



SUMMONS TO ATTEND COUNCIL MEETING

Monday, 14 September 2009 at 7.15 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, 4 September 2009

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

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit:

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 - 16
2 Declarations of personal and prejudicial interests	
Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.	
3 Mayor's Announcements	
4 Appointments to Committees and Outside Bodies and Appointment of Chairs/Vice Chairs (if any)	
5 Question time	
In accordance with Standing Order 39, up to ten questions selected by the Leaders of the three main political groups will be followed with supplementary questions to the Executive.	
A copy of the selected questions and the answers where possible will be separately circulated to all members.	
6 Items Selected by Non-Executive Members	17 - 18
In accordance with Standing Order 39 the following items have been submitted by the members indicated:	
(a) Jubilee Line Weekend Closures - Councillor Clues	
(b) Keeping Wembley Clean - Councillor Pervez	
(c) No item submitted	
7 Reports from:	
a) the Executive	19 - 32
The report from the Leader or other members of the Executive:	
b) Chair of Overview and Scrutiny Committee	33 - 34
The Chair will report on the activities of Overview and Scrutiny.	

8 Motions selected by the Group Leaders

The Leaders have submitted the following motions to be debated:

- | | | |
|----|---|---------|
| a) | Motion selected by the Leader of the Labour Group | 35 - 36 |
| | Building of John Kelly Schools/Crest Academies | |
| b) | Motion selected by the Leader of the Liberal Democrat Group | 37 - 38 |
| | Fairness for our Caribbean residents | |
| c) | Motion selected by the Leader of the Conservative Group | 39 - 40 |
| | Funding of free bus travel in London | |

9 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.
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- A public telephone is located in the foyer on the ground floor, opposite the Porters' Lodge

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LONDON BOROUGH OF BRENT

At an **ORDINARY MEETING OF THE COUNCIL** of the **LONDON BOROUGH OF BRENT** held at Brent Town Hall Forty Lane, Wembley, Middlesex on **Monday, 13th July 2009 at 7.15 pm**

PRESENT:

The Worshipful the Mayor
Councillor O'Sullivan

The Deputy Mayor
Councillor Singh

COUNCILLORS:

Ahmed	Hirani
Arnold	Jackson
Mrs Bacchus	John
Baker	Jones
Beswick	Joseph
Blackman	Kansagra
D Brown	J Long
V Brown	Lorber
Butt	Malik
Chavda	Matthews
Clues	Mendoza
Colwill	Mistry
Corcoran	J Moher
Coughlin	R Moher
Crane	Moloney
Cummins	Motley
Detre	CJ Patel
Dunn	H B Patel
Dunwell	H M Patel
Eniola	Powney
Mrs U Fernandes	Steel
Fox	Tancred
Green	Van Colle
Gupta	Van Kalwala
Hashmi	Wharton

1. **Apologies for Absence**

Apologies for absence were submitted on behalf of Councillors Allie, Anwar, Bessong, Castle, Farrell, Leaman, Pagnamenta, Ms Shaw, Sneddon and Thomas.

2. **Minutes of Previous Meetings**

RESOLVED:-

- (i) that the minutes of the meeting of Full Council held on 2nd March 2009 be confirmed as a true and accurate record, subject to showing Councillor Thomas as having declared an interest in Harmony Children's Centre rather than Councillor Gupta;
- (ii) that the minutes of the Extraordinary meeting of Full Council held on 2nd March 2009, the Annual meeting of Full Council held on 13th May 2009 and the meeting of Full Council held on 18th May 2009 be confirmed as true and accurate records.

3. **Declarations of Interests**

At this meeting there were none.

4. **Mayor's Announcements**

The Mayor was pleased to announce that his Charity Appeal launch would take place on Wednesday 29th July, at Willesden Green Library.

The Mayor announced with great pleasure that Martin Chesseman (Director of Housing and Community Care) had been awarded an OBE for service to local government in the Queen's Birthday Honours List.

The Mayor pointed out that, in accordance with standing orders, a list of current petitions showing progress on dealing with them had been circulated around the chamber.

5. **Appointments to Committees/Appointment of Chairs/Vice Chairs**

RESOLVED:-

that the following appointments be made:

<i>Body</i>	<i>Appointment</i>
Planning Committee	<p>Councillor Pagnamenta to replace Councillor Hirani as 1st alternate to Councillor Cummins</p> <p>Councillor Jackson to replace Councillor Pagnamenta as 2nd alternate to Councillor Cummins</p> <p>Councillor Tancred to replace Councillor Bessong as 1st alternate to Councillor Hirani</p> <p>Councillor Butt to replace Councillor Thomas as 1st alternate to Councillor R Moher</p>
Forward Plan Select Committee	Councillor Fox to replace Councillor Jones as 2 nd alternate to Councillor Coughlin
Overview & Scrutiny Committee	Councillor Long to replace Councillor Jones as 2 nd alternate to Councillor R Moher
South Kilburn Neighbourhood Trust	Lead Member for Regeneration
South Kilburn Neighbourhood Partnership Board	Lead Member for Regeneration
Welsh Harp Joint Consultative Committee	<p>Councillors Castle and Corcoran as first and second alternates respectively to Councillor Motley</p> <p>Councillors Gupta and Hirani as first and second alternates respectively to Councillor Wharton</p>

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

Parking charges and fines

The question from Councillor Ahmed had asked how much money was collected in parking charges and fines across Brent in the financial years between 2005/06 to 2008/09. As a supplementary question she asked how much money had been collected due to event day parking fines since the scheme started.

In reply, Councillor D Brown undertook to arrange for the answer to be sent to Councillor Ahmed in writing.

Bulky collection service

The question from Councillor J Moher had asked when and why the Liberal Democrat policy on free bulky waste collection had been reversed. Councillor J Moher expressed the assumption that the Leader regretted the failure to continue the free bulky waste collection service and as his supplementary question asked if he would explain this more clearly to Brent residents, without resorting to blaming everybody else for his Administration.

In reply the Leader stated that nothing was free and the service always cost a lot of money. The true cost was evident during the tendering process for the current contract. A decision had to be taken on deciding priorities which had resulted in increased recycling and keeping the borough's local streets as clean as possible. The Leader added that the Council took very seriously the issue of dumping which it considered to be an anti-social activity.

