 It is proposed that the Children and Families Overview & Scrutiny Committee and the Budget Panel remain largely as they are but are re-titled Children and Young People Overview and Scrutiny Committee and Budget and Finance Overview and Scrutiny Committee. The Children and Families Overview and Scrutiny Committee is to be renamed to ensure that it is not restricted by departmental boundaries.
- 3.17 Under the proposed arrangements there is no 'parent committee'. Where matters were previously referred to the Chair of the Overview and Scrutiny Committee because they require an element of check or balance, they are now referred to the Chair of the One Council Overview and Scrutiny Committee (since this committee is to be chaired by a member of the opposition). By way of example the constitution currently provides that the Chair of Overview and Scrutiny will be notified of Key decisions proposed to be taken which are not on the Forward Plan. This will now be referred to the Chair of the One Council Overview and Scrutiny Committee
- 3.18 The makeup of the overview and scrutiny committees and arrangements for chairing the committees are set out in the table below.

Committee	Chaired by	Number of Members	Number of Meetings
One Council Overview and Scrutiny Committee	Opposition	8	6
Partnership and Place Overview and Scrutiny Committee	Administration	8	6
Health Partnerships Overview and Scrutiny Committee	Administration	8	6
Children and Young People Overview and Scrutiny Committee	Administration	8	6

Budget & Finance Scrutiny Panel	Opposition	8	6 / 7
Call-in Overview and Scrutiny Committee	Chair of the One Council Overview and Scrutiny Committee	8	As required

Appointment of Scrutiny Officer

- 3.19 This aspect of the overview and scrutiny arrangements was not specifically discussed by members of the Constitutional Working Party but is related to the subject and is a statutory requirement. Section 31 of the Local Democracy, Economic Development and Construction Act 2009 requires Local Authorities to designate one of their officers to discharge certain functions in relation to the overview and scrutiny committees. The functions are to promote the role of the overview and scrutiny committees, to provide support to those committees and their members, and to provide support and guidance to others in relation to overview and scrutiny functions. The officer is to be known as the Council's 'scrutiny officer'. Certain posts are barred from holding the role namely the Head of the Council's Paid Service, The Chief Finance Officer and the Monitoring Officer. The constitution includes a list of statutory officers who are for the main part Chief Officers. It is recommended that the Director of Policy and Regeneration is the most appropriate officer to be designated this function. Attached as **Appendix B** is the proposed amendment to the constitution. The Council's overview and scrutiny committees have been provided with designated officers to perform these functions for some time. However, legislation now provides that there be a formal designation.

Council Meetings

- 3.20 Under the current arrangements there are 8 meetings a year of Full Council. The schedule consists of two May meetings – the constitution meeting and the annual mayor making, two budget meetings, one in November (first reading) and the other in March, and 4 other meetings which take place in January, July, September and October. The recommendation is that the number of meetings be reduced to 6 by joining the constitution meeting and annual mayor making meeting such that there is one meeting in May (which is addressed below) and that there no longer be an October meeting. The two budget meetings will continue as arranged. There will be three remaining meetings. In relation to those three meetings it is proposed that the format is changed to allow a greater opportunity for questions to be put by non executive members, to preserve the opportunity for motions where they are needed, and to arrange for these meetings to be used for a 'themed debate' which focuses on an issue which affects the Borough, which may include a presentation from an outside speaker. Attached as **Appendix C** are the proposed amendments to the Full Council proceedings.

Mayor making council meetings

- 3.21 It is recommended that the Annual Council Meeting involving the appointment of Mayor be joined with the constitution meeting so as to reduce the burden on members' diaries and provide a more efficient way of dealing with Council business whilst at the same time retaining a ceremonial aspect to the meeting. Included in **Appendix C** are the proposed changes.

Area consultative forums

- 3.22 The Constitutional Working Group agreed some changes to the operation of the Area Consultative Forums which are aimed at rejuvenating them and encouraging ward members to attend by boosting their relevance to local people. The impact of these changes will be reported back to members. . Attached as **Appendix D** are the proposed changes.

Audit Committee

- 3.23 The Constitutional Working Group recommended that there be an independent member appointed to the Audit Committee. It is recognised that an experienced independent person could offer expertise in this area. Section 13(1) of the Local Government and Housing Act 1989 allows the Council to appoint someone who is not a member of the Council to be a member of the Audit Committee. However an independent member appointed under this section will not have any voting rights. The appointment of an independent member would not alter the political balance of the committee as the political balance calculation for the Audit Committee would exclude any independent members of the committee. There is also a recommendation that members agree to an allowance for this role and this recommendation is set out in the report to members regarding member's allowances. Attached as **Appendix E** are the proposed changes.

Joint Overview and Scrutiny Committee

- 3.24 Although not considered by the Constitutional Working Group there is an additional part of the constitution which requires amendment; references to the Joint Overview and Scrutiny Committee should be deleted. The Joint Overview and Scrutiny Committee was formed in 2008 and consisted of members from the 32 London Boroughs. It was set up pursuant to the Secretary of State direction that where the NHS is under a duty to consult more than one overview and scrutiny committee that a joint overview and scrutiny committee be set up for that purpose. The consultation in that case was in relation to *Shaping Health Services Together – Consultation on Developing New, High-Quality Major Trauma and Stroke Services in London*; A joint report was produced and the work of that joint committee has now been completed. In the event that joint arrangements are required in the future the matter will be put before Full Council. The proposed changes are shown as **Appendix F**.

Incidental Changes

- 3.25 In relation to the incidental changes arising throughout the constitution as a result of the changes proposed above it is recommended that members agree such changes be made by the Borough Solicitor

4.0 Financial Implications

- 4.1 There are no financial implications to the changes recommended.

5.0 Legal Implications

- 5.1 Legal implications are dealt with as they arise in the report.

6.0 Diversity Implications

- 6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

Background Information

Brent Constitution

Contact Officer:

Anybody wishing to inspect this document should contact:

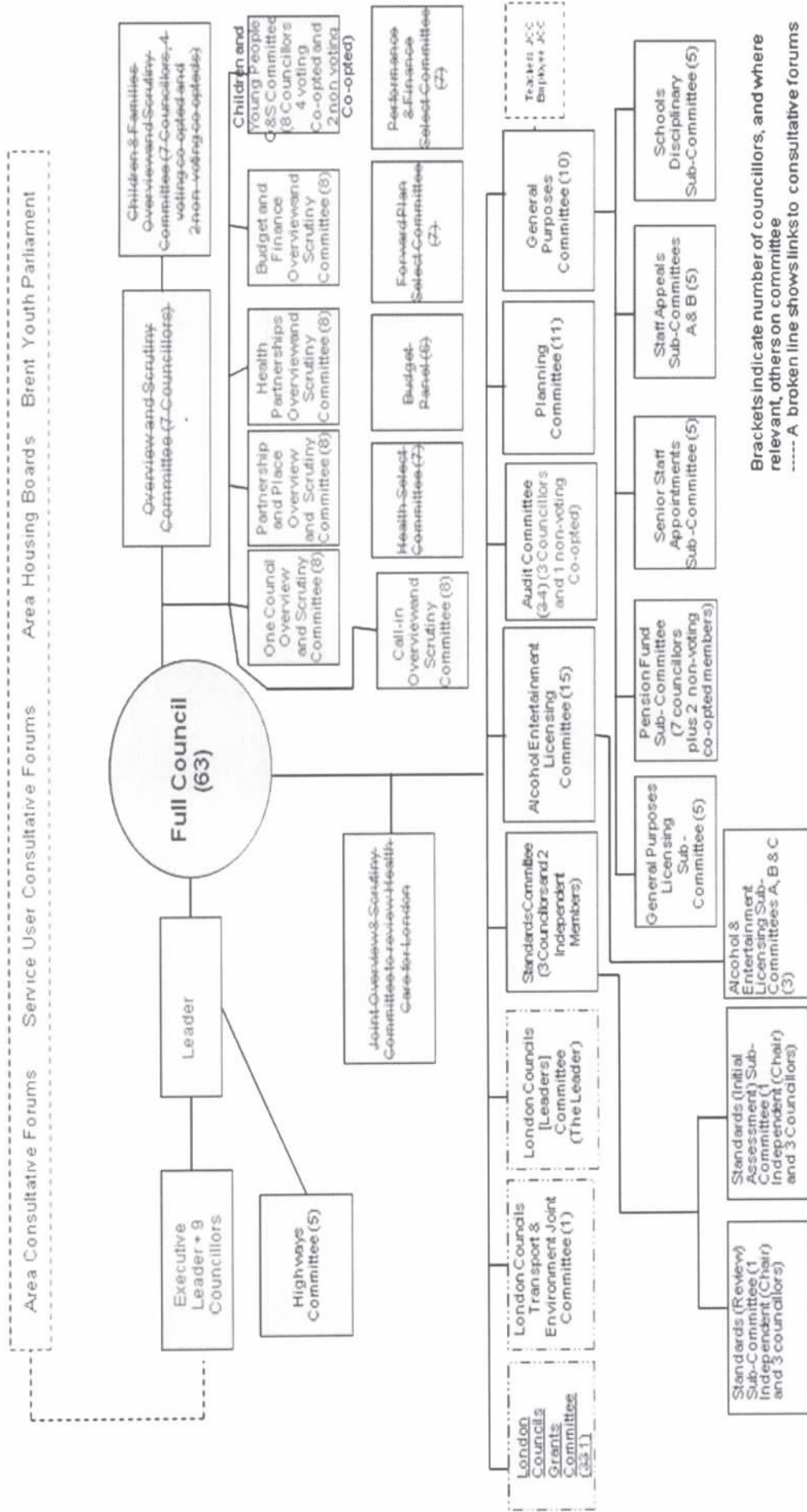
Fiona Ledden, Borough Solicitor's Office, Room 16, Brent Town Hall, Forty Lane, Wembley, HA9 9HD, Tel: 020 8937 1292.

**Fiona Ledden
Borough Solicitor**

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APPENDIX A

LONDON BOROUGH OF BRENT DECISION MAKING STRUCTURE CHART



Article 6 – The Overview and Scrutiny Committees and Sub-Committees

Introduction

6.1 Effective, independent and rigorous examination of the proposals and decisions made by the Executive are a significant feature of the Council's executive arrangements and provide a key role for non-executive members. Overview and scrutiny is the mechanism for holding the Executive publicly to account. This function gives non-executive members a significant opportunity to contribute to the proposals of the Executive, for example concerning the budget, as well as contributing to development of policy, reviewing the impact of policy decisions on the Borough and reviewing the quality of service performance. The Council has established five main overview & scrutiny committees. These are: the One Council Overview and Scrutiny Committee, the Partnerships & Place Overview and Scrutiny Committee, the Health Partnerships Overview and Scrutiny Committee the Budget and Finance Overview and Scrutiny Committee and the Children and Young People Overview and Scrutiny Committee. In addition a Call-in Overview & Scrutiny Committee has been established that will meet only when an Executive decision has been called-in.

6.2 All of the overview and scrutiny committees shall comprise of 8 members of the Council who shall not be members of the Executive, the Children and Young People Overview and Scrutiny Committee shall comprise of 8 members of the Council who shall not be members of the Executive, 4 voting co-opted members and 2 non-voting co-opted members appointed in accordance with Standing Order 54. Members, chairs and vice chairs of the committees will be appointed to these committees by Full Council.

Annual Report and Work Programmes

6.3 Each committee will be responsible for developing and agreeing its own work programme. The work programmes will be co-ordinated via an informal Chair's group

6.4 An annual report on the activities of all of the overview and scrutiny committee will be produced and published

6.5 More information about the membership of the overview and scrutiny committee is contained in Part 5 of this Constitution.

General Role

6.6 Within their terms of reference, the committees will:

- (a) make reports and/or recommendations to Full Council and/or the Executive, and/or partners as appropriate, in connection with the discharge of any relevant functions of the Council or partner organisations;

- (b) make reports and/or recommendations to Full Council and/or the Executive, as appropriate, on matters which affect the Council's area or its inhabitants; and
- (c) review and/or scrutinise decisions made, or actions taken, in connection with the discharge of any of the functions of the Executive or the Council and the Call-in Overview & Scrutiny Committee will exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the Executive.

6.7 The One Council Overview and Scrutiny Committee, the Children and Young People Overview and Scrutiny Committee, the Partnership and Place Overview and Scrutiny Committee and the Health Partnerships Overview and Scrutiny Committee may establish time limited task groups to consider a set of issues or a service or part of a service or decision or other action taken or to be taken which will then report back to the relevant parent committee.

Terms of Reference

6.8 The overview and scrutiny committees shall carry out the functions specified in Part 5 of, and elsewhere in, the Constitution but subject to the limitations and exceptions specified therein and may not discharge any other functions. The terms of reference for the overview & scrutiny committees are set out in Part 5 of this Constitution.

In summary they will:

- assist the Council and the Executive in the development of the Budget and Policy Framework by in-depth analysis of policy issues;
- consult with external organisations operating in the area to ensure that the interests of local people are enhanced by partnership and collaborative working;
- review and/or scrutinise the decisions made or to be made or other action taken or to be taken in connection with the discharge of any of the Council's functions; and
- review the performance of the Executive, other committees and sub-committees and officers and partners both in relation to individual decisions and over time.

Annual Work Programme and Annual Report

6.9 The overview and scrutiny committees will produce and publish an annual report on their work.

Proceedings of the Overview and Scrutiny Committees

6.10 The overview and scrutiny committees will conduct their proceedings in accordance with Standing Orders and the Access to Information Rules.

6.11 If any of the overview and scrutiny committees intend to receive a report back from a task group of the committee an Executive member will be allowed to address it at

the meeting that receives the report and the time allowed for this will be determined by the Chair acting reasonably.

Members' Rights to Request Scrutiny

6.12 Any member of the overview and scrutiny committees may, by giving written notice to the Democratic Services Manager, request that any matter which is relevant to the functions of the committee as the case may be is included in the agenda for, and is discussed at, a meeting of the committee such notice to be given at least 21 days prior to the date of the meeting at which the member wishes to raise the said matter.*

Councillor Call for Action

6.13 Any member of the council may, by giving written notice to the Democratic Services Manager, request that any local government matter (as defined by section 21A of the Local Government Act 2000) which is relevant to the functions of an overview and scrutiny committee be included in the agenda for, and be discussed at, a meeting of the committee.

6.14 Any member of the council may, by giving written notice to the Democratic Services Manager, request that a local crime and disorder matter (as defined by the Police and Justice Act 2006) be included in the agenda for, and be discussed at, a meeting of the Partnership and Place Overview and Scrutiny Committee.

6.15 The terms of reference of the each overview and scrutiny committee contains a power for the committee to consider a Councillor Call for Action in relation to a local government matter or in the case of the Partnership and Place Overview and Scrutiny Committee, a local crime and disorder matter.

6.16 Prior to referring a local government or local crime and disorder matter to overview and scrutiny a member should refer to the Council's Councillor Call for Action protocol which provides further information about the Call for Action process.

~~6.1 Effective, independent and rigorous examination of the proposals and decisions made by the Executive are a significant feature of the Council's executive arrangements and provide a key role for non-executive members. Overview and Scrutiny is the mechanism for holding the Executive publicly to account. This function gives non-executive members a significant opportunity to contribute to the proposals of the Executive, for example concerning the budget, as well as reviewing the quality of service performance and the impact of policy decisions on the Borough. The Council has established a main Overview & Scrutiny Committee which has four sub-committees, namely the Forward Plan Select Committee, the Performance & Finance Select Committee, the Health Select Committee and the Budget Panel. The Council has also established a dedicated Children and Families Overview and Scrutiny Committee.~~

~~6.2 The Overview and Scrutiny Committee shall comprise of 7 members of the Council who shall not be members of the Executive, the Children and Families Overview and Scrutiny Committee shall comprise of 7 members of the Council who shall not be members of the Executive, 4 voting co-opted members and 2 non-voting co-opted members appointed in accordance with Standing Order 54.~~

OVERVIEW AND SCRUTINY COMMITTEES

ONE COUNCIL OVERVIEW AND SCRUTINY COMMITTEE

Membership

- The committee is comprised of 8 councillors
- None of the members shall be members of the Executive.

Terms of reference

The One Council Overview and Scrutiny Committee shall perform the following functions. These functions are subject to the limitations set out below.

1. To scrutinise the decisions made or other action taken in connection with the discharge of any of the authority's Executive functions.
2. To scrutinise the performance of the Executive, both in relation to individual decisions and over a period of time.
3. To review and scrutinise the decisions and performance of the Council.
4. To review the decisions and performance of the Executive and other parts of the Council and to make reports and/or recommendations to the Council in connection with the discharge of Council functions and to the Executive in connection with the discharge of Executive functions, or to their respective committees or sub-committees as the case may be.
5. To make reports and/or recommendations to the Council and/or the Executive or their committees or sub-committees on matters which affect the Council's area or the inhabitants of that area.
6. To scrutinise the development and the implementation of the Council's 'One Council' agenda, and review the outcomes.
7. To assist the Council and the Executive in the development of the authority's Policy Framework by in depth analysis of policy issues.
8. To consider any matter appearing in the Forward Plan or on any current or forthcoming agenda of the Executive and to call before the committee a member of the Executive or any Service Area or Corporate Director to provide a briefing on any matter appearing in the Forward Plan or on any current or forthcoming agenda of the Executive.
9. To establish task groups.
10. To conduct research and community and other consultation, in the analysis of policy issues and possible options and consider and recommend mechanisms to encourage and enhance community participation in the development of policy options.
11. To monitor property and asset acquisition and disposal and the procurement and letting of contracts
12. To consider matters relating to the operation of the overview and scrutiny functions and matters relating to the role of members generally.
13. To consider reports or outcomes of inspections by internal or external inspectors or auditors relating to the performance of the council.

14. To consider any corporate or cross cutting issues relating to Human Resources and staffing issues.
15. To consider appeals on petitions as set out in the council's petitions scheme except those in relation to children and young people's issues.
16. To consider any matters referred to the One Council Overview and Scrutiny Committee under section 21A of the Local Government Act 2000 (Councillor Call for Actions) which relate to the functions of this committee.
17. To develop and implement its work programme.
18. To produce and publish together with the other overview & scrutiny committees an annual report on its workings.
19. To perform any other functions allocated to One Council Overview and Scrutiny Committees by any Act of Parliament falling within its terms of reference.

Limitations

- (a) The One Council Overview and Scrutiny Committee will not normally, and not without special reason, scrutinise decisions made in respect of matters concerning individual applications for consent, permission, approval or grants, particularly individual decisions on planning, licensing, registration, etc.
- (b) The One Council Overview and Scrutiny Committee may only consider matters relating to school education in so far as is necessary to enable it to properly consider an issue or matter relating to some other function or functions of the Council, including the overall direction and/or performance of the Council.

PARTNERSHIP AND PLACE OVERVIEW AND SCRUTINY COMMITTEE

Membership

- The committee is comprised of 8 councillors.
- None of the members shall be members of the Executive.

Terms of Reference

The Partnership and Place Overview & Scrutiny Committee shall perform the following functions. These functions are subject to the limitations set out below.

1. To scrutinise the performance of any person or body carrying out any function on behalf of or in partnership with the council (other than health functions).
2. To consult with external organisations operating in the borough, whether national, regional or local to ensure that the interests of local people are enhanced by partnership collaborative working.
3. To review the delivery of the Local Strategic Partnership's work programmes and those of its thematic groups and review the delivery of joint partnership objectives.
4. To review the performance of partners and other local bodies in the area and invite report from them by requesting them to address the Partnership and Performance Overview and Scrutiny Committee about their activities and performance.
5. To develop and implement its work programme
6. To perform the functions allocated to overview and scrutiny committees under section 19 of the Police and Justice Act 2006, namely:
 - (a) review or scrutinise decisions made or action taken by the Council in connection with the discharge of the Council's crime and disorder functions
 - (b) make reports or recommendations to the Council with respect to the discharge of the Council's crime and disorder functions
 - (c) to make a report or recommendations to the Council (if it chooses to do so) in relation to a local crime and disorder matters referred to it by a member – Councillor Call for Action crime and disorder.
7. To consider any matters referred to the committee under section 21A of the Local Government Act 2000 (Councillor Call for Action) relating to the functions of this committee
8. To conduct research and community and other consultation, in the analysis of policy issues and possible options.
9. To produce and publish together with the other overview & scrutiny committees an annual report on its workings
10. To set up task groups

HEALTH PARTNERSHIPS OVERVIEW AND SCRUTINY COMMITTEE

Membership

- The committee is comprised of 8 councillors.
- None of the members shall be members of the Executive.