Free personal care for the elderly

The question from Councillor R Moher had asked how, in the light of Sarah Teather, MP commenting that responsible political parties should not make promises they cannot keep, this reflected on the Leader's promise of free personal care for the elderly. As a supplementary question Councillor R Moher asked when the Leader intended to answer a question put to him and when would he take responsibility for what his executive decided and what the Council did.

In reply the Leader stated that he was happy to answer a straight question with a straight answer. The Labour Government had failed to provide free care for the elderly, which was something the Liberal Democrats had campaigned on. The responsibility for providing for the elderly and disabled fell on the Government and the challenge was to persuade the Government of the merits of this. The Council could not make its own rules up on this.

High rise buildings

The question from Councillor Moloney had asked, following the Council in August 2006 changing the planning brief for the Queen's Park station area and reducing the maximum height of buildings to no more than twelve storeys, how many buildings higher than 12 storeys had been approved in Brent and in which wards. Councillor Moloney suggested that more units of housing were required to meet the needs of the homeless and as a supplementary question asked if it was agreed that the previous policy was the best way of creating more homes to reduce the large number of homeless people in Brent and encourage more social housing provision.

In reply Councillor Van Colle reminded members that the matter had previously been debated by the Council when it was agreed that tower blocks in the borough were not a good idea. It was nonsense to suggest that this meant that the Council was not catering for the homeless. As an example he referred to the Wembley masterplan which would lead to a large amount of housing provision in the area. As such he could not agree with the question put by Councillor Moloney.

Party political donations – publicity

The question from Councillor Powney noted that an objector to the Brent Cross development had donated to the Liberal Democrat Party which had also voiced objections. He asked what plans there were to publicise party political donations in the same way as interests declared at Planning Committee meetings. Councillor Powney added that he did not dispute that there were valid objections to the development, notably on transport grounds, but was raising concerns about the transparency of Council business. The Liberal Democrat party had received a large donation from an objector to the development and if such a gift had been received by councillors personally they would have to declare it in the Register of Members Interests and it might be consider prejudicial to them considering the matter at Planning Committee. He stated that it would seem to a member of the public that it was relevant information, especially so as an MP made a personal appearance at the meeting. Given there was no requirement for councillors to declare donations to their parties at such meetings Councillor Powney asked as a supplementary question if the Leader would agree that there should be some mechanism for such declarations and would he ask officers to draw one up.

The Leader replied by noting that Councillor Powney had been hesitant in naming the objector in question, possibly because he had previously made a donation to the Labour Party. The Leader stated that nobody needed to be taught lessons at the present time about donations and impropriety in public life. The issue had nothing to do with the Council's

Planning Committee because the planning application was to be decided by Barnet.

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

Building Colleges for the Future programme

The question from Councillor Motley had asked if there was concern that the College of North West London was not included in the list of 13 colleges given the go-ahead to proceed with rebuilding plans, following the collapse of the Building Colleges for the Future programme.

Councillor Motley expressed alarm over the reply he had received and as a supplementary question asked, given the concerns about the disorganisation in the planning of educational funding, what hope there was for the Council's Building Schools for the Future application which was overseen by the same quango that recently failed the College of North West London.

In reply, Councillor Wharton stated that the Building Schools for the Future programme was a different programme but expressed concern that it had the same underlying problems. An ambitious target had been set by the government to rebuild all secondary schools in the country which it was feared would not be adequately funded given the present economic circumstances. Councillor Wharton stated that there was a worrying parallel with the college programme but all the Council could do was progress its application.

Brent Cross redevelopment

The question from Councillor Castle had asked if the Leader had approached the Secretary of State to ask if the plans for Brent Cross would be called in and if so what response he had received. In the absence of Councillor Castle, Councillor Dunn asked a supplementary question on his behalf. The Leader was asked what other actions had been taken and what else could be done to ensure that Brent residents, who faced massive disruption if these proposals were allowed to go ahead, would have their voices heard locally and be able to fully contribute to a campaign against the development.

The Leader replied that a great deal had already been done including Sarah Teather, MP making sure local residents and businesses knew what was going on and to make sure Barnet and Government Ministers knew the strength of local feeling. A big concern was that the development proposed would bring the waste site closer to the borough boundary.

Improvement and Efficiency strategy

In his question, Councillor Clues had asked for an update on the Administration's efficiency programme and whether the Council would be ready for tough times ahead caused by the present Government. Councillor Clues referred back to double digit rises in Council Tax and in keeping the level of rises down that the Council would continue to protect and improve services to residents. As a supplementary question he asked the Leader what more he thought the Government could do to help local government with its challenges in the future.

In reply, the Leader stated that he would be keen for the Government to make sure there was no more cost shunting from central to local government. He would also like the Government to recognise the true size of the population within Brent and freeze the landfill tax. Most importantly the Government needed to support the Council's investment programmes.

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

Copland High School – development proposals

In his question, Councillor Kansagra had asked what proposals had been received for revisions of the proposed development at Copland High School and if there were any changes in the housing provision. Councillor Kansagra expressed his disappointment that nothing had happened on site yet and he hoped something positive would come out of the delay. He expressed the view that there should have been two planning applications for the site, one covering the school and the other the housing provision and asked that the applicants be encouraged to submit new planning applications along these lines.

Councillor Van Colle replied that the original application had been considered by the previous administration and had effectively blighted the area ever since. The original planning permission remained but if the applicant wanted to make major revisions to it they would have to submit fresh applications. Given the proximity of the site to Brent House and the plans the Council had for a new Civic Centre it could be in the Council's wider interests to receive revised proposals.

Eton Grove Open Space

In her question, Councillor Mistry had asked for an update on what improvements were being considered for Eton Grove Open Space. As a supplementary question, Councillor Mistry asked what proposals there were for rebuilding the nursery to meet the shortage of places for young parents feeding into the local Roe Green Reception/Infants School and when the parks service would be reinstating the cricket crease and football posts in the park.

Councillor Van Colle replied by referring to the recent excellent open day held at the park. He was not able to provide an answer concerning the provision of a nursery but explained that the provision of sporting facilities was part of the Council's new Parks Strategy. His understanding was that this had been put back into the next year's programme and suggested that Councillor Mistry discuss this further with the Parks Service.