Terms of reference

The Health Partnerships Overview and Scrutiny Committee shall perform the following functions. These functions are subject to the limitations set out below.

1. To scrutinise and review the performance or general activities of health providers in the area.
2. To consider any matters referred to the Health Partnerships Overview & Scrutiny Committee under section 21A of the Local Government Act 2000 (Councillor Call for Action) relating to the functions of this committee
3. To review and make recommendations on health, health partnerships, health inequalities and well being initiatives delivered by the council or in partnership.
4. To conduct research and community and other consultation, in the analysis of policy issues and possible options.
5. To establish task groups.
6. To develop and implement its work programme.
7. To produce and publish together with the other overview & scrutiny committees an annual report on its workings.

^{AND}
BUDGET & FINANCE OVERVIEW AND SCRUTINY COMMITTEE

Membership

- The Committee is comprised of 8 councillors.
- None of the members shall be members of the Executive.

Terms of Reference

The Budget and Finance Overview and Scrutiny Committee shall perform the following functions. These functions are subject to the limitations set out below.

1. To participate in the budget setting process in accordance with the provisions of Standing Order 25.
2. To facilitate the setting of the Council's budget within the context of the Corporate Strategy and any other overarching partnership strategies.
3. To support the longer term service planning of the Council by focussing its discussions on the Medium Term Financial Strategy, the principles for budget setting, the robustness of the budget and the ability to deliver savings, key revenue budget outputs and decisions, and key capital budget outputs and decisions.
4. To monitor spend compared to budget and the management of financial and other resources of the council and spend compared to budget.
5. To produce and publish together with the other overview and scrutiny committees an annual report on its workings.
6. To consider any matters referred to the committee under section 21A of the Local Government Act 2000 relating to the functions of this committee (Councillor Call for Action).

CHILDREN AND YOUNG PEOPLE OVERVIEW AND SCRUTINY COMMITTEE

Membership

- The Committee consists of 14 members in total comprising 8 councillors, 4 voting education co-opted members and 2 non-voting education co-opted members.
- None of the members shall be members of the Executive.

Terms of Reference

The Children and Young People Overview and Scrutiny Committee shall perform the following functions. These functions are subject to the limitations set out below.

1. To scrutinise the decisions or actions of the Executive or the Council or any part of them in relation to children and young people and to carry out the following functions in respect thereof:
2. To undertake in depth monitoring of any function or service relating to children and young people.
3. To consider any report or outcome of any review or inspection relating to any function or service relating to children and young people.
4. To monitor the implementation of any action plans arising from any such review or inspection.
5. To request reports on specific issues of concern.
6. To consider any issues arising from a consultative forum or other consultation exercises.
7. To establish task groups.
8. To develop and implement its work programme.
9. To consider any matters referred to the Children and Young Peoples Overview and Scrutiny Committee under section 21A of the Local Government Act 2000 (Councillor Call for Action) which relate to the functions of this committee.
10. To produce and publish together the other overview & scrutiny committees an annual report on its workings.
11. To consider appeals on petitions relating to children and young people's issues

Limitation

The voting co-opted members may only vote on matters relating to school education and the non-voting co-opted members may not vote on any matter.

CALL IN OVERVIEW AND SCRUTINY COMMITTEE

Membership

- The Committee is comprised of 8 councillors.
- None of the members shall be members of the Executive.

The Chair of the One Council Overview and Scrutiny Committee shall be the Chair of the Call in Overview and Scrutiny Committee

Terms of Reference

1. To meet as and when required to consider any matter 'called in' in accordance with Standing Orders and to make recommendations thereon.

Limitations

- (a) Where officers or members are called before the committee, additional technical support may be provided from other officers where appropriate

APPENDIX B

RESPONSIBILITY FOR FUNCTIONS

Regulations	petitions.	
Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000	All references to the proper officer.	Democratic Services Manager unless otherwise specified in the Regulations or the Constitution.
Local Authorities (Conduct of Referendums) (England) Regulations 2001	All references to the proper officer.	Chief Executive
Public Health (Control of Diseases) Act 1984 and the Public Health (Infectious Diseases) Regulations 1988	All references to the proper officer	Director of Environment and Culture
Section 36 FOIA 2000	Qualified person for decision on exempt information not to be disclosed	Borough Solicitor
Regulation 4 LASSNHSCR 2009	All references to the responsible person	Director of Housing and Community Care
<u>Local Democracy, Economic Development and Construction Act 2009 S31</u>	<u>To provide and support to overview and scrutiny committees</u>	<u>Director of Policy and Regeneration</u>
Generally *	Any other proper officer function not otherwise designated.	Chief Executive

APPENDIX C

- (d) ~~There shall be recorded in the minutes of any meeting of Full Council any declarations of interests made by members in accordance with the Brent Members Code of Conduct both in the minute concerning the declaration of interests item itself and in the minute concerning the item of business to which the declaration relates.~~

MEETINGS OF FULL COUNCIL

27. Types of Meeting

- (a) Full Council shall hold an **Annual Meeting** each year, to be held on such day in the month of March, April or May as the Council may determine.
- (b) The Council may in every year hold, in addition to the Annual Meeting, such other meetings on such days as it may determine which shall be called **Ordinary Meetings**.
- (c)* A meeting called by the Mayor (or, in the absence of the Mayor, by the Deputy Mayor) or otherwise called under the provisions of paragraph 3 of Part I of Schedule 12 of the Local Government Act 1972 is referred to as an "**Extraordinary Meeting**".
- (d) If required by law or otherwise a **Special Meeting** may be held for the principal purpose of transacting a specific item or specific items of business.

28. Time of Meeting

All Ordinary Meetings of Full Council shall be held at 7.00 pm at Brent Town Hall, or otherwise as determined by Full Council or, in the case of an Extraordinary Meeting, as determined by the Mayor, or if called other than by the Mayor, as determined by the Democratic Services Manager. The Annual Council Meeting shall be held at Brent Town Hall, or as otherwise determined by Full Council, at a time to be decided by the Democratic Services Manager.

29. Intervals

At any meeting of Full Council there may be an interval if the Mayor so directs and, if he or she does so direct, for such period as specified by him or her.

30*. Chair of Meeting

Any powers or duties of the Mayor in relation to the conduct of a meeting of Full Council may be exercised by the Deputy Mayor if present and chosen by the meeting to chair that meeting, or if the Deputy Mayor is not present or is not chosen by the meeting, by another councillor chosen by the meeting to chair the meeting.

31. Quorum of Meetings of Full Council

- (a)* A quorum for a meeting of Full Council shall be one quarter of the whole number of members of the Council.
- (b)* If at the time appointed for the meeting and during the succeeding twenty minutes, a quorum of members shall not be present, no business shall be transacted.

- (c) During any meeting of Full Council, the Mayor may require the division bell to be rung and if, one minute after the bell has been rung, the Mayor counts the number of members present and declares the meeting inquorate, the meeting shall stand adjourned.
- (d) The consideration of any business not transacted shall be adjourned to a time fixed by the Mayor at the time the meeting is adjourned or if the Mayor does not fix a time, to the next ordinary meeting of Full Council.

32. The Annual Meeting

At the Annual Meeting of Full Council, the order of business shall be as follows:-

(a)* **Mayor:**

To elect the Mayor for the following year.

(b) **Deputy Mayor:**

If so signified to receive the Mayor's intimation in writing of the appointment by the Mayor of a Councillor of the Borough to be Deputy Mayor.

(c) **Election results and acceptance of office:**

To receive the report of the Chief Executive upon the result of the elections of Councillors to the several wards of the borough held on the day fixed for the purpose by the Secretary of State pursuant to the provisions of the Local Government Act 1972 and the acceptance of office of Councillors elected.

(e) **Declarations:**

Declarations by members of any personal and prejudicial interests in any matter to be considered at the meeting.

(f) **Minutes:**

To read and approve as a correct record the minutes of the last meeting or meetings of Full Council provided that if a copy has been circulated to each member of the Council not later than the date of issue of the summons to attend the meeting the minutes shall be taken as read.

(g) **Agree the Constitution:**

To agree any changes to the Constitution.

(h) **Political Balance:**

To review and determine under Section 15 of the Local Government and Housing Act 1989 or any re-enactment or modification thereof the allocation of seats on Council committees and other relevant bodies.

(i) **Appointments to committees and other bodies:**

To appoint to the membership of Council committees and joint committees and other relevant bodies, forums and panels; to appoint the Chairs and

Vice Chairs of the Council Committees, forums and panels and to agree the alternates for members.

(j) Meetings of Full Council:

Where possible to agree the days, hour and venue for meetings of Full Council in the forthcoming municipal year.

(k) Other meetings:

To settle, as far as is considered advisable, the calendar of meetings for the forthcoming municipal year.

(l)* Business required to be dealt with:

To deal with any other business expressly required by statute to be dealt with.

(m) Other Business

To consider any other business including any urgent business.

(n) Community Champion Awards:

The Mayor will present the Community Champion Awards.

(o) Vote of thanks to the outgoing Mayor

The incoming Mayor will invite a vote of thanks to the outgoing Mayor.

Business falling under (a), (b), (n) and (o) shall not be displaced, but subject thereto the foregoing order of business may be varied by the Mayor at his or her discretion

33. Community Champion Awards and Vote of Thanks to the Outgoing Mayor

For the presentation of the Community Champion Awards and the ceremonial aspects of the change of Mayor (items (n) and (o) of Standing Order 32) the Council shall reconvene in the Paul Daisley Hall or such other venue as the Mayor shall determine. The Mayor shall present the Community Champion awards and may invite persons on to the floor of the meeting to collect such awards. During the presentation of the awards only the Mayor and persons invited by the Mayor to do so may speak and for no longer than the period permitted by the Mayor. The incoming Mayor will invite a vote of thanks to the outgoing Mayor who will then have the opportunity to address the meeting.

34*. Council Tax Setting

(a) A Meeting of Full Council shall be held each year on a day not later than 10th March or such later date as may be allowed by statute to set the level of Council Tax for the following Council Tax year and to deal with associated budgetary matters.

(b) At an ordinary meeting where council tax setting is to be decided items h, i, j and k in Standing Order 37 shall be replaced by the following:

(c) The Leader shall present a report to the meeting setting out the Executive's proposals for the budget

- (d) The Chair of the Budget and Finance Overview and Scrutiny Committee shall be allowed up to 10 minutes to present the findings of the committee following which there shall be a general debate and a vote taken.

35 [Paragraph number not in use]

36. Extraordinary meetings

- (a) An Extraordinary Meeting of Full Council may be called at any time by the Mayor, or in the absence of the Mayor, by the Deputy Mayor. References in the following paragraphs of this Standing Order to the Mayor shall include the Deputy Mayor acting in his or her absence.
- (b) If the Mayor refuses to call an Extraordinary Meeting of Full Council after a requisition for that purpose, signed by five members of the Council, has been presented to him or her, or if, without so refusing, the Mayor does not call an extraordinary meeting within seven days after the requisition has been presented to him or her, then, any five members of the Council, on that refusal or on the expiration of those seven days, as the case may be, may forthwith call an Extraordinary Meeting of Full Council.
- (c) A requisition under paragraph (b) above for an Extraordinary Meeting of Full Council may be presented to the Mayor either personally or by leaving it with the Democratic Services Manager, or a member of his or her staff, who shall be empowered to receive the requisition on the Mayor's behalf. Any such requisition shall be accompanied by notice of the motion or motions to be debated at the Extraordinary Meeting. The requisition shall be marked with the date and time of receipt by the Mayor or the officer receiving it on the Mayors behalf.

37. Ordinary Meetings

Unless otherwise provided in these Standing Orders the order of business at ordinary meetings of Full Council except those concerning a first reading debate or the Council tax setting shall be:-

(a)* **Absence of Mayor:**

To choose a person to preside if the Mayor is absent.

(b)* **Business required to be dealt with first:**

If necessary, to deal with any business required by statute to be done before any other business.

(c) **Minutes:**

To approve as a correct record and sign the minutes of the last meeting or meetings of Full Council.

(d) **Declarations:**

Declaration by members of any personal and prejudicial interests in any matter to be considered at the meeting.

(e) **Mayor's announcements (including petitions received)**

(f) Business from previous meetings:

If necessary, to dispose of any business remaining from the last meeting of Full Council.

(g) Appointments to Committees and Outside Bodies and Appointments of Chairs/Vice Chairs

If necessary, to agree appointments to committees and outside bodies and to agree the appointment or replacement of Chairs and/or Vice Chairs of committees.

(h) Reports from the Leader or members of the Executive

To receive reports from the Leader or Executive in accordance with Standing Order 38

(i) Questions from the Opposition and other Non Executive Members

To enable questions to be put to the Executive

(j) Debate

To debate key issues affecting the Borough in accordance with Standing Order 40.

(k) Reports from the Chairs of the Overview and Scrutiny Committees

To receive reports from the Chairs of the Overview and Scrutiny Committees in accordance with Standing Order 41

(l) Other Business required to be dealt with:

Including, by way of example but not limitation, election results, review of political balance, changes to the Constitution, recommendations from committees, reports from Chief Officers, and any other business required to be dealt with.

(m) Motions

To debate Motions selected by the groups in accordance with Standing Order 45.

(n)* Urgent business:

If the Mayor so agrees, to consider any urgent business.

Business falling under (a) to (f) shall not be displaced, but subject thereto the foregoing order of business may be varied by the Mayor at his/her discretion.

Where the Council is to consider a first reading debate item (j) does not take place.

Where the Council is to set the Council Tax items (h), (i), (j) and (k) will be replaced by the other items set out in Standing Order 34.

38. Report from Leader or Members of the Executive

(a) The Leader or other member(s) of the Executive shall be allowed up to 10 minutes to report to Full Council on any matter which is the responsibility of the Executive including but not limited to all or any of the following matters:-

(i) Reports to be discussed at a First Reading Debate:

Any initial report to be debated at a First Reading Debate in accordance with Standing Order 44, including the initial report on the annual budget

(ii) Policy proposals referred to Full Council for approval following a First Reading Debate:

Any proposed plan, policy or strategy which has been through a First Reading Debate and which is being presented by the Executive to Full Council for approval, the views (if any) of the relevant Overview and Scrutiny Committee and the way in which those views were taken into account by the Executive;

(iii) Other Policy proposals referred to Full Council for approval:

Any other proposed plan, policy or strategy forming part of the Policy Framework or the Budget which is being presented by the Executive to Full Council for approval, the views (if any) of the relevant Overview and Scrutiny Committee and the way in which those views were taken into account by the Executive;

(iv) Approval to depart from Policy Framework or Budget:

Any decisions which the Executive have purported to take or are minded to take which, in the reasonable opinion of the Monitoring Officer or the Chief Finance Officer are, or would be, contrary to the Policy Framework or contrary to or not wholly in accordance with the budget approved by Full Council and in respect of which decision is sought from Full Council in accordance with Standing Order 18

(v) Urgent decisions outside the Policy Framework and the Budget:

Any decisions which the Executive have taken and which were contrary to the Council's Policy Framework or contrary to or not wholly in accordance with the budget but which were taken in accordance with the urgency provisions in Standing Order 18 (to include the reasons for urgency);

(vi) Urgent decisions not included in the Forward Plan:

Any decisions which were not included in the Forward Plan but were taken by the Executive under the urgency provisions in Standing Order 16 and the reasons for such urgency;

(vii) Urgent decisions called in:

Any decisions which were called in for scrutiny and which were implemented under the urgency provisions in Standing Order 20 prior to consideration of the decision by the Call In Overview and Scrutiny Committee and the reasons for urgency;

(viii) Non-compliance with Access to Information Rules:

Any decisions which the Executive have taken in respect of which the Executive should have but did not comply with those parts of the Access to Information Rules relating to such decisions and any decisions which the Overview and Scrutiny Committees has required the Executive to report to Full Council under the Access to Information Rules because it considers that the Executive did not comply with the Access to Information Rules relating to the decision;

(ix) The response of the Executive to comments received:

The response of the Executive to any other comments or recommendations received from, or being presented by, the Overview and Scrutiny Committees or Full Council;

(x) Any recommendations to Full Council.**39. Questions from the Opposition and Non Executive Members**

- (a) A period of not more than 45 minutes shall be allowed to ask and respond to questions raised under this item.
- (b) Non executive members (except the Mayor and Deputy Mayor) will be permitted to put a maximum of 10 questions to the Executive on any matter which is the responsibility of the Executive. Each non-executive member may only put one matter to the Executive in any one question time session. The 10 questions are to be divided as follows; 5 from the main opposition group, 1 from the minority opposition group and 4 from the administration.
- (c) The party groups shall decide which of their members shall put the questions to the Executive.
- (d) Each non executive member shall have up to 1 minute within which to put their question.
- (e) A member of the Executive shall have up to 2 minutes to respond to the question.
- (f) The non executive member shall be permitted to comment further for a maximum of 2 minutes. These follow up comments must relate to the subject matter of their original question.

40. Debate on key issues affecting the borough

- (a) A speaker shall be invited to attend and speak on an issue pertinent to the London Borough of Brent. The speech shall not exceed 10 minutes.
- (b) The lead executive member will be permitted to speak for 5 minutes on the topic addressed by the speaker within which time they will propose a motion for debate.
- (c) The debate by members will not exceed 45 minutes. Questions or comments by members shall not exceed 2 minutes.

41. Report from the Chairs of the Overview and Scrutiny Committee

- (a) Chairs of not more than two Overview and Scrutiny Committees may present reports on any matter in respect of which the committees have been consulted or which they have been reviewing or considering and each shall be permitted to speak for up to 5 minutes thereon.
- (b) In the absence of the Chair the report shall be presented by the Vice Chair of the Committee or in the absence of the Vice Chair by another member of the Committee selected for that purpose by the Chair or if no person has been selected by the Chair a person selected for that purpose by the Mayor or other person presiding at the meeting of Full Council.
- (c) The Chair or other person nominated to speak shall where appropriate include in his or her report:-
- (i) details of the decisions or proposals of the Executive, which have been called in for scrutiny and are being referred to Full Council in accordance with Standing Order 20;
 - (ii) details of decisions or proposals of the Executive, other than those permitted to be made by the Executive under Standing Order 16 (urgency) or 19 (viement and in year changes to policy), which an Overview and Scrutiny Committee considers are or, if made, would be contrary to the Policy Framework or contrary to or not wholly in accordance with the Council's budget and the recommendations to Full Council thereon;
 - (iii) details of the decisions of the Executive which an Overview and Scrutiny Committee considers were made by the Executive other than in accordance with those parts of the Access to Information Rules applicable to such decisions.

42. [Paragraph number not used]**43. [Paragraph number not used]****44. First Reading Debate**

At an Ordinary Meeting where the first reading debate is to take the place item j in Standing Order 37 shall be replaced by the following:

- (a) The Leader shall present the initial report to the meeting setting out the budget or any plan, policy or strategy forming part of the Policy Framework
- (b) Where a First Reading Debate is to be held in respect of the budget or any plan, policy or strategy forming part of the Policy Framework a period of 60 minutes shall be allowed for a debate on the budget or that plan, policy or strategy (or longer if the Mayor so agrees).
- (c) At the conclusion of the First Reading Debate Full Council shall note the contents of the report and any other information submitted to it, the debate concerning any questions raised and any other relevant issues.

The proposal may be referred to the Chair of the Budget and Finance Overview and Scrutiny Committee or if appropriate one of the other Overview and Scrutiny Committees, in accordance with Standing Orders 25 (c) and/or 26 (b) as the case may be.

45. Motions

- (a) Members may put motions to council. A period of no more than 45 minutes shall be allowed for this item.
- (b) A maximum of 10 motions will be put to Council at any one meeting. Of those 10 motions a maximum of 3 motions (one per party group) will be debated. The remaining possible seven motions may be amended, but not debated, and then voted upon.
- (c) Each group must give notice of their motion(s) to the Democratic Services Manager not less than 1 day before the date of the meeting. This shall include a copy of the Motion(s) they are intending to move at the meeting.
- (d) If any group puts more than one motion forward, the group must indicate which one of their motions should be debated and list in priority order the other motions.
- (e) If more than a total of 10 motions are submitted a random ballot will take place to decide which 7 motions will be presented to Council.
- (f) The time allowed to debate and vote on each of the 3 motions for debate shall not exceed 10 minutes
- (g) The debate shall commence with the proposer being invited to speak for up to 3 minutes during which time they shall move the Motion notified to the Democratic Services Manager. Further speakers shall then be called by the Mayor.
- (h) The matter shall be put to the vote one minute before the end of the 10 minutes permitted for each of the three Motions for debate.
- (i) In relation to those motions not eligible for debate the motion will be announced by the proposer, any amendments proposed, and the matter voted upon.