7 Items selected by Non-Executive Members

(i) Traffic calming measures in Windermere Avenue area.

Councillor HB Patel introduced the item he had raised which asked that implementation of speed cushions in the narrow cul-de-sacs of Fernleigh Court, First Avenue, Second Avenue, Third Avenue, Ennerdale Gardens, Conway Gardens and Arnside Gardens be halted because residents were against the measures and had complained that the consultation had not been adequate. Councillor Patel added that whilst the speed restriction measures installed in other parts of the Windermere Avenue area were to be welcomed, it was nonsense for the Council to spend money on such measures in these narrow cul-de-sacs when it was already so difficult to speed down them.

Councillor D Brown (Lead Member for Transport and Highways) explained that the proposals for the area arose as a response to the personal injury statistics for the area. The imposition of a 20mph zone was an integral part of the strategy to slow speed in the area. Those cul-de-sacs within the zone that were long enough for cars to speed along were having speed cushions installed as this was an explicit requirement of the regulations governing the establishment of 20mph zones. The results of the consultation carried out had shown the majority of the residents to be in favour. Councillor Brown stated that he was prepared for the matter to be considered at the next meeting of the Highways Committee but asked that his comments be borne in mind.

(ii) Brent's housing strategy

Councillor Steel introduced the item he had raised which asked that the Executive consider how the allocation of new build affordable accommodation could be prioritised for those people on Brent's own housing list. Councillor Steel stated that the officers of the Council allocated accommodation according to need and there was no chance for local people born and raised in the borough to gain higher priority. He asked the Executive to look to see how a more equitable system could be adopted.

Councillor Lorber (Leader) responded by stating that the Council had a duty to comply with the housing legislation and would continue to do this. The provision of housing was a major challenge for the Council. The answer was to provide new accommodation and the Council would continue to work with its partners to provide for those in need and not according to artificial boundaries. He added that officers were not responsible for housing policy as this was a matter for the Executive and the provision of housing would be reviewed on an annual basis as part of that policy.

(iii) Copland redevelopment

Councillor V Brown introduced the item she had raised which asked that the Council use its influence with Copland School and Technology College and the Government to encourage a redevelopment of the school that did not include a 28 storey tower block overshadowing the area. Councillor Brown expressed concern at the recent planning appeal that had allowed a 20 storey block in North End Road and referred back to the decision of the previous administration to allow a 28 storey block which had resulted in no work starting and no new school provided. She felt there was now the opportunity to work closely with local people to provide an acceptable development that provided facilities for local people.

Councillor Wharton (Lead Member for Children and Families) stated that he understood the objections to a 28 storey tower block which now appeared commercially unattractive. Discussions were taking place with Registered Social Landlords who might be interested in providing social housing on the site but who did not view tower blocks as viable. Councillor Wharton gave an assurance that the Executive would be prepared for alternative schemes to come forward.

RESOLVED:-

that the responses provided by the Lead Members on each item be noted and in the case of the item concerning traffic calming measures in the Windermere Avenue area the matter be referred back to the Highways Committee.

8. Report from the Executive

a. Items reported by the Executive

(i) Improvement and Efficiency programme

Councillor Lorber encouraged all Members to take an interest in the Council's Improvement and Efficiency programme because by making efficiencies it would be possible to protect and improve front line services.

(ii) *Housing Strategy launch*

Councillor Lorber reported back from his attendance at the launch on 22nd June 2009 of the Council's Housing Strategy 2009-14 entitled *Shaping the Future of Housing in Brent*. The message was that the Council could deliver the provision of new housing for people in need provided it received appropriate support and funding.

(iii) *Place survey*

Councillor Lorber told Members to watch out for the information coming out of the Place Survey carried out at the end of last year, which provided important information on how the Council could more effectively deliver local services.

(iv) *North Circular*

Councillor Detre (Lead Member for Regeneration and Economic Development) reported that he believed that the Council had an opportunity to make changes that would improve the lives of people living along the North Circular Road. Proposals included the rebuilding of houses to face away from the road. There was serious concern over the junction with Brentfield Road and Transport for London (TfL) had been asked to help with this. However, the response had been that TfL had already spent all its money until 2018 but the matter was still being pursued. The vision included a 'green' bridge to create a green aspect to the area. Consideration was also being given to a sports centre for the area and a small park close to the Swaminarayan Temple. He gave the assurance that housing in the area would not be under threat until proposals began to emerge.

(v) *Sustainability*

Councillor Van Colle (Lead Member for Environment, Planning and Culture) urged Members to read the Climate Change strategy agreed by the Executive on 15th June 2009. He stated that it would have a huge impact over the next few years and was a strategy for the whole borough covering all the Council's partners.

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

RESOLVED:

that the decisions taken by the Executive under the Council's urgency provisions relating to the following items be noted:

- Petition against the Kilburn Streets for People scheme

- Wembley Park Academy – award of design and build contract and entry into a development agreement with ARK

9. **Report from the Chair of Overview and Scrutiny**

Councillor Jones in presenting her report expressed surprise that the report from the Executive had not included mention of the proposed constitutional change and the short period of consultation being carried out. She urged the Executive re-consider this.

Regarding her report, Councillor Jones pointed out that the Forward Plan Select Committee had been successful in getting the Executive to make an approach to Transport for London (TfL) regarding the junction of the North Circular Road and Brentfield Road. Councillor Jones reported that the Deputy Leader, Councillor Blackman, had addressed the meeting of the Overview and Scrutiny Committee and that the same meeting had heard from the Director of Business Transformation on the Council's Improvement and Efficiency strategy. Members had expressed concern over the effect of the Council's strategy on the moral of staff and had asked for an update in the new year. Councillor Jones stated that the effectiveness of overview and scrutiny depended on the members being kept informed and in turn proposing constructive ways forward. She felt that in the main this was being achieved but expressed concern regarding the level of information coming forward from the Executive on matters such as how the £50M savings target was going to be achieved, the revised proposals for a bigger new civic centre and the future of Brent House. Finally, she mentioned her concern at the attendance record of some members, especially when no alternate attended in their place.

10. **Motions selected by Group Leaders**

(a) *Standards in Brent schools*

The motion in the name of the Leader of the Labour Group asked the Council to conduct an investigation into all primary and secondary schools and children's centres in Brent regarding payments to staff, whether staff were related to senior staff and whether they had any connections to companies that had contracts with the school. It also asked that a survey be carried out to ascertain the mechanisms used by governors to ensure financial scrutiny and what arrangements existed for Council officers to scrutinise expenditure in schools. Councillor John moved the motion and stressed the seriousness of the point made by it. She referred to times past when some schools in the borough had been under special measures because of a failure to run them properly.

It was submitted that the motion sought only to attract publicity and overlooked the impracticality and cost of what it proposed. It was pointed out that there were different types of school in the borough – community, voluntary aided and foundation. Some schools managed their own affairs and it was the responsibility of the governors and the Government to ensure they were in order, others the Council was responsible for. It was pointed out that many people working in schools were related but that did not suggest any wrongdoing. Governors were required to declare their financial interests and to suggest any wrongdoing was a slur against them. It was essential that sufficient auditing and investigation took place to identify any concerns.

Councillor Wharton (Lead Member for Children and Families) explained that the Government had introduced Local Management of Schools which had broadly worked well but the system had weaknesses. He stated that whilst recognising the concern behind the motion it was impractical. All schools had been asked about any bonuses paid to staff and a check on the payroll of a selection of schools had been made. Meetings between officers and headteachers had taken place so that the Council's concerns could be passed on. Councillor Wharton added that he felt improved guidance to schools was needed on the role of the independent clerk.

A point was made that the Council had responsibility for every child's well-being and there were clear gaps in this with children without school places, delays in the provision of additional places through the building of new schools and Afro-Caribbean boys under-achieving. It was felt that closer monitoring should have taken place, especially when the redevelopment of the school site did not proceed. However, it was pointed out that a number of the issues raised in the motion were already covered by the work programme of the Children and Families Overview and Scrutiny Committee and the committee would be looking closely at the report on what happened at Copland High School meaning the motion was premature. A concern was expressed that most activity was being taken after the event and that there needed to be a sense of urgency to reassure people that the Council was doing all it could to ensure standards in schools were raised and there was clear accountability for the money spent. It was pointed out that governors held unpaid positions and only had limited time available to perform their duties.

Councillor Lorber stated that an investigation was being carried out into what happened at Copland High School and the motion added no value. He suggested that it was only the development plans previously agreed for the school that had allowed the current situation to arise. The Council could not be expected to know all that was going on in each school with some having Foundation status and with a scheme of local management in place. All councillors and governors had to be vigilant and raise any concerns they had.

The motion in the name of the Leader of the Labour Group was put to the vote and declared LOST.

(Councillor Van Colle declared an interest in the above item by virtue of his wife's role as clerk to governors at the Michael Sobell Sinai School)

(b) Sustainable Communities Act

Councillor Lorber moved his motion which sought to support the use of the Sustainable Communities Act. He added that he welcomed the main aims of the Act and felt the Council should argue for additional resources to put the provisions into practice. He explained that there was more chance of success in using the Act if proposals had the backing of local residents and therefore it was proposed to submit proposals under the second round in order to give time to preparing a sound case backed by sufficient evidence. Councillor Lorber referred to issues arising from the area consultative forums and gave reassurance that these would be pursued, hence the motion calling for an approach to London Councils but he stated that there was a need to demonstrate wider consultation in order to access the provisions of the Sustainable Communities Act.

Support was expressed for use of the powers under the Act but some reservations were expressed. A view was put that it seemed excessively bureaucratic to meet the standards required for any proposal to be successful and there appeared to be doubt over the amount of resources available to support the Act. Another view was expressed that given other Councils had already submitted bids under the Act there was no reason why Brent should not have done so. It was suggested that if it were not for the issue being raised at the area consultative forums then such a motion might not have been put forward.

The motion in the name of the Leader of the Liberal Democrat Group was put to the vote and declared CARRIED.

RESOLVED:-

that this Council:

- (i) notes that the aims of the Act have received cross-party support and believes that if the Government is serious about acting on the proposals it receives the Act will be of benefit to local communities;
- (ii) supports the bottom up process in the Sustainable Communities Act designed to allow local authorities and their communities to drive local regeneration and promote thriving, sustainable communities;

- (iii) notes that the Act gives local authorities the power to make proposals to government on the action and assistance government must take or give to promote sustainable communities, and argue for a transfer of public money and function from central to local control;
- (iv) notes that the Act defines the sustainable communities broadly, defining them as improving the local economy; protecting the environment; promoting social inclusion; and encouraging participation in civic and political activity;
- (v) will use the Act by preparing and submitting proposals to Government in the second round of proposals for the Act, if the Government makes real changes and grants actual “freedoms and flexibilities” from the first round of proposals;
- (vi) notes the spirit of the Act suggests that local residents and organisations should be involved in deciding how the Act is best implemented in Brent;
- (vii) notes the recent resolution from the Harlesden and Willesden Area Consultative Forums regarding the Act and betting shops and that the Leader of the Council be requested to write, on behalf of the Council, to London Councils asking that provisions be made in the next London Local Authorities Bill for London Authorities to be granted greater powers with regard to licensing to limit the number of betting shops in any area;
- (viii) write to local MPs informing them of this decision; and to write to Local Works (at Local Works, c/o Unlock Democracy, 6 Cynthia St, London N1 9JF) informing them of the Council’s resolution to use the Act in the second round of the Act.

(Councillors Dunwell and Malik wished it recorded that they had abstained from the vote taken above).

(c) *Memorial to Brent resident*

Councillor Joseph moved the motion on behalf of the Leader of the Conservative Group which called for the planting of a tree in remembrance of a local resident murdered in 2006.

In response Councillor Matthews moved an amendment to the motion. She explained that the murder referred to in the motion was no more or less tragic than other murders committed in the borough and to single out one individual had the danger of sending the wrong message to the families of other such victims.

Councillor Powney moved an amendment seeking to consult the Not Another Drop campaign over future memorials to all victims of violent

crime in Brent. He stated that the campaign was a good example of the Council working with its partners within the difficult area of gun and other violent crime.