46. Rules Of Debate For Meetings of Full Council

- (a)* Any motion or amendment to a motion may be moved without notice but must relate to an item of business specified in the summons for the meeting.
- (b) Each amendment shall relate to the subject matter of the motion and shall not have the effect of negating the motion.
- (c) Motions or amendments to motions shall not be open to debate until formally moved.
- (d) Motions and amendments to motions which have not been circulated in advance of the meeting shall be read aloud before they are open to debate.

- (e) Procedural motions shall be put to the vote without discussion, provided that the Mayor may, in his or her absolute discretion, allow or require the proposer to give (for such brief period as the Mayor may allow) reasons for proposing the motion.
- (f) A member shall stand when speaking and shall address the Mayor. If two or more members rise the Mayor shall call on one to speak.
- (g) Speeches shall be directed to the matter under discussion or to a personal explanation or to a point of order.
- (h) No speech shall exceed three minutes except where otherwise provided in these Standing Orders or by the consent of Full Council and except for a Chair or the Leader replying to a debate whose speech shall not exceed five minutes. Any motion or amendment to a motion shall be put within the time allowed for the speeches.
- (i) With the exception of an Executive Member responding to a question put to the Executive by a non-executive member, or a Chair of a committee or sub-committee replying to a debate on a report referred from the committee or sub-committee or where otherwise provided in these Standing Orders, a member shall not speak more than once on any item of business except on rising to a point of order or in personal explanation.
- (j) A member may rise to a point of order or in personal explanation, but a personal explanation shall be confined to some material part of a former speech by the member at the same meeting, which may have been misunderstood. A member so rising shall be entitled to be heard forthwith.
- (k) Subject to the provisions of Standing Order 4(b) the ruling of the Mayor on a point of order or on the admissibility of a personal explanation shall not be open to discussion.
- (l) Whenever the Mayor rises during a debate, all those present then speaking or standing shall resume their seat and Full Council shall be silent.
- (m) A motion or amendment to a motion may be withdrawn or altered by the proposer of the motion or amendment with the consent of Full Council, which shall be signified without discussion. Where a motion is withdrawn there shall thereafter be no further debate on the item.
- (n) At the commencement of a debate, any member may move that only a specified number of members from each of the political groups shall be permitted to speak before a vote is taken or at the commencement of any meeting of Full Council or during the course thereof any member may move that only a specified number of members of each political group shall be permitted to speak on each motion or amendment thereto.
- (o) A member may move without comment at the conclusion of another member's speech: "*That the question be now put*", "*That the debate be adjourned (to some stated time)*" or "*That the Council do now adjourn (to some stated time)*" on which the Mayor shall proceed as follows:-
- (i) On a motion that the question be now put, the Mayor shall first put that motion to the vote without further discussion; if it is passed the motion(s) and/or amendment(s) relating to the subject of the debate will then also be put to the vote;

- (ii) On a motion to adjourn the debate or the meeting, the Mayor shall put that motion to the vote without further discussion; if it is passed the debate or meeting shall stand adjourned to the time stated; if the debate is adjourned the Council will proceed to the next item of business; if the meeting is adjourned no further business will be transacted until the adjourned meeting

AND no second motion that the question be now put or that the debate or meeting be adjourned shall be made during the consideration of the same business unless it shall be proposed by the Mayor.

- (p) The Mayor may at any time invite an officer to respond to any issue raised or question asked.

47. Voting

- (a) Prior to voting on a Motion there shall be put to the vote any amendments to that Motion that have been moved.
- (b)* *Amendments to Motions shall be taken in the order in which they were moved and shall be voted upon in succession unless, subject to the advice of the Borough Solicitor or the Chief Executive, it is agreed by the meeting that the amendments shall be taken en bloc.*
- (c) The mode of voting at meetings of Full Council shall be by show of hands and, on the requisition of the leader of a political group, or of any member of the Council supported by 14 other members of the Council raising their hands, made before the vote is called, the voting on any question shall be recorded in the minutes of the meeting so as to show whether each member present gave their vote for or against that question or abstained from voting.
- (d)* *Where immediately after a vote is taken any member so requires, there shall be recorded in the minutes whether that person voted for the question or against the question or abstained.*
- (e) Except in the case of a vote taken under any provision of Standing Orders 48 (Guillotine) 49 (Minutes) or 50 (Disorderly Conduct), at least one full minute before a vote is taken at a meeting of Full Council a bell shall be rung to draw members' attention to the impending vote.
- (f) For the purpose of voting and for recording votes at meetings of Full Council, members shall be present and seated in their places.
- (g)* *In the case of an equality of votes the person presiding at the meeting shall have a second or casting vote.*
- (h)* *Once a vote has been taken on any matter the matter shall not be reconsidered by the meeting other than to clarify any points or if the matter is a procedural matter only.*

48. The Council Guillotine Procedure

- (a) Every ordinary meeting of Full Council shall terminate no later than 10:30pm provided that Full Council may decide to adjourn the meeting to a specified date on a motion to this effect being proposed and put to the vote without discussion.

- (b) If the meeting is not adjourned then any outstanding items of business shall be dealt with as follows:
- (i) in the case of reports from committees and sub-committees and reports of Chief Officers the Mayor shall invite motions to be proposed in respect of them. Any such motion(s) shall be moved without supporting comment and voted upon without debate. If no such motion is proposed or if three successive motions are voted upon and defeated the matter shall be adjourned to the next Ordinary Meeting of Full Council.
- (ii) any other business shall be adjourned to the next ordinary meeting of Full Council.

49.* Minutes

- (a)* Minutes of any meeting of Full Council shall be put forward for approval as a correct record and for signing to the next ordinary meeting of Full Council or to the Annual Meeting whichever shall first occur.
- (b) The Mayor shall put the question that the minutes of the meeting of the Council held on the day of be approved as a correct record.
- (c) No discussion shall take place upon the minutes except upon their accuracy and any question of their accuracy shall be raised by motion. If no such question is raised or if it is raised then as soon as it has been disposed of, the Mayor shall sign the minutes.
- (d) There shall be recorded in the minutes of any meeting of Full Council any declarations of interests made by members in accordance with the Brent Members Code of Conduct both in the minute concerning the declaration of interests item itself and in the minute concerning the item of business to which the declaration relates.

50. Disorderly Conduct

- (a) If at any meeting of any part of the Council any member is, in the opinion of the person chairing the meeting, guilty of misconduct by persistently disregarding the ruling of the Chair, or by behaving irregularly, improperly, or offensively, or by wilfully obstructing the business of the Council, then the Chair or any other member may move "That [Councillor X] not be heard further", and the motion shall be put and determined without discussion.
- (b) If the member named is guilty of further misconduct after a motion under the foregoing sub-paragraph has been carried the Chair shall:-
- (i) move "That [Councillor X] shall now leave the meeting" and the motion shall be put and determined without discussion. If the Chair's motion is carried and the member(s) concerned fail(s) to leave the meeting, the Chair shall take such action, as he/she deems appropriate in the circumstances to bring the member(s) concerned to order; or
- (ii) adjourn the meeting for such period, as the Chair shall consider expedient.
- (c) In the event of general disturbance which, in the opinion of the Chair of a meeting, renders the due and orderly despatch of business impossible, the Chair may adjourn the meeting for such period as the Chair shall consider expedient.

APPENDIX D

Article 10 – Consultative Forums

The ~~area consultative forums~~ ~~consultative fora~~ described in this Article are not a part of the formal decision making structure and processes of the ~~c~~Council and have no decision-making powers. They are however a central part of the ~~c~~Council's consultation strategy. Representations and recommendations may be made by these consultative ~~forums~~ to a committee or sub-committee of the ~~c~~Council or to the ~~e~~Executive or to officers. The ~~c~~Chairs of the ~~a~~Area ~~c~~Consultative ~~f~~Forums and the ~~s~~Service ~~u~~User ~~consultative~~ ~~F~~forums shall be appointed by ~~f~~Full ~~c~~Council.

AREA CONSULTATIVE FORUMS

10.1 The Council is committed to involving the community through effective consultation and two-way communication.

10.2 The Council recognises that meaningful participation can only take place:

- in an environment where people are better informed about local services;
- where community spirit is fostered so that people care enough to want to take part, and are encouraged to do so; and
- where ~~c~~Council decisions can be seen to reflect the views and concerns of local residents.

10.3 Area ~~c~~Consultative ~~F~~forums provide an important opportunity for members of the public to access, participate in and influence the ~~c~~Council's decision-making process and those of the Council's ~~our~~ partner organisations. Consultation, participation and community engagement have become increasingly important for all organisations and are at the heart of central government policy to improve and modernise local services.

~~Participation is also a key theme of central government's modernising agenda, census and constitutional improvements and is a constituent part of the best value regime and the current proposals for community planning. Consultative ~~f~~Forums are central to Brent Council's response to these issues.~~

10.4 Five ~~a~~Area ~~c~~Consultative ~~f~~Forums were set up in 1997 to give local people a say about the issues which matter to them. The ~~a~~Area ~~c~~Consultative ~~f~~Forums are public events, ~~fora~~ meeting four times per year. At each meeting local people residents, traders and community representatives are able to ask questions and comment on services provided by both the Council and partner other agencies in Brent.

10.5 Chaired by a local councillor and assisted by a lead manager, each area forum meeting is open to the public, and is always held during a weekday evening in an accessible venue central to the community.

10.6 Agendas are determined prior to each forum meeting. Local people, the forum chair and lead manager, other local councillors, partner organisations and council officers are all invited to participate in the agenda setting process. The agenda setting process is will be coordinated by officers from the Council's consultation team and the draft agenda is will be published on the Council's internet pages.

~~10.6 The agenda for each meeting is determined by an autonomous steering group, comprising the forum chair, lead manager and representatives of local residents and traders. The Area Consultative Fora are supported by Brent Council's Consultation Team.~~

10.7 At each meeting local people have the chance to listen to and question the Council and partner agencies such as the police and health authority about services they provide. There is also a 'soapbox slot' for residents to express their views and concerns on an issue of their choice. The five aArea cConsultative fForumsa are listed below and each is made up of the ~~whole Council~~electoral ~~wards~~ as shown:

Harlesden	Kilburn & Kensal	Kingsbury & Kenton	Willesden	Wembley
Harlesden Stonebridge Kensal Green	Brondesbury Park Kilburn Mapesbury Queens Park	Barnhill Fryent Kenton Queensbury	Dollis Hill Dudden Hill Welsh Harp Willesden Green	Alperton Northwick Park Preston Sudbury Tokyngton Wembley Central

10.8 The ward boundaries delineate the area covered by that particular forum although residents may choose to attend a forum other than that in which they live.

10.9 The aArea cConsultative fForumsa will be supported by officers from the the cCouncil's cConsultation and Communications officer team, the forum lLead mManager and officers from other cCouncil service areas as appropriate.

Functions of Area Consultative Forumsa

10.10 (a) To consider and comment on Brent Council services, policies and practices, and those of ~~its our partner~~other organisations in the Brent area, and to influence practices and policies which determine the provision of cCouncil services by submitting reports on views expressed and issues raised at forum meetings to the appropriate lead officer, the Executive or a member of the eExecutive and/or the oOverview and sScrutiny cCommittees ~~or their sub-committees~~ or other cCouncil committees, or fFull cCouncil.

(b) To provide information to the community about the services, policies and the practices of Brent Council and ~~those of other~~ partner organisations in Brent.

(c) To seek out the opinions and views of the community with regard to needs and aspirations for the area, sharing cCouncil draft reports and budget plans as appropriate and relay them to cCouncil decision making bodies.

(d) To develop and support partnership and inter-organisational discussion, consultation and participation between the statutory and voluntary sectors and business, in relation to local issues.

(e) To consider and participate in arrangements for public consultation regarding cCouncil services and policies which directly or indirectly affect the area, and/or those requiring 'local consultation', ~~e.g. the Council's Unitary Development Plan, best value service reviews and community planning.~~

(f) To consider all matters of relevance and/or interest to residents of the area including any related to the activities of other organisations. aArea cConsultative fForumsa shall not however discuss individual or personal cases relating to the aAuthority's regulatory functions, planning, licensing etc., with the exception of major developments, significant planning applications, environmental improvements and traffic management issues.

(g) To request the attendance of members of the eExecutive, other members, cCouncil officers and representatives of other partner organisations to listen to residents' concerns and/or report on matters of local interest.

(h) Notwithstanding the above, the aArea consultative forums are consultative only and have no formal decision making powers within the Council's formal decision making processes.

Structure and Membership of aArea consultative forums

10.11 Each aArea consultative forum:

(a) shall meet at least four times per year. Notwithstanding, a forum may meet more than four times per year, subject to identifying suitable funding, as appropriate.

(b) will be chaired by a councillor appointed by the Council and supported by a councillor in the role of vice-chair, also appointed by the Council.

(c) has an appointed lead manager. Lead managers are council officers appointed as 'community champions' because of their close professional and personal links with the forum area they serve.

(d) will be open to attendance by residents, councillors and council officers, local businesses and traders, representatives of community groups and associations, voluntary and other public and statutory/partner organisations, and other relevant outside agencies.

AREA HOUSING BOARDS

10.12 The following Area Housing Boards have been established by the Council each with the aims and roles set out below:

- North Wembley and South Wembley
- South Kilburn
- North Kilburn
- Harlesden, Brentfield and St. Raphaels

Areas covered

10.13 The boundaries of the Area Housing Board shall be those of the landlord service area.

Aims of the Boards

- 10.14 (a) To involve customers in the provision of housing services.
- (b) To monitor the performance of housing management services and contractors and other parts of the housing services.
- (c) To develop new ideas and methods for solving Council housing problems.
- (d) To influence practices and policies that determines the provision of housing services.
- (e) To consider wider community problems and find solutions to them.
- (f) To advise the housing management service on local priorities for the provision of housing services and the allocation of resources.

APPENDIX E

AUDIT COMMITTEE

Membership

- The committee is comprised of 3 non-executive councillors and 1 non voting co-opted member.

Terms of Reference

Audit Activity

1. To consider the Head of Internal Audit's annual report and opinion, and a summary of internal audit activity (actual and proposed), and the strategic and annual audit plans, and consider the level of assurance these can give over the council's corporate governance arrangements.
2. To consider summaries of specific internal audit reports as appropriate.
3. To consider the annual review of the effectiveness of internal audit.
4. To consider, as required, reports from internal audit on agreed audit recommendations not implemented within a reasonable timescale.
5. To consider the external auditor's annual letter, relevant reports, and their report to those charged with governance.
6. To consider specific reports as agreed with the external auditor.
7. To comment on the scope and depth of external audit work and to ensure it gives value for money.

Regulatory Framework

8. To maintain an overview of the Council's constitution in respect of Contract Standing Orders and financial regulations.
9. To review any issue referred to it by the chief executive or a director, or any council body.
10. To monitor the effective development and operation of risk management and corporate governance in the Council.
11. To monitor council policies to facilitate confidential reporting by employees of suspected fraud, corruption or any other wrongdoing, the Council's anti-fraud and anti-corruption policies, and the council's complaints process.
12. To oversee the production of the Council's Statement on Corporate Governance and Internal Control and to recommend its adoption.
13. To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
14. To consider the Council's compliance with its own and other published standards and controls.

15. To monitor the handling of any reports from the Local Government Ombudsman.

Accounts

16. To review the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
17. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

APPENDIX F

12. Managing the Concessionary Fares Scheme.
13. Managing the London Taxicard Scheme.

4. GRANTS COMMITTEE

Membership

- This Committee was established to take decisions in relation to the London Councils Grants Scheme which was established under section 48 of the Local Government Act 1985. The members of the Grants Committee are from the 33 London Boroughs (this includes the City of London).

Terms of Reference

The Terms of Reference of the Committee are:

1. to ensure the proper operation of the London Borough Grants Scheme;
2. to make recommendations to the Leaders' Committee on overall policies, strategy and priorities;
3. to make recommendations to the Leaders' Committee on the annual budget for the London Borough Grants Scheme;
4. to consider grant applications and make grants to eligible voluntary organisations; and
5. to make all decisions relating to the making of grants and the operation of the scheme save those which are specifically reserved to constituent councils.

~~5. JOINT OVERVIEW AND SCRUTINY COMMITTEE~~

~~Membership~~

~~The Joint Overview and Scrutiny Committee was formed in 2008 and consists of members from the 32 London Boroughs. It was set up pursuant to the Secretary of State direction that where the NHS is under a duty to consult more than one overview and scrutiny committee that a joint overview and scrutiny committee be set up for that purpose. The consultation in this case is in relation to *Shaping Health Services Together – Consultation on Developing New, High-Quality Major Trauma and Stroke Services in London*;~~

~~Terms of Reference~~

- ~~1. Consider and respond to proposals set out in *Shaping Health Services Together – Consultation on Developing New, High-Quality Major Trauma and Stroke Services in London* ('the consultation proposals'), with reference to any related impact assessments or other documents issued by or on behalf of *Healthcare for London* in connection with the consultation;~~
- ~~2. Consider whether the consultation proposals are in the interests of the health of local people and will deliver better healthcare for the people of London and~~

TERMS OF REFERENCE OF COUNCIL COMMITTEES AND SUB-COMMITTEES

people travelling across the GLA boundary, having due regard to cross-boarder issues;

- ~~3. Consider the *Healthcare for London* consultation arrangements for the consultation proposals — including the formulation of options for change, and whether the formal consultation process is inclusive and comprehensive.~~

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FULL COUNCIL – 13 SEPTEMBER 2010

Report from the Executive

1. Items to be reported by the Executive

The Leader has given notice that the Executive will report to Council on the following items:

- i. Crest Academies
- ii Voluntary Sector grants (including to CABs and Law Centre)
- iii Day Centres
- iv Parking Permits
- v Abolition of £25.00 charge for bulky refuse collection
- vi Waste Management
- vii Elms Gardens Allotments
- viii Coniston Gardens Scout Hut

2. Decisions taken by the Executive under the Council's urgency provisions

Under the provisions of rule 38 of the Access to Information Rules in the Constitution, the Executive is required to report to the next Full Council for information on any key decisions taken by them but which did not appear in the Forward Plan.


Proposed removal of a street tree outside 148 Purves Road

The above item was considered by the Highways Committee on 27 July 2010 when the decision was taken to note the contents of a petition objecting to the removal of the street tree, to note current procedures in relation to street tree related subsidence claims and note the reasons for removing the tree.

Reason why it was impractical to defer the decision until it could be included on the Forward Plan:

It would have increased the Council's exposure to a successful claim in relation to this tree and the Highways Committee needed to be aware of the petition in advance of the commencement of any works that formed the subject of the petition.

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	<p style="text-align: center;">Full Council 13 September 2010</p> <p style="text-align: center;">Report from the Borough Solicitor</p>
<p>For Action Wards affected: ALL</p>	
<p style="text-align: center;">London Borough of Brent Petition Scheme</p>	

1.0 Summary

The council is required to have a petition scheme which outlines how the council will respond to petitions and the arrangements for a petition to trigger attendance by senior officers at an overview and scrutiny committee and a debate at a meeting of Full Council. There is also a requirement that by 15 December 2010 there should be provision for on-line petitions to be submitted. This report proposes a petition scheme and outlines how the new arrangements will work.

2.0 Recommendations

- 2.1 that the requirements of a petition scheme be noted;
- 2.2 that the petition scheme attached as an **Appendix A** to the report be adopted and the consequential amendments to standing orders attached as **Appendix B** be agreed;
- 2.3 that a review of the operation of the petition scheme be carried out in 6 months time.