The amendment moved by Councillor Matthews was put to the vote and declared CARRIED.

The amendment moved by Councillor Powney was put to the vote and declared CARRIED.

The amended motion was put to the vote and declared CARRIED.

RESOLVED:-

that this Council:

- (i) remembers the many tragic and senseless murders which have saddened the borough of Brent;
- (ii) asks the community how best to commemorate all those who have lost their life, if such a commemoration would be appropriate and the best location for such a memorial. It agrees to consult the Not Another Drop campaign over future memorials, including a memorial to all victims of violent crime in Brent;
- (iii) acknowledges the pain of all those who have been bereaved as a result of gun or other violent crime. It expresses its sympathy to all those families who have lost loved ones and pledges to continue to work with the police and the community to stop further tragic losses of life within the Borough.

The meeting ended at 9.30 pm

J O'SULLIVAN
Mayor

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Full Council – 14th September 2009

Items Selected by Non-Executive Members under Standing Order 39

(a) From Councillor Clues

Jubilee Line Weekend Closures

Many residents are being disrupted by unpredictable weekend closures on the Jubilee Line. While mistakes have been made such as laying 8 miles of wrong cable, covering half the line's length, people do not know from week to week if trains will be running.

It cannot be acceptable that Brent residents miss out, or that those who have paid for tickets cannot use the Tube at weekends. Will the Executive please lobby the Mayor and Transport for London to have Metropolitan Line trains stop at Willesden Green and Neasden, to restore at least some service?

(b) From Councillor Pervez

Keeping Wembley Clean

As the newly elected Councillor for Wembley Central I am immensely proud of the area I represent. One issue which has regularly been highlighted to me by residents is that of the spitting of 'paan' which damages pavements and walls and leaves unsightly brown stains on pavements which are difficult to remove. If we want Wembley to become the national landmark it should be we need to ensure it is kept as beautiful as possible.

Will the Executive explore ways to work with local businesses to encourage people to stop the spitting of paan, and chewing gum too, in Wembley?

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Full Council – 14th September 2009

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) Improvement and Efficiency
- (ii) Council's response to the Recession in Brent
- (iii) Not Another Drop march
- (iv) Recycling update
- (v) School Places

2. The Treasury Management Annual Report 2008/09

The Executive, at its meeting on 17th August 2009, considered and approved the attached report.

Full Council is recommended to:

- (a) Approve the Treasury Management Annual Report (section 3); and Annual Investment Strategy Report (Section 4)
- (b) Note the outturn for prudential indicators (section 5).



Full Council
14 September 2009

**Report from the Director of
Finance and Corporate Resources**

Wards Affected:
ALL

The Treasury Management Annual Report

Forward Plan Ref: F&CR-09/10-3

1. SUMMARY

The purpose of this report is to provide information to members on borrowing and investment activity during 2008/09. It also sets out how the Council performed against prudential indicators set in the 2008/09 budget.

2. RECOMMENDATIONS

Full Council is asked to:

- 2.1 Approve the Treasury Management Annual Report (section 3); and Annual Investment Strategy Report (Section 4)
- 2.2 Note the outturn for prudential indicators (section 5).

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 2008/09 (paras 3.3 to 3.4)
- b) The agreed treasury strategy (para 3.5)
- c) Borrowing activity during 2008/09 (paras 3.6 to 3.9)
- d) Lending activity during 2008/09 (paras 3.10 to 3.18)
- e) Overall interest paid and received (para 3.19)
- f) Developments since the year end (para 3.20)

- 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.

ECONOMIC AND MARKET BACKGROUND DURING 2008/09

- 3.3 World economic growth fell sharply in 2008 to 3.3% (2007 5%), following a period of rising interest rates and the dearth of credit for trade and business. Rising inflation rates (CPI rose by 5.3% in the year to September 2008) made the policy response more difficult, as commodity prices rose sharply driving up food and fuel costs. The problems of sub-prime debt, and the ensuing credit crisis, led to the collapse / reorganisation / nationalisation of numerous major banks such as Lehman Brothers, RBOS, HBOS, Merrill Lynch and others. The collapse of the Icelandic banking system had particular implications for Brent. Other countries were able to support their banking systems or work with others to maintain stability, but Iceland was unable to support its major banks. Financial markets have also been weak – equity, property and credit markets fell sharply. The response from central banks has been robust – USA reduced rates (from 2% to 0.25%), UK from 5% to 0.5%, and Europe from 4% to 1%. Rate reductions have been co-ordinated and deep, and complemented by fiscal support packages and quantitative easing, where banks have sought to expand the money supply to increase the flow of credit. It appears that these unprecedented steps have been partially successful – the economic freefall of the period October 2008 to March 2009 has been arrested – but a return to growth may be slow and difficult.
- 3.4 As indicated in Table 1, very long-term (50 year) interest rates were fairly stable. Initially shorter periods reflected strengthening inflationary pressures, but then fell sharply in response to falling bank rates and quantitative easing. The interest rate yield (return) curve was inverted during 2006 – 2008 (short term rates higher than long term rates), but the sharp falls in short term rates have ‘normalised’ the curve so that long term rates are higher than short term.

Table 1 – PWLB Interest rates during 2008/09

	31 March 2008 %	30 June %	30 Sept. %	31 March 2009 %
10 year	4.59	5.24	4.60	3.38
25 year	4.63	4.94	4.71	4.28
50 year	4.45	4.52	4.60	4.58

STRATEGY AGREED FOR 2008/09

- 3.5 On the basis of advice and research from Butlers (the treasury adviser), Capital Economics and managers, the Treasury Management strategy anticipated that Bank Rate would fall to around 4.5% in 2008/09 and that 50 year rates would rise marginally to around 4.60%. It was expected that in-house balances would remain stable (at £100m) reflecting borrowing to finance the 2008/09 capital programme. The borrowing strategy assumed that long-term rates would rise marginally during 2008/09. It was agreed to borrow at fixed rates unless short term rates fell sharply, to maintain debt at the authority's Capital Financing Requirement (CFR) and to take advantage of debt restructuring opportunities.¹ Maintaining debt at CFR means that the authority will maintain balances for lending on the money market when they are not required to fund expenditure. The strategy has remained under constant review and adapted as circumstances have required, but without major changes.

BORROWING ACTIVITY DURING 2008/09

- 3.6 The split of the council's treasury portfolio between fixed interest and variable loans and investments, as at 31 March 2009, is set out in Table 2.

Table 2 – Treasury portfolio at 31st March 2009 – loans and investments

	31.03.08 Actual £m	31.03.2009	
		Planned £m	Actual £m
Fixed rate loans – PWLB	526.8	548.0	512.0
Variable rate loans – PWLB	-	-	-
Variable rate loans – Market	80.5	80.5	85.5
Short-term loans – Market	14.2	-	69.5
Total Debt	621.5	628.5	667.0
INVESTMENTS	110.1	100.0	97.2
NET DEBT	511.4	528.5	569.8

- 3.7 The average rate of interest payable by Brent Council on its loans has fallen from 5.86% in 2006/07, to 5.09% in 2007/08, and to 4.87% in 2008/09. In 2008/09 Brent Council restructured debt and took new loans as follows:
- Borrowing two £5m market loan (known as LOBOs – or Lenders Option, Borrowers Option) in April 2008. The loans are fixed at rates of 3.99% and 3.95% for an initial period of one year, before the lender may request a change to the rate. If this happens, the Council (the borrower) may repay the loan without penalty rather than pay the increase.
 - In addition, £50m was borrowed from PWLB to replace maturing debt and to finance capital expenditure. This comprised: two loans of £20m

¹ The Capital Financing Requirement is the difference between the authority's total liabilities in respect of capital expenditure financed by credit and the provision that has been made to meet those liabilities. Research by our treasury advisers, indicates that it is the most economical level for the authority's long-term debt.

each (April 2008), for fifty years at 4.43% and 4.39% respectively, seeking to take advantage of favourable long-term rates: a £10m loan at 3.93% for one year, taking advantage of falling short rates at a time when market conditions were volatile (October 2008).

- c) A debt restructuring was undertaken in March 2009 to repay £64.8m PWLB debt, with the intentions of taking advantage of lower 10 year interest rates, reducing cash balances to reduce counter-party risk and recognising the low rates of interest available on deposits. Taking into account premia paid to the PWLB for debt redeemed early (£8m), the annual savings are expected to be around £1.5m / £2m per annum to the General Fund. The repayment reduced long-term Council debt to £597.5m, below the CFR target of £627m, reflecting that it was cheaper to use short term debt than more expensive long term liabilities.

Initially the interest rate curve was inverted in 2008/09, meaning that short term borrowing was more expensive than long-term borrowing. Later in the year, when the interest rate curve returned to normal, the council took advantage by repaying debt and borrowing on short term, relatively good value, markets until long term deposits are repaid.

- 3.8 The PWLB has continued its more expensive calculation of the discount rate payable when councils repay debt prematurely. The effect is to raise the size of premia payable (or reduce the value of discounts receivable), which continues to inhibit debt restructuring unless movements are extreme..
- 3.9 The duration and average interest rate, of loans in the treasury portfolio at 31st March 2009 is set out in Table 3.

Table 3 – Treasury portfolio at 31st March 2009 – duration/interest rates

Maturing Within	£m		Share of total debt %	Average Interest Rate 2008/09 %
	31.03.08	31.03.09		
1 Year	14.2	78.5	11.9	0.99
1 – 2 Years	-	-	-	-
2 – 3 Years	-	-	-	-
3 – 4 Years	-	-	-	-
4 – 5 Years	-	-	-	-
5 – 6 Years	-	-	-	-
6 – 10 Years	-	-	-	-
10 – 15 Years	5.0	5.0	0.8	8.88
Over 15 Years	521.8	497.0	74.5	4.96
Variable – PWLB	-	-	-	-
Variable – Market	<u>80.5</u>	<u>85.5</u>	<u>12.8</u>	<u>4.58</u>
TOTAL	<u>621.5</u>	<u>667.0</u>	<u>100.0</u>	<u>4.87</u>

LENDING ACTIVITY DURING 2008/09

- 3.10 The council's investments averaged £126m during 2008/09 (£118m during 2007/08) and earned £7m in interest. 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 80% of the investments and an external house managing approximately 20% of the investments.
- 3.11 Investments by the in-house team ranged from overnight deposits of money to periods of up to three years. A total of £624m was lent out during 2008/09 (2007/08 £969m). Rates achieved ranged between 7% and 0.4%, with the average rate being 5.25% (2007/08 5.21%). Some of the portfolio was lent for longer periods to guard against falling interest rates. Balances held to manage shorter term cash flow needs have been deposited substantially in Money Market Funds, taking advantage of higher inter-bank rates. Loans were made to high quality counterparties included on the Treasury Lending list. Appendix 1 lists the deposits outstanding at 31st March 2009. The list shows that interest receipts have been protected by the longer duration deposits made with various banks and building societies.
- 3.12 As stated above, the financial tsunami following the bankruptcy of Lehman brothers forced a number of banks into administration and the collapse of the main Icelandic banks (7th 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

- 3.13 The deposits were made at 'good' rates, but not rates that were wildly out of line with the rest of the market. Both banks are in administration, and 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 secured creditors to Glitnir, recovering both deposit and interest to October 2008 during 2009/10. The administrators for Heritable state that creditors should receive between 70% and 90% of deposit plus interest to October 2008 by instalments to 2012. The first instalment (16%) was paid in July 2009.
- 3.14 Members will be aware that, as the size of the credit crisis became apparent, a number of steps were taken both to reduce risk and to inform members:-
- a) On September 30th 2008, the Director of Finance reduced the number of financial institutions on the lending list following the nationalisation of various European and USA financial institutions, removing relatively lower rated UK and overseas banks, including Glitnir and Heritable.
 - b) On 8th October the list was further reduced to exclude all overseas banks, and limit duration to a maximum of three months. Building societies remained eligible for deposits after individual authorisation by senior management, but were limited to one month duration and a maximum deposit of £5m. It was believed that close scrutiny by the FSA,

and the long track record of building societies being taken over by other societies in the event of difficulties made such deposits completely safe. However, in April 2009 it became clear with the near collapse of Dunfermline building society that societies had been allowed to invest in risky areas, and they were removed from the lending list.