3.0 Detail

- 3.1 The Local Democracy, Economic Development and Construction Act 2009 introduced a requirement for councils to respond to petitions and tell local people what actions are going to be taken to address their concerns. First tier authorities are required to 'respond to petitions which relate to an

improvement in the economic, social or environmental well-being of the authority's area to which any of its partner authorities could contribute'. This means that petitions that relate to the functions of partner authorities, cross-authority or are related to sub regional matters will also be dealt with by local authorities. In addition first tier local authorities must make arrangements for a petition to trigger the attendance of a senior officer at the council's overview and scrutiny committee.

3.2 The aim of these duties is to provide local people with the means to express their concerns and priorities, connect with their locally elected representatives and therefore contribute to democratic life in their local area. The duty came into force on 15 June 2010. A duty for local authorities to provide a facility for making electronic petitions comes into force in December 2010

3.3 **Summary of the key requirements of the new scheme**

The following are key requirements of a new petition scheme:

- the scheme must be approved by full council
- must be published on the council's website
- must be accessible for anyone who lives, works or studies in the area, including those under 18. The process must be easy to understand and use
- must include the following options for further action:
 - taking the action requested in the petition
 - consideration of the petition at a meeting of the authority
 - holding an inquiry
 - holding a public meeting
 - commissioning research
 - a written response to the petition organiser setting out the authority's views on the request in the petition
 - referring the petition to an overview and scrutiny committee
- must set a threshold trigger for a petition to be debated in full council (required to be no greater than 5% of the local population as published by the Office of National Statistics)
- must notify the petition organiser of the date of the debate to enable them to attend and may allow for the petitioner to address full council
- must allow for a trigger to require a senior officer to attend an overview and scrutiny committee to answer questions from the committee (the number of petition signatures needed is suggested to be 2½% of the local population)

- must include a list of the most senior officers to whom the overview and scrutiny trigger applies (which as a minimum must include the Chief Executive and Chief Officers)
- may exclude petitions which are vexatious, abusive or inappropriate
- must not apply to petitions on excluded matters (planning, licensing, individual appeals)

3.4 These are the minimum requirements, but local authorities are encouraged to ensure that the scheme is tailored to local circumstances and is easy to use with low thresholds where possible.

3.5 If a petition organiser is not satisfied with the council's response to their petition they will be able to appeal to the One Council Overview and Scrutiny Committee (or the Children and Young People Overview and Scrutiny Committee where appropriate). The committee's role will be to decide whether or not the steps taken in developing the response to the petition were adequate. If the Committee is sufficiently concerned about how a petition was handled it can require a meeting of Full Council to discuss the response. One complicating factor is that one of the council's potential initial responses to a petition is to ask an overview and scrutiny committee to look at the issues involved. The council would therefore need to ensure that the overview and scrutiny committee that looked at the issue prior to the council responding was not used in the appeal process.

3.6 The council already has a well established scheme for receiving and responding to petitions contained in the council's standing orders. The new scheme attached as appendix A to this report builds on this and ensures the council is meeting its new statutory obligations. The development of a facility for people to make electronic petitions is underway and will be introduced later in the year, accompanied by additional guidance.

3.7 Further to the requirement to include a list of senior officers who may be called to give evidence, the proposed scheme includes the Chief Executive, as required, all Directors and all Assistant Directors.

3.8 **Main features of Brent's scheme**

The scheme retains the need for a petition to contain at least 5 names before it can proceed.

It retains the provision for petitions containing 5 to 50 names being referred to the relevant service area to respond to directly.

It retains the provision for petitions containing 50 or more names to be directed to the relevant decision maker for consideration.

It introduces a threshold of 2,500 names required to call for officers to appear before overview and scrutiny (approximately 1% of the local population).

It introduces a threshold of 5,000 names to trigger a debate at Full Council (approximately 2% of the local population)

It includes a right of appeal to the One Council Overview and Scrutiny Committee (or in relevant cases the Children and Young People Overview and Scrutiny Committee) if it is felt that the petition was not dealt with properly.

It makes provision for the introduction of an on-line facility for petitions to be gathered and submitted.

It provides for all people who live, work or study in the borough to be entitled to sign a petition.

- 3.9 Up until now all petitions received have been validated by checking the signatures against names on the electoral register. Opening up petitions to people that not only live in the borough but work or study in Brent will mean that it will not always be possible to use the electoral register to validate a petition. However, the scheme still includes the right of the council to carry out whatever checks considered necessary to ensure a petition is genuine.
- 3.10 Because the duty to develop a petition scheme introduces a number of additional requirements it is proposed to carry out a review of the new arrangements after six months. This will also allow early consideration of how the new e-petition facility is being used.
- 3.11 The council is required to give publicity to its petition scheme. Information will be included on the web site and a feature will appear in a forthcoming edition of the Brent Magazine.

4.0 Financial Implications

- 4.1 There will be resource implications in managing the new e-petition facility which are difficult to estimate because it largely depends on how often it is used. The costs will be absorbed into existing resources. The provision of the IT facility is part of the existing software system used by the council to manage the decision making process and so there will be no set-up costs. However, as the new duty on local authorities to develop petition schemes is taken up, there may be some developmental costs arising which will need to be absorbed.
- 4.2 The council's standing orders need to be amended to reflect the new arrangements and these are attached as tracked changes in appendix B.

5.0 Legal Implications

- 5.1 The Local Democracy, Economic Development and Construction Act 2009 introduced the requirement for councils to respond to petitions and tell local people what action is to be taken. This is to be set out in a petition scheme which all local authorities are required to have. Statutory guidance was issued which local authorities are required to have regard to and which

included a model scheme. The implications of introducing this new requirement on local authorities are contained within the report.

6.0 Diversity Implications

- 6.1 The stated aim of the Local Democracy, Economic Development and Construction Act 2009 is to reinvigorate local democracy and the petition scheme opens up additional channels for local people to make their views known and be heard. The introduction of e-petitions will enable greater access and ease for gathering petitions, whilst retaining paper petitions will ensure those not able to access the council on-line will still be able to take action.

Background Papers

The Local Democracy, Economic Development and Construction Act 2009
Listening to communities: statutory guidance on the duty to respond to petitions

Samples of other council's petition schemes
The council's standing orders

Contact Officer:

Peter Goss
Democratic Services Manager
Tel 020 8937 1353
Email peter.goss@brent.gov.uk

FIONA LEDDEN
Borough Solicitor

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London Borough of Brent – petition scheme

Introduction

The council seeks to provide excellent services and in so doing welcomes receiving feedback from its residents. One way in which people can make their views known to the council is by submitting a petition. This scheme explains how this can be done and the action the council will take in response.

Guidelines

Petitions submitted to the council **must** include:

- a clear and concise statement explaining the subject of the petition and state what action the council is being asked to take,
- the name and address and signature of any person supporting the petition if in paper form or the name, postcode and a valid email address of any person subscribing to an e-petition,
- the contact details of the organiser of the petition. If the petition does not identify the petition organiser, the local ward councillors will be asked if any one of them wishes to represent the petitioners and if not an attempt will be made to contact the first named signatory to find out if they will agree to act as the petition organiser.

Petitions will only be processed under this scheme if they:

- are signed by at least five people, and
- relate to matters affecting the borough and on which the council or one of its partners can make a decision. If it concerns a matter over which the council has no direct control but it relates to the activity of a partner authority within the borough the council may make representations to that authority on behalf of the petitioners.

Paper petitions

A petition may be submitted to the council in paper form by post or fax. It is also possible to e-mail a scanned copy of a paper petition. Paper petitions should be sent to:

Democratic Services Manager
 Room 106, Brent Town Hall
 Forty Lane
 Wembley HA9 9HD.

Fax: 020-8937 1373
E-mail: peter.goss@brent.gov.uk

Details of paper petitions will be shown on the council's website but the personal details of those persons who signed it will not be shown.

E-petitions (this aspect of the scheme will be introduced in November 2010).

Petitions can also be started and signed on-line using the council's e-petitions facility, which can be found at www.brent.gov.uk/epetitions. When an e-petition is submitted, it will be approved by the Democratic Services Manager before it goes live.

All approved e-petitions will be hosted on the council's website for a maximum of three months.

Please note that it is possible to have the same petition in paper form and e-petition form at the same time, although signatories should only sign one copy of the petition. The paper version will be checked against the e-petition version and any duplicate names will be removed.

Separate guidance will be issued on using the council's e-petitions system.

Exclusions

Petitions accepted by the council will usually be on a matter over which the council or one of its partner agencies has a direct influence. Please note that the Democratic Services Manager may reject a petition if it:

- contains intemperate, inflammatory, abusive or provocative language;
- is defamatory, frivolous, vexatious, discriminatory or otherwise offensive, or contains false statements or designed to cause distress;
- is too similar to another petition submitted within the past six months;
- discloses confidential or exempt information, including information protected by a court order or government department;
- discloses material which is otherwise commercially sensitive;
- names individuals, or provides information where they may be easily identified, e.g. individual officers of public bodies, or makes criminal accusations;
- contains advertising statements;
- refers to an issue which is currently the subject of a formal council complaint, Local Ombudsman complaint or any legal proceedings;
- relates to the council's planning or licensing functions as there are separate statutory processes in place for dealing with these matters;
- does not relate to an issue upon which the council has powers or duties or on which it has shared delivery responsibilities.

In addition, if a petition relates to a planning application or licensing application, is a statutory petition (i.e., requesting a referendum on having an elected mayor) or is on

a matter where there already exists a right of appeal, other procedures will apply (see below).

In the period immediately before an election or referendum it may be necessary to deal with petitions differently and if this is the case the petition organiser will be advised of the arrangements.

If a petition is rejected, the Democratic Services Manager will arrange for the lead petitioner to be informed of this and the reasons for its rejection.

Those who can sign a petition

A petition can be signed by a person of any age who lives, works or studies in Brent. If you are signing a paper petition as a resident of the borough a check will normally be made that you are a registered elector in the borough. If you sign a petition as someone who is studying or working in the borough you should provide either your home address or an address relevant to the petition i.e. your place of study or work. If you add your name to an e-petition you will be asked for a personal e-mail address and your post code. You may only sign any one petition once. The list of signatories will be checked and any duplicate signatures will be disregarded. The council reserves the right to make any further checks it considers necessary to ensure the validity of the signatures. A random check will be carried out on very large petitions, such as referred to below, to ensure they are valid. If it is felt that a petition contains signatures from people who are remote from the area, are unlikely to be affected by the subject of the petition or are not genuine then the petition will be returned.

What the council will do when it receives a petition

An acknowledgement will be sent to the petition organiser within 14 days of receiving the petition or after an e-petition has closed. If it is known that the subject of a petition is due to be considered by the council, the petition must be received by the Democratic Services Manager at least 8 days before the decision is due to be made. If the council agrees to take the action requested in a petition, the acknowledgment will confirm this and the petition will be closed at that point.

Petitions containing between 5 and 50 valid signatures

Petitions containing between 5 and 50 signatures will be referred to the relevant director who will take responsibility for ensuring it is responded to and taken into account in the decision making process as appropriate.

Petitions containing 50 or more valid signatures

Petitions containing 50 or more signatures will be notified to the chair of the relevant overview and scrutiny committee and to the relevant director. Petitions concerning specific decisions planned to be made will be referred to the decision maker. If the decision maker is a council committee or sub-committee or the Executive then one

person representing the petitioners will be entitled to address the planned meeting for up to 5 minutes concerning the petition. If a petition does not concern a specific decision about to be made it shall be referred to the committee, sub-committee or Executive within whose terms of reference the subject matter falls.

Petitions debated at Full Council

If a petition contains 5,000 or more signatures and is not a petition requesting officer evidence, it will, if requested by the petition organiser, be referred for debate by Full Council. The petition organiser will be informed of the date of the meeting, invited to attend and to take up to 5 minutes to present the petition. The petition will then be considered by councillors.

Petitions asking for a senior officer to give evidence

A petition may ask for a senior council officer to give evidence at a public meeting of one of the council's overview and scrutiny committees. If this is the case then the petition must contain at least 2,500 signatures. It might be that the relevant overview and scrutiny committee will decide that it would be more appropriate for another officer to give evidence instead of the officer named in the petition. The petition organiser will be given 5 minutes to present the petition and it will then be for the members of the committee to ask questions. A list of those officers who may be called to give evidence is attached.

Planning and Alcohol and Entertainment Licensing matters

If a petition concerns a matter which is or could be the responsibility of the Planning Committee the signatures may count as an objection to a development in which case the petition will be considered by the committee when it considers the matter in question.

If a petition concerns an aspect of any alcohol and entertainment license then it shall be dealt with as set out in the procedures for hearings related to Alcohol and Entertainment Licensing Sub-Committees.

Statutory petitions

For a statutory petition (for example requesting a referendum on having an elected Mayor), or a petition concerning a matter where there is already an existing right of appeal, such as council tax banding, other procedures apply.

How the council will respond to petitions

Where the Executive or council committee or sub-committee considers a petition it will note what the petition says and may take one or more of the following actions:

- make a decision concerning the matter if there is sufficient information on which to do so. This will normally mean that an officer's report accompanies the petition,
- refer the petition to the relevant overview and scrutiny committee for consideration,
- call for an officer's report to be submitted to a future meeting
- hold a public meeting, inquiry or carry out research on the matter raised, or
- refer it to the relevant officer for a formal response.

Where an overview and scrutiny committee considers a petition referred to it, it will note what the petition says and may:

- make recommendations to the Executive or the relevant committee,
- call for an officer's report to be submitted to a future meeting, or
- refer it to the relevant officer for a formal response.

If a petition concerns a matter about something over which the council has no direct control it may make representations on behalf of the local community to the relevant body. The council works with a large number of other public bodies and where possible will work with these bodies to respond to a petition.

A list of petitions containing 50 or more valid signatures will be circulated to members of the council setting out the progress that has been made in dealing with them. This will be referred to by the Mayor at each council meeting.

Appeal process

If the organiser of a petition feels the council has not dealt with their petition properly then they may request the One Council Overview and Scrutiny Committee, or where appropriate the Children and Young People Overview and Scrutiny Committee, to review the steps that the council has taken in response to the petition. (if the One Council Overview and Scrutiny Committee or Children and Young People Overview and Scrutiny Committee has already considered the petition earlier in the process it may be necessary for another overview and scrutiny committee to review the council's response). The committee will receive the request at the next available meeting and may:

- decide there is no case to answer,
- decide whether or not the steps taken in developing the response to the petition were adequate
- ask for an investigation into how the petition was dealt with, or
- make recommendations to the Executive.

If the committee is very concerned it may arrange for the matter to be discussed at a meeting of Full Council.