- c) On 26th March 2009, a number of PWLB loans were repaid, to the value of £64.75m, reducing the value of deposits made to counterparties in future.
- d) Regular reports to members, in particular Policy and Co-Ordination Group, The Budget Panel, Performance and Finance Select Committee and quarterly reports to the Audit Committee, and training for members (May 6th 2009) on the scrutiny and oversight of treasury management.

- 3.15 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 £22.8m as at 31st March 2009 (£21.3m 2008). Actual performance for 2008/09 (2007/08 in brackets), and the three and five years to 2008/09 are set out in Table 4.

Table 4 - Performance of Aberdeen Asset Management against benchmark

	Aberdeen %		Brent in-house %	7 Day LIBID Benchmark %
2008/09	7.0 (5.7)		5.25 (5.2)	3.8 (5.7)
Three Years	5.8		5.2	4.8
Five Years	5.4		5.0	4.7

- 3.16 Aberdeen outperformed the benchmark in 2008/09 by using longer dated certificates of deposit of up to twelve months duration with financial institutions on the Brent lending list, a sound strategy when rates were falling sharply.
- 3.17 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) or by lending on the market for longer periods. The Brent strategy had 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.
- 3.18 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

- 3.19 Total interest paid and received in 2008/09 are shown in Table 5. The additional interest paid on external debt reflects early borrowing (at a lower rate) to fund the capital programme and interest paid to accounts that are

deemed to be 'external' to Brent Council, such as the Pension Fund. The increased interest received on deposits reflects higher market rates (5.25% received against 4.75% assumed) and higher cash balances (average £126m).

Table 5 – Overall interest paid and received in 2008/09

	Budget £m	Actual £m
Interest paid on external debt	31.3	32.8
Interest received on deposits	3.5	7.0
Debt management expenses	0.4	0.1

By way of comparison, interest received on deposits was £5.0m in 2006/07 (budget £4.2m) and £6.2m in 2007/08 (budget £3m).

DEVELOPMENTS SINCE THE END OF THE YEAR

- 3.20 Financial markets have been calm since the end of the financial year. The wholesale, inter-bank market has seen the interest rate differential (spread) between LIBOR (London Inter Bank Offer Rate) and bank rate fall sharply, indicating that inter-bank lending is increasing and risk premia falling. If financial stability continues to improve, it is expected that a revised Brent Lending List - that has previously been scrutinised by the Audit Committee and includes sovereign (country) ratings and limits, shorter durations, lower limits and higher rating requirements – will be implemented in the autumn.

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 2008/09 was agreed by Full Council in March 2008. 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 2008/09. The main aspects have been:-
- a) The council has made cash deposits for a maximum duration of three years, using 5.75% as an attractive trigger point for lending. The external manager has invested in certificates of deposit and cash deposits.

- b) Investments have been made to counterparties that meet appropriate credit ratings which have been monitored on a continuous basis.
- c) As set out in paragraph 3.13, credit related losses arising from deposits with Icelandic banks have been disclosed in the 2008/09 accounts, though regulations provide for Councils to defer actually providing for the losses until 2010/11.

5. PRUDENTIAL INDICATORS – 2008/09 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:
- a) capital expenditure plans are affordable;
 - b) all external borrowing and other long term liabilities are within prudent and sustainable levels;
 - c) 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 below. General Fund and HRA capital financing charges as a proportion of total budget were lower than in the original estimates principally because the average borrowing rate fell to 4.87%.

Table 6 – Prudential indicators measuring affordability

	2008/09 (estimates)	2008/09 (actual)
Capital financing charges as a proportion of net revenue stream:		
- General Fund	9.34%	7.40%
- HRA	33.65%	32.36%
Impact of unsupported borrowing on:		
- Council tax at Band D	£36.23	£36.23
- 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 2009. 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 2008/09 was higher than estimated which meant a higher overall CFR.

Table 7 – Prudential indicators measuring capital spending and CFR

	2008/09 Estimates £m	2008/09 Actual £m
Planned capital spending:		
- General Fund	104.211	91.686
- HRA	17.991	16.604
- Total	122.202	108.290
Estimated capital financing requirement for ² :		
- General Fund	288.756	294.152
- HRA	326.964	333.459
- Total	615.720	627.611

- 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 2008/09 the council undertook a major debt repayment as set out in paragraph 3.7, but did not exceed the Operational Boundary for external debt.

Table 8 – Prudential indicators for external debt

Indicator	Limit	Status
Authorised limit for external debt	£790m	Met
Operational boundary for external debt	£690m	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

² The Capital Financing Requirement estimates in this table are at 31st March of each year.

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. Opportunities for long-term lending have been taken when the market has appeared to be too pessimistic about rising rates. Investments for more than one year rose from £20m to £60m during the year.

Table 9 – Prudential indicators for treasury management

Indicator	Limit	Outcome
Treasury Management Code		Adopted in 2002
Exposure to interest rate changes		
- fixed rate upper limit	100%	100%
- variable rate upper limit	40%	5%
Maturity of fixed interest loans		
Under 12 months		
- upper limit	40%	2%
- lower limit	0%	0%
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%	0%
- lower limit	0%	0%
Above 10 years		
- upper limit	100%	100%
- lower limit	30%	98%
Upper limit on investments of more than one year	£60m	£60m

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 2008.³ 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.

³ Local Authorities (Capital Finance and Accounting) (Amendment) Regulations 2008 – SI 2008/404

- 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 on 2nd March 2009 within section 10 of the Budget Setting report.

7. FINANCIAL IMPLICATIONS

- 7.1 As set out in the report, the council earned additional income from external deposits as a result of lending for longer periods and having higher balances than anticipated. However, the collapse of the Icelandic banks has resulted in deposits totalling £15m not being repaid. As set out in the report, it is likely that most of the deposits will be recovered over the period to 2012.

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. 2008/09 Budget and Council Tax report – 5th March 2008
6. Reports to Audit Committee on Icelandic Banks (17th December 2008)
The Treasury Strategy for 2009/10, including proposals for a revised Lending List (4th March 2009), and the Audit Commission Report on Icelandic Banks (June 16th 2009).