The petition organiser will be kept informed of the results of any further action taken and the outcome will be published on the council's website.

~~~~~

Senior officers who may be called to give evidence in response to a petition signed by at least 2,500 people:

- Chief Executive
- Director of Regeneration and Major Projects
- \* Assistant Director (Major Projects)
- \* Assistant Director (Planning and Transport)
- \* Assistant Director (Property and Assets)
- \* Assistant Director (Civic Centre)
- Director of Environment and Neighbourhood Services
- \* Assistant Director (Environment and Protection)
- \* Assistant Director (Neighbourhood Services)
- \* Assistant Director (Strategic Finance)
- Director of Children and Families
- \* Assistant Director (Achievement and Inclusion)
- \* Assistant Director (Childrens Social Care)
- \* Assistant Director (Strategic Finance)
- Director of Housing and Community Care
- \* Assistant Director (Housing)
- \* Assistant Director (Community Care)
- \* Assistant Director (Strategic Finance)
- Director of Strategy, Partnerships and Improvement
- \* Assistant Director (Policy, Partnership and Performance)
- \* Assistant Director (One Council Programme)
- Director of Customer and Community Engagement
- Director of Finance and Corporate Resources
- \* Deputy Director of Finance and Corporate Resources
- \* Assistant Director (Human Resources)
- \* Assistant Director (Information Technology)
- Director of Legal and Procurement

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## APPENDIX B

### STANDING ORDER 68

- (a) The Council has a petition scheme that sets out in detail the steps to be taken for admission of a petition and how the Council will respond. This standing order reflects the arrangements set out in the petition scheme. Any person who wishes to submit a petition under these rules on their own behalf or on behalf of an organisation shall deliver it either in paper form to the office of the Democratic Services Manager during office hours or electronically on the Council's website. This must be at least **8 days** before the relevant decision (if the petition concerns a specific decision) is due to be taken.
- (b) No petition shall go forward unless it concerns matters affecting the borough and is signed by at least 5 people who either live, work or study, all of whom shall be registered electors in the borough.
- (c) The Democratic Services Manager will establish how many valid signatures the petition has.
- (d) Petitions with between **5 and 50** valid signatures:
- (i) Any such petition shall be referred to the relevant Service Area or Corporate Director who will be responsible for ensuring that the petition is responded to and taken into account in the decision making process as appropriate;
- (ii) In the case of any such petitions which relate to a matter which is or could be the responsibility of the Planning Committee the signatures may count as an objection to a development in which case the petition will be considered by the Planning Committee when it considers the matter in question. The Director of Environment and Culture shall decide whether the signatures count as an objection.
- (e) Petitions with **50** or more valid signatures:
- (i) Any such petition shall be notified to the Chair of the relevant Overview and Scrutiny Committee and to the relevant Service Area or Corporate Director;
- (ii) Petitions concerning specific decisions planned to be made shall be referred to the decision maker. If the decision maker is a Council committee or sub-committee or the Executive rather than an individual then one person representing the petitioners will be entitled to address the planned meeting of the Council committee or sub-committee or the Executive (as the case may be) for up to 5 minutes concerning the petition. Petitions relating to specific decisions to be made by Full Council shall be considered by the next scheduled meeting of the General Purposes Committee or if the next meeting of the General Purposes Committee is scheduled to take place after the relevant meeting of the Full Council then it shall be considered by the Executive. The General Purposes Committee or the Executive as the case may be may, if it sees fit, make recommendations concerning that petition to Full Council.

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(iii) Petitions not concerning specific decisions planned to be made shall be referred to the Executive or to the Council committee or sub-committee (if any) within whose terms of reference the subject matter of the petition falls as determined by the Borough Solicitor or Democratic Services Manager. If it concerns a decision that may be taken at a meeting on some future date then it shall be considered at that future meeting. In all other cases it shall be considered at the next convenient meeting.

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(f) At every Ordinary Council Meeting, a list of petitions containing 50 or more valid signatures will be circulated to members of the Council setting out the progress that has been made in dealing with those petitions. The Mayor will refer to this list under the Mayor's Announcements. The list will contain the information set out below, provided this has been received by the Democratic Services Manager twelve or more days prior to the meeting.

(g) The information to be included in the schedule described in the previous paragraph is as follows:

- (i) the date the petition was received or closed on-line;
- (ii) the name of the person who submitted the petition if a name was given;
- (iii) the subject of the petition;
- (iv) the terms of the petition;
- (v) the name of the committee or person to whom the petition has been referred for action, the date of that referral, and the action taken by that body or person thus far.

(h) Where the Executive or a Council committee or sub-committee considers a petition it shall note the petition and may:-

- (i) make a decision concerning the matter if it has sufficient information before it to do so. This will normally mean an officer's report;
- (ii) refer it to the appropriate Overview and Scrutiny Committee, one of its sub-committees, or the Children and Families Overview and Scrutiny Committee for consideration or further research;
- (iii) hold an inquiry or public meeting;
- (iii) call for an officer's report to be brought to a future meeting; or
- (iv) refer it to the relevant officer for a formal response.

(i) If a petition contains 5,000 or more valid signatures it will, where the petitioners so desire, be debated at a Council meeting. The petition organiser or person nominated by them will be permitted up to 5 minutes to present the petition. The Council will decide how to respond to the petition and this may be by referring it for further investigation and reporting to a Council committee or sub-committee or the Executive.

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(j) A petition may ask for a senior Council officer to give evidence at a meeting of an overview and scrutiny committee. For this to happen, the petition must contain 2,500 or more valid signatures. Even if the officer is named in the petition, it is open to the relevant overview and scrutiny committee to decide that it would be more appropriate for another senior officer to give evidence. The petition organiser or person nominated by them will be permitted up to 5 minutes to present the petition. Members of the committee may then ask questions and the committee may take any of the actions outlined in (k) below.

(ki) Where ~~anthe~~ ~~\_~~Overview and ~~s~~Scrutiny ~~c~~Committee, ~~one of its sub-~~committees, ~~or the Children and Families Overview and Scrutiny Committee~~ considers a petition ~~referred to it under (hf) (ii) above or receives a petition under (j) above it~~ they shall note the petition and may:-

- (i) call for an officer's report to be brought to a future meeting;
- (ii) make recommendations to the Executive or the relevant referring committee concerning it; or
- (iii) refer it to the relevant officer for a formal response.

(l) If the organiser of a petition feels the Council has not dealt with their petition properly then they may request the One Council Overview and Scrutiny Committee, or where appropriate the Children and Young People Overview and Scrutiny Committee, ~~(or another overview and scrutiny committee if the One Council Overview and Scrutiny~~ those committees ~~hasve~~ already considered the petition) to review the steps the Council has taken in response to the petition and that committee may:

- (i) decide there is no case to answer
- (ii) ask for an investigation into how the petition was dealt with: or
- (iii) make recommendations to the Executive.

(jm) This Standing Order does not apply to the Alcohol and Entertainment Licensing Sub-Committees. Any petitions received in respect of any alcohol and entertainment license shall be dealt with as set out in the procedure for hearings relating to the Alcohol and Entertainment Licensing Sub-Committees.

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**Full Council**  
13 September 2010

## **Report from the Borough Solicitor**

For Action

Wards Affected:  
ALL

### **The Members' Allowances Scheme**

#### **1.0 Summary**

- 1.1 This report sets out recommended changes to the Brent Members' Allowances Scheme, following consideration by the Constitutional Working Group.

#### **2.0 Recommendations**

That members:

- 2.1 Note the report from the Independent Remuneration Panel dated May 2010 attached as **Appendix 1**,
- 2.2 Delete the allowance for the Chair of the General Purposes Committee,
- 2.3 Delete the allowance for the Vice Chair of Planning Committee,
- 2.4 Make available an allowance for the co opted non voting member of the Audit Committee,
- 2.5 Agree to retain the indexation provisions by reference to the Local Government Pay Settlement for a further 4 years,
- 2.6 Adopt the Members' Allowances Scheme as set out in **Appendix 2**,
- 2.7 Agree that the amendments take effect from 1<sup>st</sup> October 2010.

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### 3.0 Detail

#### *The Legislative Framework*

- 3.1 The legal framework for members' allowances is established by section 18 of the Local Government and Housing Act 1989 and the The Local Government (Members' Allowances) (England) Regulations 2003, as amended.
- 3.2 Every local authority must have a scheme providing for payment of a basic allowance of the same amount to every councillor. A scheme may also provide for special responsibility allowances to be paid to councillors for certain types of roles specified in the regulations.
- 3.3 An allowance scheme may make provision for an annual adjustment of allowances by reference to an index. Where an index is relied upon, it must be reviewed not less than once every 4 years. Members last considered the application of the index to the Council's scheme in May 2007.
- 3.4 Allowances schemes can be amended at any time but may normally only be revoked with effect from the start of a financial year. Whether changes amount to a revocation or are just an amendment is a question of fact and degree. It is the Borough Solicitor's view that the changes being recommended would not constitute a revocation but merely an amendment to the existing scheme. Any new or amended scheme must be published in the local press together with details of the recommendations of the Independent Panel and certain other specified information

#### *The Independent Panel*

- 3.5 Since 4<sup>th</sup> May 2001 local authorities have had to have regard to the recommendations of an independent remuneration panel in respect of the allowances payable to their members when making or amending an allowances scheme, and when reviewing the index used for an annual adjustment of the allowances. The Regulations provide for the Association of London Government (now "London Councils") to establish an independent remuneration panel to make recommendations to London borough councils on their allowances schemes. The Council decided some time ago to adopt this panel as its independent remuneration panel.
- 3.6 The independent remuneration panel has published a number of reports, the most recent having been published in May 2010. The previous report was December 2006. In reaching its conclusions on members' allowances the panel has taken into account the increasingly demanding role of Councillors and also the current economic climate. The report is attached to this report at **Appendix 1**. The recommendations contained in that report must be taken into account by members when determining the members' allowances scheme or amendments to it, and when deciding to include an index for

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annual update, but the recommendations should not be regarded as binding.

*Members Allowances and the Banding Scheme*

3.7 The independent remuneration panel report recommends an amount for the basic allowance in respect of each member and a banding scheme for special responsibility allowances. The panel recommends 4 bands, band 4 being the highest paid. Each band attracts a particular range of allowance. The bands are designed to reflect the demands of the various roles. In the vast majority of cases the allowances paid by the Council to members are less than those recommended by the independent remuneration panel; the basic allowance paid to members is lower than the independent remuneration panel recommends and in most cases those members with special responsibility (as defined in the Regulations) are allocated a lower band of allowance than that suggested by the panel.

3.8 The differences in the bandings recommended by the panel and those in the Brent scheme are set out in Table A below:

**TABLE A**

| <b>Office</b>                                                         | <b>Panel Recommendation</b> | <b>Brent</b>  |
|-----------------------------------------------------------------------|-----------------------------|---------------|
| <b>Basic Allowance</b>                                                | <b>£10,597</b>              | <b>£7,974</b> |
| Leader                                                                | Band 4                      | Band 3        |
| Deputy Leader                                                         | Band 3                      | Band 2        |
| Executive member                                                      | Band 3                      | Band 1/2      |
| Chairs of overview and scrutiny                                       | Band 2                      | Band 1        |
| Chairs of Council Committees                                          | Band 2                      | Band 1/2      |
| The Mayor                                                             | Band 2                      | Band 1        |
| Leader of principal opposition                                        | Band 2                      | Band 1        |
| Leader of minority opposition                                         | Band 1                      | Band 1        |
| Chairs of Sub Committees and ACFs                                     | Band 1                      | Band 1        |
| Members of Planning Committee and Alcohol and Entertainment Licensing | Band 1                      | Band 1        |

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|                      |                               |          |
|----------------------|-------------------------------|----------|
| Group leaders        | No recommendation / Band<br>1 | Band 1/2 |
| Deputy group leaders | No recommendation             | Band 1/2 |
| Group whips          | No recommendation/Band<br>1/2 | Band 1   |

- 3.9 There is mention in the independent remuneration panel report of government guidance that there should not be more than 50% of members in receipt of a special responsibility allowance. However, the panel comments that this should not be applied rigidly and it recognises that in practice this figure (which was promulgated in 2003) is now regularly exceeded for a number of reasons, including legislative changes to the committee structure and responsibilities of members, and to allow for local arrangements. For example in Brent there are 15 members of Alcohol and Entertainment Licensing Committee who each receive a band 1 allowance.
- 3.10 The Brent scheme provides that no member shall be paid more than one special responsibility allowance which is consistent with the independent remuneration panel recommendations.
- 3.11 The independent remuneration panel also comments on elements of the scheme that are at the discretion of the Council such as payment for temporary absences. The Council's scheme does not prevent payment for such periods. The report also comments on pension arrangements. Members have previously considered this and rejected the proposal.
- 3.12 In relation to the independent members of the Standards Committee, members are advised that since May 2010 (after the panel report was produced) the future plans for the standards regime are uncertain and a review of the allowance should be conducted when the position is clearer.
- 3.13 Having regard to the recommendations of the independent remuneration panel in relation to the basic and special responsibility allowances and the matters left to local discretion members are advised no changes are proposed at this time.

*Allowances to be deleted*

- 3.14 Members of the cross party Constitutional Working Group recommended that the special responsibility allowance for the Chair of General Purposes Committee be deleted. The reason for this is that the position is usually held by a member of the Council who is already in receipt of a special responsibility allowance.
- 3.15 It is proposed that the allowance for the post of Vice Chair of Planning Committee be deleted since it is not utilised. There is a special responsibility

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allowance made to planning committee members which exceeds the amount payable to the Vice Chair. Under the allowance scheme members are only paid one special responsibility allowance. Where a member performs more than one role which attracts a special responsibility allowance they are paid the higher of the allowances.

- 3.16 The changes shown to the Chairs of Overview and Scrutiny Committee are incidental changes arising from the constitutional changes report which is also before members at this meeting of Council.

#### *Audit Committee*

- 3.17 The Constitutional Working Group recommended that there be an independent member appointed to the Audit Committee. It is recognised that an experienced independent person could offer expertise in this area. In order to reflect this expertise and attract high calibre applicants, members are recommended to agree a small allowance.

#### *Index Linking*

- 3.18 Where a scheme provides for annual adjustment by reference to an index, the use of the index must be reviewed every 4 years by reference to the independent remuneration panel recommendations. The Council's current scheme provides for the index link to May 2011. The independent remuneration panel report is now available and accordingly a review of the index arrangements is required. The panel recommends the continued linking to the Local Government Pay Settlement ('LGPS') which effectively means uprating by reference to the annual officer pay settlement. Members are recommended to retain the reference to the LGPS for another 4 years. The practical effect of this is there will be no increase in members' allowances in May 2011, nor in future years where there is no Local Government Pay Award.

#### *Role descriptions For Members*

- 3.19 The Independent Remuneration Panel recommends that there should be job profiles for members. The members of this Council have role descriptions. Some of the role descriptions are specific, others are generic.
- 3.20 Attached as **Appendix 2** is the revised Members Allowance Scheme which members are recommended to agree.

## **4.0 Financial Implications**

- 4.1 The budget for member's allowances under the proposed scheme is £930,556 which covers only the allowances and does not cover the payroll, travel and other costs which are budgeted for separately and are not addressed here as they remain unchanged as a result of the recommendations in this report.

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## **5.0 Legal Implications**

5.1 These have been addressed in the body of the report

## **6.0 Equality and Diversity Implications**

6.1 There are none which arise in relation to this report.

### **Background Papers**

- The Local Authorities (Members Allowances) (England) Regulations 2003
- The Local Authorities (Members Allowances) (England) (Amendment) Regulations 2003
- The report of the Independent Panel to London Councils May 2010

### **Contact Officer:**

Fiona Ledden, Borough Solicitor's Office, Room 16, Brent Town Hall, Forty Lane, Wembley, HA9 9HD, Tel: 020 8937 1292.

**Fiona Ledden**  
**Borough Solicitor**

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# The Remuneration of Councillors in London 2010

Report of the Independent Panel

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# Report of the independent panel

## Introduction

The Local Authorities (Members' Allowances) (England) Regulations 2003 authorises the establishment by the Association of London Government (now London Councils) of an Independent Remuneration Panel to make recommendations in respect of the members' allowances payable by London boroughs. Such a panel was established and reported in 2001, 2003 and 2006. It has been re-constituted and now comprises Sir Rodney Brooke CBE (Chair), Professor Drew Stevenson and Anne Watts CBE.

The regulations require a review of the scheme every four years as a minimum. The current panel has therefore completed a review of remuneration for councillors in London. We present our findings and recommendations here.

As a preparation for our work, we issued a questionnaire to all the London boroughs, exploring views about the operation of the current scheme and the ways in which members engage with their communities. We are grateful for the feedback, which confirms that the existing London scheme of members' allowances is still fit for purpose, with some adjustments to take into account changed circumstances. We make recommendations accordingly.

## Public expectations

The feedback also confirms national research which demonstrates that the demands made of councillors continue to increase, as does the time commitment expected from them. There is more partnership working. Elected members must find different ways of engaging with communities they represent. Emails have greatly increased not only the accessibility of councillors, but also the pressures upon them. A more demanding electorate expects immediate responses from its councillors. Unsurprisingly, political parties report that it is increasingly difficult to find able people who are available and willing to serve as councillors.

As the government-appointed Councillors Commission observed in 2007, following the report of Sir Michael Lyons: "There is a strong view that councillors generally are poorly rewarded for the work that they do". The commission took the view (which we share) that: "Allowances should be set at a level that enables people to undertake the role of councillor while not acting as an incentive to do so. Allowances are not shown by polls to be something which influences councillors to take on the role though they are instrumental in making it possible for some people to do so. If it is important that there are no financial incentives to being a councillor, it is equally important that there should not be a financial disincentive." Members' allowances are important in enabling a wider body of people to serve as councillors.

We are emphatic that the quality of local democracy depends on the ability of councils to attract able people to serve as councillors. High performing councils have high performing members. While financial reward is not and should not be the main motivation for service as a councillor, the time demands made on councillors require the payment of reasonable remuneration if able or capable or talented people are enabled to serve as councillors. Having that in mind, we very much hope that London Councils will again endorse our recommendations.

## The current political and financial climate

However, we are acutely conscious of the present strains on public funds. Though the work of councillors constantly expands, we recognise that this is not the time to recommend an increase in allowances. Other than continuing provision for annual adjustments in accordance with the annual local government pay settlement, we therefore make no recommendations for increasing the levels of allowance recommended in our previous reports. As the Councillors Commission pointed out, the recommendations of the London panel have led to substantial convergence of members' allowances across

London (the Councillors Commission recommended a similar system for the country as a whole.) Following our recommendations, there is now considerable congruity in the basic allowance made by London boroughs. But most London authorities have not adopted our recommendations in their totality. While acknowledging the current financial stringency, we hope that circumstances will permit further convergence. We continue to believe that the allowances we recommend are entirely appropriate and commensurate with the substantial responsibilities borne by those who serve local government across the capital.

The problems or vagaries (some are issues within the system itself) of parliamentary expenses have caused anger and concern among the public, together with scepticism of the integrity of their elected representatives. However, we should like to put on record that the expenses code contained in our recommendations does not permit any of the problems which have bedevilled parliament. The relatively rare problems of members' expenses encountered in local government are not due to problems within the system.

We are conscious that there is a disappointing lack of public understanding of the role of councillors, of their work and of their fundamental part in the governance of a democratic society. We believe that some of the responsibility for this failure rests with the councils and councillors themselves. The government white paper *Communities in Control* (2008) recognises councils' position as the hub of local democracy and encourages a range of actions, including better information for residents, engaging young people and giving practical support to councillors as part of the new duty to promote democracy. London Councils' *Be a Councillor* campaign, which has now been adopted nationally, has helped attract a broader range of candidates for the London elections in May 2010.

### Transparency and accountability

The electorate should be clear what it can expect from its councillors. There should be clarity about their role. Not all councils have adopted a job description for councillors (as proposed in our 2006 report and repeated at appendix B of this report) and we again urge all councils to do so. As we recommended in 2006,

such a job description should be used as the basis for reporting by members on their activities on behalf of their electorate. Electors could then see from the reports of the councillors themselves the services which their councillors have provided to them and the efforts made on their behalf. Our 2006 report included examples of such reports, now widely used and, indeed, mandatory in a number of authorities.

A number of authorities have set up appraisal systems for councillors. We commend this initiative and believe that it should be widely adopted.

Most councillors are diligent and conscientious. However the only statutory requirement on a councillor is to attend a meeting every six months. Where members are unable, without reasonable cause, adequately to discharge their duties as a councillor, we recommend that they should not claim the basic allowance. In most cases the political parties will be able to take action in respect of councillors who are substantially failing in their duties. We believe that councillors should be regularly appraised against the job description we recommend. The electorate should recognise failure to perform if councillors do not make a public report of their activities as we recommend. But we believe that the current legislative requirement which requires a councillor to attend only one meeting every six months should be tightened, ideally by general legislation or, failing that, by the next London Government Bill.

### New executive arrangements

Under the Local Government and Public Health Act 2007, the 'strong leader' system is to be introduced. Under the terms of the act, in local authorities that have not opted for the elected mayor, a councillor is elected as leader for a four-year term following the whole council elections (though the council is able to remove the incumbent). The leader appoints the cabinet and deputy leader and decides how executive functions are discharged. We have considered whether the introduction of the new system warrants an increase in band four, the band allocated to the role of leader, comparing the role with that of elected mayor. However we believe that there is a clear distinction between

the role of strong leader and that of the elected mayor. The latter is directly elected by the electorate as a whole. The strong leader holds office at the pleasure of the council and can be removed by the council. We believe that the distinction is paramount. We do not believe that the new role warrants an increase in the allowance we recommend under band four, but we will keep the issue under review as the role develops.

### **Our comments on the points raised**

The consultation raised a number of queries which we address below before making our recommendations. We also set out our new recommendations to be set alongside those in the previous reports of the panel.

### **The use of the panel's scheme**

Although a number of councils said that they did not systematically apply the panel's recommendations, it seemed clear they did employ the recommended bands, in most cases within the range recommended, but in some cases modifying the amounts recommended. This seems entirely reasonable given the variation in size and complexity of issues facing different boroughs. There has been an overall convergence of allowances and a substantial convergence on the basic allowance, although the upper limit has not risen in real terms over the past two years.

### **Payments for directly elected mayors**

It was suggested that a local authority directly elected mayor should receive the equivalent of a minister of state's salary (£144,520). However the Mayor of London receives the equivalent sum (£143,911) and (particularly in the present climate) it is difficult to argue that a local authority directly elected mayor should receive the same as the Mayor of London. We have not felt able to accept the proposal.

### **Special Responsibility Allowances (SRAs) with different levels of commitment**

It has been suggested that different portfolios may have different weights of responsibility justifying different allowances. We believe that the range of recommended allowances within bands one, two and three allow recognition of

the different weights of portfolios where this is appropriate. The statutory government guidance recommends that not more than 50 per cent of councillors should receive a special responsibility allowance. In practice this limit is regularly exceeded. Since it was promulgated in 2003, councils have acquired additional functions. New roles have been prescribed for councillors. Councils may wish to structure their organisations in different ways. Councils with a smaller number of members may exceed the limit for logistical reasons. They may wish to exceed the limit in order to provide development posts for newer councillors. While we support the concept that that an SRA should only reflect special responsibilities, we do not believe that the limit should be applied rigidly.

### **Sickness, maternity and paternity leave**

This issue has been raised again with us. We adhere to the recommendation in our 2006 report, namely that councils should make arrangements in their allowances schemes to allow the continuance of special responsibility allowances in the case of sickness, maternity and paternity leave in the same terms that the council's employees enjoy such benefits (that is to say, they follow the same policies).

### **Membership of a committee or sub-committee which meets with exceptional frequency/membership of an adoption panel**

We are clear that the basic allowance is intended to cover the usual duties of councillors, including normal participation in committees and panels. But in order to clarify the recommendation, we recommend that the categories of special responsibility allowance payable under band one include membership of committees, sub-committees and adoption panels where membership requires attendance with exceptional frequency or for exceptionally long periods. It is for the authority to judge whether such duties impose sufficient additional demands on a member as to warrant the payment of a special responsibility allowance.

The Local Authorities (Members' Allowances) (England) Regulations 2003 include among the roles which might warrant a special responsibility allowance: "Acting as a member of

a committee or sub-committee of the authority which meets with exceptional frequency or for exceptionally long periods"; and "Acting as a member of an adoption panel". One authority has asked us to consider such memberships as meriting a special responsibility allowance, since they can impose on participating councillors time demands substantially greater than the time demands made of other councillors.

In respect of quasi-judicial work, recommendation 18 in our 2006 report proposed that where there is a sufficiently heavy workload of quasi-judicial hearings there should be a payment based on the allowances recommended for co-optees as a special quasi-judicial allowance to all members of that panel. We continue to believe that this is an appropriate measure.

### Resettlement payments for councillors

In our 2006 report we said that we would recommend that some full-time members should receive resettlement payments if they lost their seats at an election. The Councillors Commission accepted the recommendation. So did the government in its response to the report of the Councillors Commission:

*"Those who become an elected mayor, leader or executive member have a greater time commitment than ordinary councillors. These roles can become full-time positions and form a significant part of their income. We therefore recognise the short-term financial problems they might face if they lose their executive position after an election. This financial uncertainty may discourage talented people from taking on these roles. As such we will seek to introduce legislation which would enable authorities to follow recommendations of their independent panel, and introduce schemes for payments on loss of office after an election."*<sup>1</sup>

Though the legislation was introduced, it was subsequently withdrawn. We continue to hope that government will re-visit the issue. We believe that it is important in enabling councillors to forsake their careers in order to assume a leading role on their council.

### Payments to members of the standards committee

One council considered there to be a strong case to extend the current panel recommendations on the payment of allowances beyond the chair of standards committee, to all independent members of the committee. They argue that:

- The role of independent members of the standards committee is more extensive than that of co-opted members on other committees. This is both because of the quasi-judicial nature of their new work under the local complaints process, as well as the likelihood of a number of additional meetings they need to attend.
- Because of the above, independent members also need to attend additional training and keep more abreast of advice and developments.
- A flat rate allowance should be considered for all independent members of the standards committee, to replace the currently recommended rate of £240 (updated in line with local government pay increases) per meeting for the chair only.
- A higher allowance for the chair and vice chair should be considered because of the new roles of chairs of the standards (assessment), standards (review) and standards (hearings) sub-committees).

We entirely agree that there should be an annual flat rate both for chair and members of the standards committee. The 2006 panel report related the proposed allowances to the number of anticipated meetings because of the widely varying jurisdiction and practice of standards committees. The intention was and is that there should be an estimate of the number of meetings anticipated, which should be used as a multiplier of the co-optees' allowances proposed (now £256 for the chair and £127 for other members), giving an annual co-optees' allowance. We believe that the co-optees' allowance for the chair of the standards committee of £256 per meeting recommended in the 2006 report (as updated as above) continues to be reasonable. For other members the panel's 2006 report recommended a rate which is now £127 per meeting.

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<sup>1</sup> Paragraph 59 *The Government Response to the Councillors Commission* 2008

We appreciate that the jurisdiction of standards committees has been substantially increased since 2006 and that this will have had an effect on the number of meetings. However, there continues to be a substantial difference between authorities in the regularity of standards committee meetings and, on balance, we believe that the present formula continues to be appropriate. Bearing in mind the procedural requirements now imposed on standards committees in considering individual complaints, we are not convinced that there is a general case for an allowance for vice chair greater than the £127 per meeting recommended for the 'ordinary' member.

## Tax

The issue of tax has also been raised with us. Specifically there is a request that HM Revenue & Customs (HMRC) should increase the allowance claimable for using home as an office and stop the taxation of child care allowances. The Councillors Commission also recommended that, where a council pays for travelling and subsistence within council boundaries as a lump sum or as an identifiable sum factored into the basic allowance (as is the recommendation of this panel), then the payment should be free from tax and national insurance liability up to a nationally set minimum. Where specific claims for travel are authorised, then the Councillors Commission also recommended that councillors should be able to claim mileage rates up to officer casual user rate with no tax liability.

We entirely concur with these suggestions. We are aware that in different tax areas there are substantial differences in the treatment of councillors' allowances. National consistency based on an understanding of the role of councillors would be enormously helpful. The treatment by HMRC of MPs' expenses is a useful precedent. Experience has not made us optimistic that rationalisation and a sensible approach can be achieved, but it is a matter which could be helpfully pursued at national level by the Local Government Association or at London level by London Councils.



## Recommendations

1. We believe that the scheme of allowances that the panel recommended in 2001, updated in line with local government pay awards, is still appropriate. At appendix A we set out the five bands of responsibility with updated figures for the basic allowance and for the five bands.
2. We continue to believe that the roles identified in the 2006 report as attaching to the bands are still, in general terms, appropriate. Consultation has suggested other roles, but most are covered by the 2006 recommendations. We have added to the role descriptions in band one 'community leaders' and 'leaders of a specific major project'. We appreciate that such responsibilities can provide development opportunities for the leaders of the future and are analogous to other responsibilities within band one. We also recommend the inclusion of 'acting as a member of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods' and 'acting as a member of an adoption panel where membership requires attendance with exceptional frequency or for exceptionally long periods'.
3. With changes in local government structure and organisation, we accept that some cabinet roles may be more demanding than others. Although it may be sensible for many councils to remunerate cabinet members at the same level, we believe that there is sufficient width in band three to permit councils to recognise different levels of responsibility within the cabinet where this is appropriate.
4. In return for the levels of remuneration which we propose, it is important that councillors account publicly for their activities. We believe that:
  - a. role descriptions should be developed for councillors for all their areas of work;
  - b. the role descriptions should be placed on council websites;
  - c. members should report publicly on their activity through a variety of channels as illustrated in the main report; and
  - d. councils should consider the introduction of an appraisal system for members.
5. Councillors who, without reasonable cause, fail to discharge their duties should not claim the basic allowance. We believe that the legislation requiring only an attendance at a council meeting every six months should be tightened.
6. We endorse the recommendations of the 2006 report in relation to the chair and members of the standards committee.
7. We reiterate our view that only one SRA should be paid to a councillor in respect of duties with the same authority.



8. Although councillors are not employees, we believe that it is reasonable that their special responsibility allowances should not cease in case of sickness, maternity and paternity leave in the same way that employees enjoy such entitlements. We continue to recommend that councils should be able to make arrangements in their schemes in appropriate circumstances to enable this to happen.
9. We continue to recommend that the allowances we recommend should be updated annually in accordance with the headline figure in the annual local government pay settlement. We appreciate that Regulation 10(1) of the Local Authorities (Members' Allowances) (England) Regulations 2003 appears to require re-adoption of the scheme at the start of each municipal year. However Regulation 10(4) provides that the scheme will not be deemed amended by virtue only of adjustment of the scheme through indexation. If there is no other change a re-adoption can be achieved by a simple resolution.
10. While we continue to believe that intra-borough travel should be part of the basic allowance, we recognise that there are circumstances where it may be appropriate for a scheme to provide payment for the cost of transport e.g. journeys home after late meetings and for people with disabilities. In the case of dispute, we believe that the standards committee could adjudicate.
11. We strongly believe that there is need for rationalisation in the tax treatment of expenses borne by councillors and recommend that the Local Government Association be asked to pursue that at the national level, or failing that, London Councils attempt to achieve rationalisation on behalf of London.
12. We have consistently recommended that eligible councillors should be eligible for admission to the local government pension scheme and we continue to urge that councils should give their members this opportunity.

**Sir Rodney Brooke CBE DL**  
**Professor Drew Stevenson OBE**  
**Anne Watts CBE**

London  
April 2010

# Appendix A

## Basic allowance £10,597

### Special responsibilities – beyond the basic allowance

#### The case for special allowances

The reasons for payment of additional special responsibility allowances should be clearly set out in local allowances schemes. Special allowances should come into play only in positions where there are significant differences in the time requirements and levels of responsibility from those generally expected of a councillor.

#### Calculation of special allowances

The proposed amounts for each band are a percentage of the figure suggested for a council leader depending upon levels of responsibility of the roles undertaken and are explained below. We believe that the SRA, which the previous panel recommended for the leader of a London council (updated), continues to be appropriate.

### Categories of special allowances

The regulations specify the following categories of responsibility for which special responsibility allowances may be paid:

- Members of the executive where the authority is operating executive arrangements
- Acting as leader or deputy leader of a political group within the authority
- Presiding at meetings of a committee or sub-committee of the authority, or a joint committee of the authority and one or more other authorities, or a sub-committee of such a joint committee
- Representing the authority at meetings of, or arranged by, any other body
- Membership of a committee or sub-committee of the authority which meets with exceptional frequency or for exceptionally long periods
- Acting as spokesperson of a political group on a committee or sub-committee of the authority

- Membership of an adoption panel
- Membership of a licensing or regulatory committee
- Such other activities in relation to the discharge of the authority's functions as require of the member an amount of time and effort equal to or greater than would be required of him by any one of the activities mentioned above, whether or not that activity is specified in the scheme.

### Local discretion

It is for the councils locally to decide how to allocate their councillors between the different bands, having regard to our recommendations and how to set the specific remuneration within the band. They must have regard to our recommendations. We believe these should have the merits of being easy to apply, easy to adapt, easy to explain and understand, and easy to administer.

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## BAND ONE

The posts we envisage falling within band one include:

- Vice chair of a service, regulatory or scrutiny committee
- Chair of sub-committee
- Leader of second or smaller opposition group
- Service spokesperson for first opposition group
- Group secretary (or equivalent) of majority group
- First opposition group whip (in respect of council business)
- Vice chair of council business
- Chairs, vice chairs, area committees and forums or community leaders
- Cabinet assistant
- Leadership of a strategic major topic

Acting as a member of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods

Acting as a member of an adoption panel where membership requires attendance with exceptional frequency or for exceptionally long periods

Leadership of a specific major project.

### Remuneration

We propose that band one special responsibility allowances should be on a sliding scale of between 20 – 30 per cent of the remuneration package for a council leader.

This would be made up as follows:

|                     |                          |
|---------------------|--------------------------|
| Basic allowance:    | £10,597                  |
| Band one allowance: | £2,368 to £8,852         |
| <b>Total:</b>       | <b>12,965 to £19,449</b> |

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### BAND TWO

The types of office we contemplate being within band two are:

Lead member in scrutiny arrangements, such as chair of a scrutiny panel

Representative on key outside body

Chair of major regulatory committee e.g. planning

Chair of council business (civic mayor)

Leader of principal opposition group

Majority party chief whip (in respect of council business).

### Remuneration

We propose that band two allowances should be on a sliding scale between 40 – 60 per cent, pro rata of the remuneration package for a council leader.

This is made up as follows:

|                      |                           |
|----------------------|---------------------------|
| Basic allowance      | £10,597                   |
| Band two allowances: | £15,333 to £28,298        |
| <b>Total:</b>        | <b>£25,930 to £38,895</b> |

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### BAND THREE

We see this band as appropriate to the following posts:

Cabinet member

Chair of the main overview or scrutiny committee

Deputy leader of the council

### Remuneration:

We propose that band three allowances should be between 70 – 80 per cent pro rata of the remuneration package for a council leader.

This is made up as follows:

|                       |                           |
|-----------------------|---------------------------|
| Basic allowance:      | £10,597                   |
| Band three allowance: | £34,780 to £41,262        |
| <b>Total:</b>         | <b>£45,377 to £51,859</b> |

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### BAND FOUR

Leader of cabinet, including a strong leader.

This is a full-time job, involving a high level of responsibility and now includes the exercise of executive responsibilities. It is right that it should be remunerated on a basis which compares with similar positions in the public sector, while still retaining a reflection of the voluntary character of public service. We propose that the remuneration package for a council leader under band four of our scheme should be £64,824.

This is made up as follows:

|                      |                |
|----------------------|----------------|
| Basic allowance:     | £10,597        |
| Band four allowance: | £54,227        |
| <b>Total:</b>        | <b>£64,824</b> |

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## **BAND FIVE**

### Directly elected mayor

A directly elected mayor is a full-time job with a high level of responsibility and exercises executive responsibilities over a fixed electoral cycle. It is right that it should be remunerated on a basis which compares with similar positions in the public sector, while still retaining a reflection of the voluntary character of public service.

However we believe this post remains different to that of the strong leader with cabinet model. The directly elected mayor is directly elected by the electorate as a whole. The strong leader holds office at the pleasure of the council and can be removed by the council. We believe that the distinction is paramount and this should be reflected in the salary level.

We propose that a band five directly elected mayor should receive a remuneration package of 25 per cent higher than that recommended for a council leader and that it should be a salary set at **£81,029**.

# Appendix B

## On behalf of the community – a job profile for councillors

### Purposes:

1. To participate constructively in the good governance of the area.
2. To contribute actively to the formation and scrutiny of the authority's policies, budget, strategies and service delivery.
3. To represent effectively the interests of the ward for which the councillor was elected, and deal with constituents' enquiries and representations.
4. To champion the causes which best relate to the interests and sustainability of the community and campaign for the improvement of the quality of life of the community in terms of equity, economy and environment.
5. To represent the council on an outside body, such as a charitable trust or neighbourhood association.

### Key Tasks:

1. To fulfil the statutory and local determined requirements of an elected member of a local authority and the authority itself, including compliance with all relevant codes of conduct, and participation in those decisions and activities reserved to the full council (for example, setting budgets, overall priorities, strategy).
2. To participate effectively as a member of any committee or panel to which the councillor is appointed, including related responsibilities for the services falling within the committee's (or panel's) terms of reference, human resource issues, staff appointments, fees and charges, and liaison with other public bodies to promote better understanding and partnership working.
3. To participate in the activities of an outside body to which the councillor is appointed,

providing two-way communication between the organisations. Also, for the same purpose, to develop and maintain a working knowledge of the authority's policies and practices in relation to that body and of the community's needs and aspirations in respect of that body's role and functions.

4. To participate in the scrutiny or performance review of the services of the authority, including where the authority so decides, the scrutiny of policies and budget, and their effectiveness in achieving the strategic objectives of the authority.
5. To participate, as appointed, in the area and in service-based consultative processes with the community and with other organisations.
6. To represent the authority to the community, and the community to the authority, through the various forums available.
7. To develop and maintain a working knowledge of the authority's services, management arrangements, powers/duties, and constraints, and to develop good working relationships with relevant officers of the authority.
8. To develop and maintain a working knowledge of the organisations, services, activities and other factors which impact upon the community's well-being and identity.
9. To contribute constructively to open government and democratic renewal through active encouragement of the community to participate generally in the government of the area.
10. To participate in the activities of any political group of which the councillor is a member.
11. To undertake necessary training and development programmes as agreed by the authority.
12. To be accountable for his/her actions and to report regularly on them in accessible and transparent ways.

# The independent panel members



**Sir Rodney Brooke** has a long career in local government, including as chief executive of West Yorkshire County Council, Westminster City Council and the Association of Metropolitan Authorities. He was knighted in 2007 for his contribution to public service.



**Anne Watts CBE** has an extensive career in equality and diversity that spans the private, voluntary and public sectors with organisations including the Open University, the Commission for Equality and Human Rights and Business in the Community. She has chaired the NHS appointments commission for the past three years.



**Professor Drew Stevenson OBE** is professor of regeneration at the University of East London and has been involved in London local government at a senior level for more than 20 years, including as chief executive of Newham and as policy advisor to the Mayor of London.







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***PART 8***  
***MEMBERS ALLOWANCE SCHEME***

**The London Borough of Brent, in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003 and the Local Government Act 1972 hereby makes the following Scheme.**

#### **Introduction**

1. This is The London Borough of Brent Members' Allowances Scheme. The allowances in Schedule 1 shall become effective from 1<sup>st</sup> December 2003 and will continue (subject to paragraph 10) until a further decision of the Council.

#### **Interpretation**

In this Scheme:

"Councillor" means a member of the London Borough of Brent who is a Councillor.

"Year" means a period of 12 months ended 31 March.

"Week-day" means a day between Monday and Friday (inclusive).

#### **Basic Allowance**

2. For each year a basic allowance as set out in Schedule 1 of this Scheme shall be paid to each Councillor.

#### **Special Responsibility Allowances**

3. (1) For each year, a Special Responsibility Allowance shall be paid to those Councillors who have the Special Responsibilities in relation to the authority that are specified in Schedule 1 of this Scheme.
- (2) The amount of each such Allowance shall be the amount specified against that Special Responsibility in Schedule 1.
- (3) No member shall receive more than one Special Responsibility Allowance.

#### **Allowances for voting co-opted members and independent members on Standards Committee**

4. For each year an allowance as set out in Schedule 1 of this Scheme shall be paid to the education voting co-opted members and the Independent members.

#### **Travel Allowances**

5. (1) A travel allowance may be claimed by a councillor or voting co-opted member or independent member in respect of the cost of travel to or from a meeting or conference or other similar event (together referred to as a "meeting" for the purposes of this Scheme) provided that:
  - (a) the meeting is of a type specified in the regulations (an extract of which is reproduced for information purposes only at Schedule 2 to the Scheme);

- (b) the allowance will be for reimbursement only of the reasonable costs of standard class travel;
  - (c) an allowance can only be claimed for travel outside of the borough;
  - (d) approval of the claim is sought from the Mayor's Office Manager prior to the meeting; and
  - (e) no allowance may be claimed for travel to any meeting of the Council or a meeting of a committee or sub-committee of the Council (other than a joint committee).
- (2) Claims for car mileage or travel by bicycle shall be made in accordance with the scheme that is in place from time to time for officers

#### **Civic dignitaries**

6. In accordance with the necessary tax dispensation, for each year the allowances set out in schedule 1 shall be paid to the Mayor and Deputy Mayor to meet the expenses of their office.

#### **Renunciation**

7. A Councillor (or voting co-opted or independent member) may, by notice in writing given to the Mayor's Office Manager, elect to forego any part of their entitlement to an allowance under this Scheme.

#### **Part-year Entitlements**

8. In so far as this scheme has effect for only part of a year or where, in the course of a year, this Scheme is amended or a Councillor or voting co-opted or independent member becomes or ceases to be a Councillor or voting co-opted or independent member, or accepts or relinquishes a special responsibility in respect of which a Special Responsibility Allowance is payable, the entitlement to such an allowance shall be to such part of the allowance as bears to the whole in the same proportion as the number of days during which their term of office subsists bears to the number of days in that year.

#### **Claims and Payments**

9. (1) A claim for travel allowance or voting co-opted or independent members allowance under this Scheme shall be made in writing within two months of the date on which the duty in respect of which the entitlement to the allowance arises.
- (2) Payments shall be made:
- (a) in respect of Basic and Special Responsibility Allowances, subject to Sub-Paragraph (4) below, in instalments of one-twelfth of the amount specified in this Scheme on a day each month as determined by the Mayor's Office Manager.

- (b) in respect of Mayoral and Deputy Mayoral allowances, in accordance with a scheme for which a tax dispensation has been given.
  - (c) in respect of travel allowances, on the day as determined by the Mayor's Office Manager in respect of claims received up to the last day of the preceding month.
- (3) Where a payment of one-twelfth of the amount specified in this Scheme in respect of a Basic Allowance or a Special Responsibility Allowance would result in the Councillor receiving more or less than the amount to which, by virtue of Paragraph 8, he or she is entitled, the payment shall be such amount as will ensure that no more or no less is paid than the amount to which he or she is entitled.
  - (4) A record of all payments made under this Scheme showing recipient, nature and amount shall be maintained and made available for public inspection.
  - (5) No member may claim an allowance under this Scheme if he or she is already claiming an allowance from another authority in respect of the same duties
  - (6) Where an allowance has already been paid in respect any period during which the person claiming the allowance was not entitled to so claim the Council may recover the amount paid.

#### Annual Uplift

10. Basic, special and civic allowances payable under this Scheme shall be increased with effect from each April by a percentage equal to the inflation pay award agreed as part of the Local Government Pay Settlement in the previous financial year, unless otherwise determined by the Council. ~~This annual uplift shall cease to apply after 21<sup>st</sup> May 2011. This annual uplift shall cease to apply after 1<sup>st</sup> October 2014.~~

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#### Suspension

11. Where a councillor or voting co-opted or independent member is suspended or partially suspended, all member allowances will be withdrawn from that councillor, voting co-opted member or independent member for the period of suspension or partial suspension, including travel or any allowances payable under this scheme.

#### Pensions

12. (a) The following members of the Council are entitled to pensions in accordance with a members pension scheme:  
*[none]*
- (b) The following allowances shall be treated as amounts in respect of which such pensions are payable:  
*[none]*



Schedule 1

| Allowance                                                                                                            | Number of Posts /Amount (£)                     | Total (£)               |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------|
| <b>Basic</b><br>Payable to all councillors                                                                           | 63 x 7,974                                      | 502,362                 |
| <b>Special responsibility</b><br>Only one special responsibility allowance will be paid to any one member            |                                                 |                         |
| <b>Post</b>                                                                                                          |                                                 |                         |
| Leader                                                                                                               | 1 x 35,222                                      | 35,222                  |
| <b>Executive members</b><br>Deputy Leader<br>Other Executive members                                                 | 1 x 24,655<br>8 x 14,969                        | 144,407                 |
| Chairs of the Overview and Scrutiny Committees                                                                       | 4.5 x 4,777                                     | 4,77723,885             |
| <del>Chairs of Select Committees and Scrutiny Panels</del>                                                           | <del>5 x 4,777</del>                            | <del>23,885</del>       |
| <b>Chair of Council committees</b><br>Planning Committee<br><del>General Purposes Committee</del><br>Audit Committee | 1 x 13,208<br><del>1 x 6,163</del><br>1 x 2,113 | <del>21,484</del> 15321 |
| <b>Co-chair Youth Parliament</b>                                                                                     | 1 x 2,113                                       | 2,113                   |
| <del>Vice Chair of Council committees<br/>Planning Committee</del>                                                   | <del>1 x 2,113</del>                            | <del>2,113</del>        |
| <b>Chairs of sub-committees</b><br>Pension Fund Sub-Committee                                                        | 1 x 2,113                                       | 2,113                   |
| <b>Chairs of Service User Consultative Forums</b>                                                                    | 5 x 2,113                                       | 10,565                  |
| <b>Chairs of Area Consultative Forums</b>                                                                            | 5 x 4,777                                       | 23,885                  |
| <b>Members of Alcohol and Entertainment Licensing Committee</b>                                                      | 15 x 2,113                                      | 31,695                  |
| Members of the Planning Committee                                                                                    | 10 x 3,170                                      | 31,700                  |
| Member of Adoption and Permanency Panel                                                                              | 1 x 3,170                                       | 3,170                   |
| Member of the Fostering Panel                                                                                        | 1 x 3,170                                       | 3,170                   |
| Group Leaders                                                                                                        | 3 x 12,658                                      | 37,974                  |

|                                                      |                                                     |                                        |
|------------------------------------------------------|-----------------------------------------------------|----------------------------------------|
| Deputy Group Leaders                                 | 3 x 10,126                                          | 30,378                                 |
| Group Whips                                          | 3 x 5,473                                           | 16,419                                 |
|                                                      | <b>TOTAL for Basic and Special Responsibilities</b> | <b>914379</b><br><u>1458126927438</u>  |
| <b>Allowance</b>                                     | <b>Number of Posts /Amount (£)</b>                  | <b>Total (£)</b>                       |
| <b>Civic responsibility</b>                          |                                                     |                                        |
| Mayor                                                | 1x 7,616                                            | 7,616                                  |
| Deputy Mayor                                         | 1 x 5,606                                           | 5,606                                  |
|                                                      | <b>TOTAL</b>                                        | <b>13,222</b>                          |
| <b>Co-opted and Independent Members</b>              |                                                     |                                        |
| Voting co-opted members                              | 4 x 220                                             | 880                                    |
| Independent members                                  | 4 x 415                                             | 1660                                   |
| <u>Non Voting co-opted member of Audit Committee</u> | <u>1 x 415</u>                                      | <u>415</u>                             |
|                                                      | <b>TOTAL</b>                                        | <b>2,540,2955</b>                      |
|                                                      | <b>TOTAL FOR SCHEME</b>                             | <b>930556</b><br><u>9432001473888*</u> |

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*\*This figure represents the maximum indicative total cost of the scheme. Since members may only claim one SRA some of the allowances included in the scheme are not taken up and so the actual total cost of the scheme may be less than that shown above.*


## SCHEDULE 2

### Extract from The Local Authorities (Members Allowances) (England) Regulations 2003

#### Travelling and subsistence allowance

8. (1) A scheme may provide for the payment to members of an authority of an allowance in respect of travelling and subsistence ("travelling and subsistence allowance"), including an allowance in respect of travel by bicycle or by any other non-motorised form of transport, undertaken in connection with or relating to such duties as are specified in the scheme and are within one or more of the following categories -
- (a) the attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;
  - (b) the attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority and one or more local authority within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee provided that -
    - (i) where the authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited, or
    - (ii) if the authority is not so divided, it is a meeting to which at least two members of the authority have been invited;
  - (c) the attendance at a meeting of any association of authorities of which the authority is a member;
  - (d) the attendance at a meeting of the executive or a meeting of any of its committees, where the authority is operating executive arrangements;
  - (e) the performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;
  - (f) the performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorize the inspection of premises;
  - (g) the performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any school approved for the purposes of section 342 (approval of non-maintained special schools) of the Education Act 1996, and
  - (h) the carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or of any of its committees or sub-committees.

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|                                                                                         |                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | <p style="text-align: center;"><b>Full Council</b><br/>13 September 2010</p> <p style="text-align: center;"><b>Report from the Director of Finance and Corporate Resources</b></p> |
| For Action                                                                              | Wards Affected:<br>None                                                                                                                                                            |
| <p style="text-align: center;"><b>The Treasury Management Annual Report 2009/10</b></p> |                                                                                                                                                                                    |

## 1. SUMMARY

The purpose of this report is to provide information to members on borrowing and investment activity, and performance compared to prudential indicators during 2009/10. It also sets out revised requirements in the 2009 Treasury Management Code of Practice. The Code requires that the Treasury Management Annual Report should be agreed by Full Council.

## 2. RECOMMENDATIONS

Full Council is asked to:

- 2.1 Adopt the 2009 Treasury Management Code of Practice (paras 3.3 – 3.5)
- 2.2 Approve the Treasury Management Annual Report (section 3); and Annual Investment Strategy Report (section 4)
- 2.3 Note the outturn for prudential indicators (section 5)
- 2.4 Note the updated position in 2010/11 (para.3.25).

## 3. TREASURY MANAGEMENT ANNUAL REPORT

- 3.1 Full Council adopted the 2002 CIPFA Code of Practice on Treasury Management in Local Authorities in September 2002. The Code stipulates that the Chief Financial Officer should set out in advance to Full Council the treasury strategy for the forthcoming financial year, and subsequently report the treasury management activities during that year. The report will also go to the Audit Committee. This section of the report details:-

- a) The economic background for 2009/10 (paras 3.6 to 3.7)

- b) The agreed treasury strategy (para 3.8)
- c) Borrowing activity during 2009/10 (paras 3.9 to 3.12)
- d) Lending activity during 2009/10 (paras 3.13 to 3.21)
- e) Overall interest paid and received (para 3.22)
- f) Developments since the year end (paras 3.23 – 3.24)

3.2 Treasury management in this context is defined as ‘the management of the local authority’s cash flows, its banking, money market (mainly short term borrowing and lending) and capital market (long term borrowing) transactions; the effective control of the risks associated with those activities; and the pursuit of the optimum performance consistent with those risks.’ This means that the pursuit of additional returns must be placed within the framework of the prudent protection of the council’s cash balances and a rigorous assessment of risk.

### **2009 REVISED TREASURY MANAGEMENT CODE OF PRACTICE**

3.3 CIPFA issued a revised Code of Practice in December 2009 to improve procedures in the light of the Icelandic banking crisis. This report is the first opportunity for the Full Council to approve the Code. The revised Code follows previous Codes that have been adopted by the Council. Public sector organisations are required to adopt the following four clauses as part of their standing orders, financial regulations, or other formal policy documents appropriate to their circumstances:-

- a) This organisation will create and maintain, as the cornerstones for effective treasury management:
  - a treasury management policy statement (TMPS) stating the policies and objectives of its treasury management activities
  - suitable treasury management practices (TMP), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and the TMPs will follow the recommendations contained in Sections 6 and 7 of the Code.

- b) The full council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- c) This organisation delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive, and for the execution and administration of treasury management decisions to the Director of Finance. The Director will act in accordance with the organisation’s policy statement and TMPs and CIPFA’s Standard of Professional Practice on Treasury Management.



- d) This organisation nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 3.4 CIPFA also recommends that an organisation's treasury management policy statement adopts the following forms of words to define the policies and objectives of its treasury management activities:-
- 1 Treasury management is 'the management of the organisation's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'
  - 2 Brent Council regards the successful identification, monitoring and control of risk to be the prime criterion by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the authority.
  - 3 Brent Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.
- 3.5 The detailed treasury management practices set out in the Code also seek to address some of the perceived shortcomings in treasury management in local government, as follows:-
- a) Improved reporting arrangements. It is proposed that there should be a mid-year review, and regular monitoring reports on treasury management activities and risks. Additional reporting will be supported by training for members to assist them in the scrutiny of activities. The Audit Committee already receives regular reports on treasury management, and a mid-year report will be presented in the autumn.
  - b) Where credit ratings are used, authorities should have regard to the ratings issued by all three main agencies, and make their decisions on the basis of the lowest rating. Ratings should be kept under regular review and 'ratings watch' notices acted upon. Other information sources should also be used. The Brent Lending List is consists of very high quality UK financial institutions. The new treasury Adviser, Arlingclose, undertakes its own credit research as well as supplying data from the credit agencies.
  - c) Use of external service providers, such as advisers, should be subject to regular review and the terms of appointment should be clear. Brent has recently reviewed its adviser and appointed Arlingclose.

#### **ECONOMIC AND MARKET BACKGROUND DURING 2009/10**

- 3.6 The world economy began the financial year in recession, though the Chinese and Indian economies continued to grow rapidly. UK GDP shrank by 4.9% in 2009, USA by 2.4%, Euro area 4.0% and World by 0.8%. Although the UK did

not return to growth until Q4 2009, the USA and Europe emerged from recession earlier. However, as the year progressed any growth remained slow as banks were unable / unwilling to lend and borrowers were unwilling to increase existing debts. In both UK and USA, quantitative easing (governments buying back debt and increasing the money supply) supported activity and reduced longer term interest rates. Inflation initially fell sharply (RPI fell to -1.6%) but rose towards the end of the year as VAT returned to 17.5%, energy prices recovered and the long term effects of the 2008 fall in the value of sterling (around 25%) increased prices (RPI +5.3% at year end). However, bank rate remained at 0.5% as monetary policy sought to encourage economic activity and assumed that inflation would fall to reflect low economic activity. Overnight interest rates remained very low, at 0.25% - 0.4%. Fiscal policy has also been very loose, with the government running a large payments deficit. Although the UK returned to growth in Q4 2009, it appears that recovery will be slow.

- 3.7 As indicated in Table 1, very long-term (50 year) interest rates were fairly stable, with a trough in early autumn. Shorter periods have risen from the extreme levels following the bank collapses in 2008, but have remained relatively low reflecting bank rate, quantitative easing and poor economic prospects. The interest rate yield (return) curve remained 'normal', with rates rising up to around 15 year duration, then almost stable through to 50 years..

**Table 1 – PWLB Interest rates during 2009/10**

|         | <b>1<sup>st</sup> April<br/>2009<br/>%</b> | <b>30 June<br/>%</b> | <b>30 Sept.<br/>%</b> | <b>31 March<br/>2010<br/>%</b> |
|---------|--------------------------------------------|----------------------|-----------------------|--------------------------------|
| 10 year | 3.36                                       | 3.68                 | 3.80                  | 4.19                           |
| 25 year | 4.28                                       | 4.47                 | 4.19                  | 4.47                           |
| 50 year | 4.57                                       | 4.48                 | 4.25                  | 4.70                           |

**STRATEGY AGREED FOR 2009/10**

- 3.8 On the basis of advice and research from Butlers (then our treasury adviser), Capital Economics and managers, it was anticipated that bank rate would fall to 1% or less, and that long term rates would fall under the pressures from declining economic activity and quantitative easing. The Treasury Management Strategy emphasised security – a reduced lending list until credit conditions improved, and lending for short periods. Whereas previously Brent has maintained borrowing at the Capital Financing Requirement – defined as the difference between the authority’s total liabilities in respect of capital expenditure financed by borrowing and the provision that has been made to meet those liabilities in the revenue accounts - it was agreed that the strategy would be flexible and recognise that short term rates may remain low for a considerable period. It was envisaged that less borrowing would also reduce the level of deposits with banks and other borrowers. Finally, it was agreed that officers would look for opportunities to restructure debt, but that low rates may make this uneconomic.

## BORROWING ACTIVITY DURING 2009/10

- 3.9 The split of the council's treasury portfolio between fixed interest and variable loans and investments, as at 31 March 2010, is set out in Table 2.

**Table 2 – Treasury portfolio at 31<sup>st</sup> March 2010 – loans and investments**

|                              | 31.03.09<br>Actual<br>£m | 31.03.2010    |              |
|------------------------------|--------------------------|---------------|--------------|
|                              |                          | Planned<br>£m | Actual<br>£m |
| Fixed rate loans – PWLB      | 512.0                    | 574.5         | 522.0        |
| Variable rate loans – PWLB   | -                        | -             | -            |
| Variable rate loans – Market | 85.5                     | 85.5          | 85.5         |
| Short-term loans – Market    | 69.5                     | -             | 52.0         |
| <b>Total Debt</b>            | <b>667.0</b>             | <b>660.0</b>  | <b>659.5</b> |
| <b>INVESTMENTS</b>           | <b>97.2</b>              | <b>74.0</b>   | <b>69.0</b>  |
| <b>NET DEBT</b>              | <b>569.8</b>             | <b>586.0</b>  | <b>590.5</b> |

- 3.10 The average rate of interest payable by Brent Council on its loans has fallen from 5.09% in 2007/08, to 4.87% in 2008/09, and to 4.6% in 2009/10. A debt restructuring was undertaken in March 2009, repaying £64.8m of PWLB loans and taking advantage of cheaper short term debt. In 2009/10 Brent Council did not undertake any debt restructuring, but took two new PWLB £10m loans at 4.2% (50 years) and 3.55% (10 years) respectively.
- 3.11 The PWLB has revised its policy on the calculation of premia / discounts for the early repayment of debt. The PWLB now issues rate notices twice a day, and has marginally reduced the premia payable / discounts receivable for early repayment. This may help with debt restructuring.
- 3.12 The duration and average interest rate, of loans in the treasury portfolio at 31<sup>st</sup> March 2010 is set out in Table 3.

**Table 3 – Treasury portfolio at 31<sup>st</sup> March 2010 – duration/interest rates**

| Maturing Within   | £m                  |                     | Share of total debt % | Average Interest Rate 2009/10 % |
|-------------------|---------------------|---------------------|-----------------------|---------------------------------|
|                   | 31.03.09            | 31.03.10            |                       |                                 |
| 1 Year            | 79.5                | 52.0                | 7.9                   | 0.45                            |
| 1 – 2 Years       | -                   | -                   | -                     | -                               |
| 2 – 3 years       | -                   | -                   | -                     | -                               |
| 3 – 4 years       | -                   | -                   | -                     | -                               |
| 4 – 5 years       | -                   | -                   | -                     | -                               |
| 5 – 6 years       | -                   | -                   | -                     | -                               |
| 6 – 10 Years      | -                   | 10.0                | 1.5                   | 3.55                            |
| 10 – 15 Years     | 5.0                 | 5.0                 | 0.7                   | 8.88                            |
| Over 15 Years     | 497.0               | 507.0               | 76.9                  | 4.94                            |
| Variable – PWLB   | -                   | -                   | -                     | -                               |
| Variable – Market | <u>85.5</u>         | <u>85.5</u>         | <u>13.0</u>           | <u>4.58</u>                     |
| <b>TOTAL</b>      | <b><u>667.0</u></b> | <b><u>659.5</u></b> | <b><u>100.0</u></b>   | <b><u>4.60</u></b>              |

**LENDING ACTIVITY DURING 2009/10**

- 3.13 The council's investments averaged £86m during 2009/10 (£126m during 2008/09) and earned £2.2m in interest. Returns were assisted by the portfolio of long term deposits (deposited in 2007 and 2008 for up to three years), a number of which continued to generate returns in excess of 5% per annum when overnight rates had fallen to 0.25%. The amount invested varied from day to day depending on cash-flow and the Council's borrowing activity. Responsibility for investing funds was split between the in-house team, which manages approximately 75% of the investments and an external house managing approximately 25% of the investments.
- 3.14 Investments by the in-house team were made primarily with the intentions of achieving security and liquidity, and were all placed with call accounts (for money market funds) or for periods up to one month. A total of £396m was lent during 2009/10 (£624m 2008/09). Rates achieved ranged between 0.25% and 0.5%, with the average rate being 2.54% (2008/09 5.25%). Loans were made to high quality counterparties included on the Treasury Lending list. Appendix 1 lists the deposits outstanding at 31<sup>st</sup> March 2010.
- 3.15 The financial tsunami following the bankruptcy of Lehman brothers forced a number of banks into administration in the autumn of 2008, and the collapse of the main Icelandic banks (7<sup>th</sup> October 2008). Brent Council has two deposits outstanding with Icelandic banks, as follows:-

|           |      |       |               |                   |
|-----------|------|-------|---------------|-------------------|
| Heritable | £10m | 5.85% | Lent 15.08.08 | Due back 14.11.08 |
| Glitnir   | £5m  | 5.85% | Lent 15.09.08 | Due back 12.12.08 |

- 3.16 The Council continues to work with the Local Government Association and other authorities to recover the loans. All other deposits have been repaid on time. The most recent advice from CIPFA, the Department for Communities and Local Government (DCLG) and the Local Government Association (LGA) states that authorities are likely to be treated as preferred creditors to Glitnir. It was hoped that Brent would recover both deposit and interest during 2009/10. However, the Winding Up Board for Glitnir has proposed that local authority deposits be treated as ordinary creditors (only likely to recover around 30% of their losses), meaning that legal action will continue – our legal advisers, Bevan Brittan, believe that the deposit will be recovered. The administrators for Heritable have repaid £3.5m in 2009/10, a further £633,000 in July 2010, and state that creditors should receive 80% / 85% of deposit plus interest to October 2008, by instalments to 2012.
- 3.17 Regular reports have been made to the Audit Committee during 2009/10 on loans outstanding, the House of Commons Select Committee Report on loans to Icelandic Banks and revised treasury procedures.
- 3.18 External cash managers were initially appointed in 1998 to manage two portfolios with the aim of achieving an improved return at an acceptable level of risk. Aberdeen Asset Management has managed a portfolio throughout the period. The value of the Aberdeen's portfolio was £23.3m as at 31<sup>st</sup> March 2010 (£22.8m 2009). Actual performance for 2009/10 (2008/09 in brackets), and the three and five years to 2009/10 are set out in Table 4.

**Table 4 - Performance of Aberdeen Asset Management and the In-House team against benchmark**

|                    | <b>Aberdeen<br/>%</b> |  | <b>Brent<br/>in-house<br/>%</b> | <b>7 Day LIBID<br/>Benchmark<br/>%</b> |
|--------------------|-----------------------|--|---------------------------------|----------------------------------------|
| <b>2009/10</b>     | 1.9 (7.0)             |  | 2.8 (5.25)                      | 0.4 (3.8)                              |
| <b>Three Years</b> | 4.9                   |  | 4.4                             | 3.3                                    |
| <b>Five Years</b>  | 4.8                   |  | 4.6                             | 3.8                                    |

- 3.19 Aberdeen outperformed the benchmark in 2009/10 by using longer dated certificates of deposit of up to twelve months duration with financial institutions on the Brent lending list.
- 3.20 The in-house team did not have access to the same wider range of lending instruments as the managers (gilts or CDs), but was able to add value by using money market funds (pooled funds managed by city finance houses) and benefiting from previous long term deposits. The Brent strategy had previously identified that core balances of £60m would not be needed for immediate cash flow purposes, so that £60m could be lent for periods up to three years. The 2009 debt repayment has reduced the core balance.
- 3.21 The three and five year records indicate that Aberdeen has achieved their out-performance target (+0.5% per annum). Aberdeen is among the best managers over all periods (there are around ten in the market).

## TOTAL INTEREST PAID AND RECEIVED

- 3.22 Total interest paid and received in 2009/10 is shown in Table 5. The reduced interest paid on external debt reflects the restructuring in March 2009 and short term borrowing at lower rates. The reduced interest received on deposits reflects lower market rates and lower cash balances.

**Table 5 – Overall interest paid and received in 2009/10**

|                                | <b>Budget<br/>£m</b> | <b>Actual<br/>£m</b> |
|--------------------------------|----------------------|----------------------|
| Interest paid on external debt | 33.2                 | 29.8                 |
| Interest received on deposits  | 3.0                  | 2.2                  |
| Debt management expenses       | 0.3                  | 0.3                  |

By way of comparison, interest received on deposits was £6.2m in 2007/08 (budget £3m) and £7.0m in 2008/09 (budget £3.5m).

## OTHER DEVELOPMENTS

- 3.23 Following a review, the treasury adviser Butlers was replaced by Arlingclose in March 2010. It was felt that Arlingclose were very strong in the area of credit management and risk – the house spotted the Icelandic and other banking problems very early, and they have different ideas from the norm on the composition of a lending list. The team is very experienced, and it is expected that the house will give Brent a more individual service.
- 3.24 In response to concerns raised about scrutiny of treasury management, a training seminar for members was held in May 2009. The seminar covered such topics as the regulatory framework, sources of advice, lending and borrowing policies, debt restructuring and reporting, and was attended by around 20 members. It is planned that a second seminar will be held in autumn 2010.

## DEVELOPMENTS SINCE THE END OF THE YEAR

- 3.25 Although the UK financial markets have been fairly calm since the end of the financial year, European, share and foreign exchange markets have been turbulent in response to concerns about credit worthiness and debt. Short term interest rates remain very low, and long term rates have fallen in response to 'flight to safety' concerns and the growing belief that economic recovery will be very slow and monetary conditions loose. If financial stability continues to improve, it is expected that a revised Brent Lending List - that has previously been scrutinised by the Audit Committee – will be implemented so that lending recommences to high quality overseas banks, but only if security concerns are met. The list of loans outstanding as at 30<sup>th</sup> June 2010 is attached as Appendix 2.

## 4 ANNUAL INVESTMENT STRATEGY



- 4.1 Regulations issued under the 2003 Local Government Act require that councils agree an Annual Investment Strategy (AIS) before the beginning of each year, setting out how investments will be prudently managed with close attention to security and liquidity. The AIS for 2009/10 was agreed by Full Council in March 2009. The AIS sets out the security of investments used by the authority analysed between Specified (offering high security and liquidity, with a maturity of no more than one year) and Non-Specified (entailing more risk or complexity, such as gilts, certificates of deposit or commercial paper) investments. The AIS also sets out the maximum duration of deposits.
- 4.2 To discourage the use of investments that may be considered speculative, the acquisition of share or loan capital in any body corporate (such as a company) is defined as capital expenditure. On this basis, the Council does not invest treasury balances in shares, corporate bonds or floating rate notes issued by companies, though there is authority to invest through pooled schemes which are not considered capital expenditure.
- 4.3 Treasury activity has complied with the AIS in 2009/10. The approach has been to lend for short periods to high quality counterparties, reducing risk. As loans have matured, receipts have been used to minimise borrowing.

## 5. PRUDENTIAL INDICATORS – 2009/10 OUTTURN

- 5.1 The introduction of the new prudential system of borrowing in the 2003 Local Government Act (LGA) gave new opportunities for councils to assess their requirements for capital spending, and not have them restricted by nationally set approvals to borrow money (credit approvals), as previously. The new system also brought new responsibilities on councils to ensure that:
- capital expenditure plans are affordable;
  - all external borrowing and other long term liabilities are within prudent and sustainable levels;
  - treasury management decisions are taken in accordance with good professional practice.
- 5.2 Under regulations issued under the 2003 LGA councils are required to follow the Prudential Code issued by CIPFA which sets out how councils ensure responsible use of new freedoms. The Code details indicators that councils are required to set before the beginning of each year, to monitor during the year, and to report on at the end of each year.
- 5.3 The outturn for prudential indicators measuring affordability is set out in Table 6. General Fund and HRA capital financing charges as a proportion of total budget were lower than the original estimates principally because the average borrowing rate fell to 4.60%. There was no unsupported borrowing in 2009/10.

**Table 6 – Prudential indicators measuring affordability**

|                                                                  | 2009/10<br>(estimates) | 2009/10<br>(actual) |
|------------------------------------------------------------------|------------------------|---------------------|
| Capital financing charges as a proportion of net revenue stream: |                        |                     |

|                                     |        |        |
|-------------------------------------|--------|--------|
| - General Fund                      | 8.69%  | 8.41%  |
| - HRA                               | 34.71% | 32.59% |
| Impact of unsupported borrowing on: |        |        |
| - Council tax at Band D             | £2.10  | £0.00  |
| - Weekly rent                       | -      | -      |

5.4 The outturn for prudential Indicators for capital spending is set out in Table 7. Movements within the capital programme, including slippage between years and resources becoming available during the year, were reported in the Performance and Finance Outturn report to the Executive in July 2010. Capital spending is funded from a variety of resources, including government grants, capital receipts, revenue contributions, Section 106 contributions and borrowing. This means that movements in capital spending are not directly reflected in movements in the Capital Financing Requirement (CFR), which principally reflects borrowing requirements. Total borrowing in 2009/10 was lower than anticipated which meant a reduction in the overall CFR. However, due to the introduction of International Financial Reporting Standards it has become necessary to include two Private Finance Initiative schemes on the council's balance sheet, adding approximately £30m to the CFR.

**Table 7 – Prudential indicators measuring capital spending and CFR**

|                                                            | <b>2009/10<br/>Estimates<br/>£m</b> | <b>2009/10<br/>Actual<br/>£m</b> |
|------------------------------------------------------------|-------------------------------------|----------------------------------|
| Planned capital spending:                                  |                                     |                                  |
| - General Fund                                             | 106.211                             | 79.666                           |
| - HRA                                                      | 28.352                              | 24.671                           |
| - Total                                                    | 134.573                             | 104.337                          |
| Estimated capital financing requirement for <sup>1</sup> : |                                     |                                  |
| - General Fund                                             | 304.558                             | 333.057                          |
| - HRA                                                      | 330.693                             | 330.241                          |
| - Total                                                    | 635.251                             | 663.298                          |

5.5 The Council also sets prudential indicators for external debt which are shown in Table 8. This is to ensure that the council's overall borrowing is kept within prudent limits. The authorised limit for external borrowing is set flexibly above the CFR to allow for opportunities to restructure debt or borrow early when interest rates are favourable. The Operational Boundary sets out the expected maximum borrowing during the year, again allowing for cash flow, interest rate opportunities and possible restructuring. In 2009/10 the council did not undertake any debt restructuring, and did not exceed the Operational Boundary for external debt.

<sup>1</sup> The Capital Financing Requirement estimates in this table are at 31<sup>st</sup> March of each year.

**Table 8 – Prudential indicators for external debt**

| <b>Indicator</b>                       | <b>Limit</b> | <b>Status</b> |
|----------------------------------------|--------------|---------------|
| Authorised limit for external debt     | £810m        | Met           |
| Operational boundary for external debt | £710m        | Met           |
| Net borrowing                          | Below CFR    | Met           |

- 5.6 The prudential indicators for treasury management, which are included in Table 9 below, were all met. These are set to ensure that interest rate exposures are managed to avoid financial difficulties if interest rates rise sharply. Although borrowing at variable rates can be advantageous if rates are falling, a sharp rise can cause budget difficulties, and force the Council to fix rates at an inopportune time. Again, managing loan durations ensures a variety of maturity dates to avoid all re-financing happening when rates may be high. Finally, the upper limit on investments of more than one year allows flexibility to lend for longer periods if interest rates make this advantageous, particularly by external managers investing in gilts, but also ensures that a minimum level of balances is available for cash flow purposes. Deposits have been short term, and long term loans have been run down during the year.

**Table 9 – Prudential indicators for treasury management**

| <b>Indicator</b>                                        | <b>Limit</b> | <b>Outcome</b> |
|---------------------------------------------------------|--------------|----------------|
| <b>Treasury Management Code</b>                         |              | Adopted        |
| <b>Exposure to interest rate changes</b>                |              |                |
| - fixed rate upper limit                                | 100%         | 100%           |
| - variable rate upper limit                             | 40%          | 8%             |
| <b>Maturity of fixed interest loans</b>                 |              |                |
| Under 12 months                                         |              |                |
| - upper limit                                           | 40%          | 8%             |
| - lower limit                                           | 0%           | 2%             |
| 12 months – 24 months                                   |              |                |
| - upper limit                                           | 20%          | 0%             |
| - lower limit                                           | 0%           | 0%             |
| 24 months – 5 years                                     |              |                |
| - upper limit                                           | 20%          | 0%             |
| - lower limit                                           | 0%           | 0%             |
| 5 years – 10 years                                      |              |                |
| - upper limit                                           | 60%          | 2%             |
| - lower limit                                           | 0%           | 0%             |
| Above 10 years                                          |              |                |
| - upper limit                                           | 100%         | 96%            |
| - lower limit                                           | 30%          | 92%            |
| <b>Upper limit on investments of more than one year</b> | <b>£60m</b>  | <b>£40m</b>    |

## **6. MINIMUM REVENUE PROVISION**

- 6.1 The Local Authorities (Capital Finance and Accounting) Regulations 2003 set out the requirement that councils set aside a minimum of 4% of their General Fund capital financing requirement to repay principal on debt, regardless of the length of life of the asset that was being financed.
- 6.2 Revised regulations which amend this requirement were issued in 2008.<sup>2</sup> Under the new regulations councils are required to set an amount of Minimum Revenue Provision which is 'prudent'. The definition of what counts as 'prudent' is set out in statutory guidance which has been issued by the Secretary of State for Communities and Local Government and which authorities are required to 'have regard' to.
- 6.3 Under the guidance councils are required to prepare an annual statement of their policy on making Minimum Revenue Provision to Full Council. The purpose of this is to give Members the opportunity to scrutinise use of the additional freedoms and flexibilities under the new arrangements. This Policy Statement was submitted and approved by the Full Council at its meeting in March 2010 within section 10 of the Budget Setting report.

<sup>2</sup> Local Authorities (Capital Finance and Accounting) (Amendment) Regulations 2008 – SI 2008/404

## **7. FINANCIAL IMPLICATIONS**

7.1 Financial implications are set out within the report.

## **8. DIVERSITY IMPLICATIONS**

8.1 The proposals in this report have been subject to screening and officers believe that there are no diversities implications arising from it.

## **9. LEGAL IMPLICATIONS**

9.1 Guidance has been issued under s21 (IA) of the Local Government Act 2003 (the '2003 Act') on how to determine the level of prudent provision. Authorities are required by Section 21 (B) to have regard to this guidance.

9.2 Under regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) authorities have significant discretion in determining their Minimum Revenue Provision but, as a safeguard, the guidance issued under the 2003 Act recommends the formulation of a plan or strategy which should be considered by the whole Council. This mirrors the existing requirement to report to Council on the prudential borrowing limit and investment policy. The Local Authorities (Functions and Responsibilities) (England) (Amendment) Regulations 2000 have been amended to reflect that the formulation of such a plan or strategy should not be the sole responsibility of the Executive.

## **10. BACKGROUND INFORMATION**

1. Loans Register.
2. Logotech Loans Management System.
3. Butler quarterly and special reports on treasury management.
4. Aberdeen Asset Management quarterly reports.
5. 2009/10 Budget and Council Tax report – March 2009
6. Reports to Audit Committee on The Audit Commission report on Icelandic Banks (16<sup>th</sup> June 2009), the House of Commons Select Committee on local authority investment in Icelandic Banks (24<sup>th</sup> September 2009), Treasury Management (17<sup>th</sup> December 2009) and The Treasury Strategy for 2010/11.

## **11. CONTACT OFFICERS**

1. Martin Spriggs, Head of Exchequer and Investments – 020 8937 1472
2. Paul May, Capital Accountant – 020 8937 1568

**DUNCAN McLEOD**  
**Director of Finance and**  
**Corporate Resources**

## APPENDIX 1

### Brent treasury lending list

1 The current loans outstanding as at 31st March 2010 are:

| Name                       | Amount<br>£m       | Yield<br>% | Lending<br>Date | Maturity<br>Date |
|----------------------------|--------------------|------------|-----------------|------------------|
| Global Treas. Fund (RBS)   | 3.8                | Var.       | Call            |                  |
| Gartmore cash reserve      | 0.1                | Var.       | Call            |                  |
| Cheshire BS                | 5.0                | Var.       | 07.05.08        | 07/05/10         |
| Heritable bank             | 6.5                | 5.85       | 15.08.08        | 14/11/08         |
| Glitnir                    | 5.0                | 5.85       | 15.09.08        | 12/12/08         |
| Northern Trust global fund | 0.1                | Var.       | Call            |                  |
| Newcastle BS               | 5.0                | 6.05       | 28.04.08        | 28/04/10         |
| Derbyshire BS              | 5.0                | 6.4        | 16.06.08        | 16/06/10         |
| Dunfermline BS             | 5.0                | 5.9        | 01.07.08        | 01/07/10         |
| Skipton BS                 | 5.0                | 6.48       | 01.07.08        | 01/07/11         |
| RBS                        | 5.0                | 7.0        | 22.09.08        | 22/09/11         |
| <b>Total</b>               | <b><u>45.5</u></b> |            |                 |                  |

Brent has also invested £23.3m with an external manager, Aberdeen Asset Manager, which has placed the fund in a mixture of certificates of deposit (CDs) and cash. The list of investments held by Aberdeen is as follows:-

|                           |                    |      |          |
|---------------------------|--------------------|------|----------|
| Abbey National CD         | 2.3                | 0.49 | 10.05.10 |
| Lloyds TSB CD             | 1.25               | 0.66 | 03.08.10 |
| Barclays Bank CD          | 2.7                | 0.67 | 04.08.10 |
| RBOS CD                   | 2.0                | 0.67 | 04.08.10 |
| Clydesdale Bank CD        | 2.5                | 0.96 | 24.11.10 |
| Barclays Bank CD          | 1.5                | 0.96 | 25.11.10 |
| Nationwide BS CD          | 2.2                | 0.97 | 29.11.10 |
| Lloyds TSB CD             | 2.0                | 0.99 | 06.12.10 |
| Lloyds TSB CD             | 1.0                | 1.13 | 03.02.11 |
| RBOS CD                   | 2.25               | 1.14 | 07.02.11 |
| Nationwide BS CD          | 2.2                | 1.25 | 28.03.11 |
| Santander Deposit account | 1.1                |      |          |
| Accrued interest          | <u>0.3</u>         |      |          |
|                           | <b><u>23.3</u></b> |      |          |

## APPENDIX 2

### Brent treasury lending list

2 The current loans outstanding as at 30<sup>th</sup> June 2010 are:

| Name                       | Amount<br>£m       | Yield<br>% | Lending<br>Date | Maturity<br>Date |
|----------------------------|--------------------|------------|-----------------|------------------|
| Global Treas. Fund (RBS)   | 4.1                | Var.       | Call            |                  |
| Gartmore cash reserve      | 0.1                | Var.       | Call            |                  |
| Heritable bank             | 6.5                | 5.85       | 15.08.08        | 14/11/08         |
| Glitnir                    | 5.0                | 5.85       | 15.09.08        | 12/12/08         |
| Northern Trust global fund | 0.1                | Var.       | Call            |                  |
| Dunfermline BS             | 5.0                | 5.9        | 01.07.08        | 01/07/10         |
| Skipton BS                 | 5.0                | 6.48       | 01.07.08        | 01/07/11         |
| RBS                        | 5.0                | 7.0        | 22.09.08        | 22/09/11         |
| Nationwide BS              | 10.0               | 0.46       | 03.06.10        | 05.07.10         |
| Santander UK               | 10.0               | 0.81       | 03.06.10        | 01.07.10         |
| Barclays                   | 4.0                | 0.40       | 24.06.10        | 26.07.10         |
| <b>Total</b>               | <b><u>54.8</u></b> |            |                 |                  |

Brent has also invested £23.4m with an external manager, Aberdeen Asset Manager, which has placed the fund in a mixture of certificates of deposit (CDs) and cash. The list of investments held by Aberdeen is as follows:-

|                           |                    |      |          |
|---------------------------|--------------------|------|----------|
| Lloyds TSB CD             | 1.25               | 0.66 | 03.08.10 |
| Barclays Bank CD          | 2.7                | 0.67 | 04.08.10 |
| RBOS CD                   | 2.0                | 0.67 | 04.08.10 |
| Clydesdale Bank CD        | 2.5                | 0.96 | 24.11.10 |
| Barclays Bank CD          | 1.5                | 0.96 | 25.11.10 |
| Nationwide BS CD          | 2.2                | 0.97 | 29.11.10 |
| Lloyds TSB CD             | 2.0                | 0.99 | 06.12.10 |
| Lloyds TSB CD             | 1.0                | 1.13 | 03.02.11 |
| RBOS CD                   | 2.25               | 1.14 | 07.02.11 |
| Nationwide BS CD          | 2.2                | 1.25 | 28.03.11 |
| Santander Deposit account | 3.5                |      |          |
| Accrued interest          | <u>0.3</u>         |      |          |
|                           | <b><u>23.4</u></b> |      |          |



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**Full Council**  
13 September 2010

## **Report from the Borough Solicitor**

Wards Affected:  
All

### **London Local Authorities Bill**

#### **1.0 Summary**

- 1.1 London Councils on the 13 July 2010 agreed to promote a private Bill which will provide flexibility in relation to travel concessions on railways and will provide for an arbitration mechanism in relation to the cost of the reserve scheme. Following the decision Local Councils has asked each individual Borough including Brent for support.

#### **2.0 Recommendation**

- 2.1 Agree the resolution attached to this report as **Appendix A** which will approve the promotion of the London Local Authorities Bill by Westminster Council.

#### **3.0 Detail**

##### *Background*

- 3.1 The current proposals in the Bill were agreed by the Leaders Committee of London Councils on 13 July 2010. The proposals at this stage include two specific aspects of the current Freedom Pass system.
- 3.2 The Freedom Pass scheme currently provides 24 hour access to Transport for London (TfL) run rail services (Underground, Overground and DLR), access on National Rail services which excludes the morning peak times for travel. When TfL took control of the former Silverlink Metro, London Councils were advised it was required to offer the same times of eligibility as other TfL services. If more franchises are transferred to TfL the cost of extending the concession to morning peak on National Rail services would be high and an alternative would be to restrict the current access to TfL services.

- 3.3 The second aspect is for the reserve scheme that where there is no negotiated settlement with TfL an arbitration scheme be introduced.
- 3.4 Both aspects can be dealt with most easily by private legislation. If no legislative changes were made the risk would be a substantial increase for London Boroughs to the cost which might exceed £100 million, or the need to reduce the concession during the morning peak on the Underground, Overground and DLR.
- 3.5 This proposal allows for London Boroughs and TfL to negotiate different eligibility for different railway services, or parts of services, operated or managed by TfL. This would be done by a formal amendment to Section 242 (6) of the GLA Act 1999. London Councils will consult on the proposed amendment with stakeholders including the GLA, the Association of Train Operating Companies (ATOC) and relevant user groups.
- 3.6 The second amendment will introduce the possibility of an arbitration process for the reserve scheme. Currently TfL can impose a reserve scheme and set the charges for this and London Borough Councils and individual London Boroughs would have no say in how much the scheme would cost or how it would be apportioned. The Mayor has indicated he would accept this and London Councils would consult on the proposed amendment.
- 3.7 The proposed amendments are clearly set out in **Appendix A** to the report.

#### Procedure and Timing

- 3.8 The proposed Local London Authorities Bill, like the previous London Local Authority Bills will be promoted by Westminster Council with support from London Councils and their parliamentary agents Sharpe Pritchard.
- 3.9 The London Local Authorities Bill will need to be deposited with the House of Commons private bill office by Friday 26 November 2010.
- 3.10 Before the Bill can be deposited every Full Council must pass a resolution supporting it and this meeting must be advertised. In view of the timetable it is important that this report is considered at this meeting of Full Council

#### **4.0 Financial Implications**

- 4.1 The cost of supporting the Bill is estimated by London Councils to be around £10,000 and £15,000 given the brevity of the text.

#### **5.0 Legal Implications**

- 5.1 The proposals amend the terms of Section 242(6) of the GLA Act 1999 which will enable TfL to make different provision for different categories of railway services or a section of railway service and will enable TfL to deal with the

different franchises that are transferred to the organisation without causing an increased financial burden on individual London Boroughs.

## **6.0 Diversity Implications**

6.1 Although there are no diversity issues with passing this resolution or supporting the promotion of the London Local Authorities Bill, there may be some diversity implications when implementing the proposals from the Bill. Officers will report on the diversity implications once the proposals in the Bill have been finalised.

## **7.0 Staffing Implications**

7.1 There are no staffing issues that arise from passing the resolution or supporting the promotion of the 10<sup>th</sup> London Local Authorities Bill. London Councils and their parliamentary agents Sharpe Pritchard will provide the officer support to take the Bill through Parliament.

### **Background papers**

Report to London Councils Leaders' Committee on 13 July 2010

Should any person require any further information about the issues addressed in this report, please contact Fiona Ledden, Borough Solicitor on telephone number 020 89371292.

**Fiona Ledden**  
**Borough Solicitor**

## **APPENDIX A: DRAFT TEXT FOR AMENDMENTS IN CONCESSIONARY FARES**

### **1. RAILWAY SERVICES**

Amendment to Section 242 of Greater London Authority Act 1999

At end of section 242(6) add: “or different provision for different categories of railway service or sections of railway service”

### **2. RESERVE SCHEME**

Amendment to Schedule 16 of Greater London Authority Act 1999

After paragraph 5(7) insert –

“(8) Where a London authority considers the amount notified by Transport for London under paragraph 5(1) to be excessive, the authority may within 7 days of being notified by Transport for London request that the matter is referred to an arbitrator appointed by the Chartered Institute of Arbitrators.

(9) If the arbitrator agrees that the proposed charge is excessive, then he shall notify both Transport for London and the authority of an alternative lower amount which the authority shall pay.”

In paragraph 6(1)(a) after “fixed by Transport for London” insert “or the arbitrator as the case may be”