7. Reports to Budget Panel and Policy & Co-ordination Group (23rd October 2008), and Performance & Finance Select Committee (8th December 2008)
- 8.

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 – Icelandic banks

- 1 The current loans outstanding as at 31st March 2009 are:

Name	£m	Amount %	Yield Date	Lending Date	Maturity
HBOS		5.0	6.0	16.04.07	16/04/10
HSBC		5.0	5.4	18.04.07	19/04/10
Cheshire Building Soc		5.0	6.59	30.07.07	30/07/09
Global Treas. Fund (RBS)		9.2	Var.	Call	
Gartmore cash reserve		0.1	Var.	Call	
Cheshire BS		5.0	2.6	07.05.08	07/05/10
Heritable bank		10.0	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	5.99	04.02.08	04/02/10
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		<u>5.0</u>	7.0	22.09.08	22/09/11
Total		74.4			

Members will notice that the value of deposits has declined sharply as a result of Brent repaying £64.75m in long-term debt. The repayment will both reduce costs and risks arising from making deposits with financial institutions.

Brent has also invested £22.8m 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:-

Nationwide BS CD	2.1	2.21	23.06.09
RBOS CD	2.2	2.21	25.06.09
Alliance & Leics CD	1.8	2.29	06.08.09
BOS (Gov guarantee)	2.2	1.67	19/10/09
RBOS CD	2.0	2.39	25.11.09
Barclays Bank CD	2.6	2.39	30.11.09
Nationwide BS CD	2.2	2.39	30.11.09
Clydesdale Bank CD	2.4	2.39	02.12.09
Lloyds TSB CD	2.1	2.4	21.12.09
Lloyds TSB CD	1.0	2.3	04.02.10
Barclays Bank CD	1.5	2.32	25.02.10
Accrued interest	<u>0.7</u>		
	<u>22.8</u>		



Full Council – 14th September 2009

Report from the Chair of the Overview and Scrutiny Committee

Since my last report, the Overview and Scrutiny Committee has met once and heard from the Deputy Leader of the Council who responded on the following issues and answered questions:

- The impact of the recession on local people and how the Council is responding to this,
- Progress on delivering the improvement programme,
- Progress on providing new social housing, and
- Efforts made to recruit more permanent social care staff.

The committee also heard from residents who were concerned about the Cricklewood Library Children Centre Project and Archive move. Having heard the points made and receiving a briefing on the project, the committee were sympathetic to the proposals but felt that more work needed to be carried out on informing service users as to what children centres do, how they operate and how the centre and library would interact within the refurbished building. It was also felt that service users should be informed as to how the £400,000 investment in the building would be spent, how noise from children's centre would be contained to reduce the impact on library users and how access to the building would be separate for users of the library and children's centre to minimise disruption for library users.

Graham Ellis, the Council's Director of Business Transformation informed the committee about the work of the Business Transformation Department and his main priorities and key areas of work. The committee also received an update on the One Stop Service Redesign Project and approved the overview and scrutiny annual report.

The Children and Families Overview and Scrutiny Committee has met since the last meeting of Council and discussed the work of the Youth Strategy Group, which has met several times to discuss how best to improve services for young people in Brent. A service review is to be carried out by the Youth Service, in conjunction with the Brent Excellence Support Team. The committee asked that an information report on the scope of the Youth Service review be presented to its October 2009 meeting.

The committee considered a report on Brent's BSF programme, entitled *Transforming Learning in Brent*. Members asked to be informed of the outcome of the bid as soon as

possible and to receive further updates on the progress of BSF. The project will be a standing agenda item for future meetings of the Committee.

The committee also considered the plans to provide targeted support in localities to children and young people identified as having additional needs. Members have asked that the Committee receive information on the evaluation of locality-based intervention and details of the next stage of development and that a future meeting should be held at a locality centre within 18 months to two years. Following a further update on primary and secondary school places, the Committee has asked to receive information on the geographical distribution of unplaced pupils and school vacancies at its next meeting.

The Budget Panel has begun its work again by hearing from the Director of Finance and Corporate Resources on the budget strategy for 2010/11 to 2013/14 and monitoring the panel's recommendations in relation to the 2009/10 budget.

The Forward Plan Select Committee considered a call-in of the Executive decisions taken on new accommodation for John Kelly Boys' Technology College and John Kelly Girls' Technology College proposed to be replaced by The Crest Boys' Academy and The Crest Girls' Academy. Upon considering the report from the Director of Children and Families and the reasons for the call-in, the select committee had no further comments to make and noted the decisions made by the Executive. The select committee has also considered briefings on the Civic Centre and the Addendum to the West London Joint Waste Strategy.



Full Council – 14th September 2009

**Motion selected for debate by Councillor Ann John,
Leader of the Labour Group**

Building of John Kelly Schools/Crest Academies

This Council deplores the failure of the Liberal Democrat led administration to secure the land adjoining the John Kelly Schools/Crest Academies site, as promised. As a result of this, the new academies will be built without discrete outdoor sports facilities. Furthermore, the failure to secure the land will prolong the planned construction period from 18 months to 4 years and the £5 million earmarked for land purchase will be wasted on temporary accommodation.

This Council resolves to seek an urgent meeting with Government Ministers to see if the Government can help the Council to purchase the land and avoiding building schools, which are unfit for purpose.

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Full Council – 14th September 2009

**Motion selected for debate by Councillor Paul Lorber,
Leader of the Liberal Democrat Group**

Fairness for our Caribbean residents

This Council:

- notes the Government's plans to introduce a new banding system for air passenger duty;
- believes that any duty should be based on the level of carbon emissions produced by flights, rather than arbitrary zones based on location of a country's capital city;
- notes that actual distance travelled is a good approximation for carbon emissions;
- further notes that the new banding system will result in flights to the Caribbean incurring a higher tax than flights to the West Coast of the United States, despite being closer in distance to the UK.

Brent Council is concerned that the proposed new banding system will disadvantage many residents in the area who have friends and family in the Caribbean while doing nothing to effectively curb carbon emissions.

Council therefore instructs the Leader of the Council to write to Brent's three Members of Parliament outlining our concerns in this area, and urging them to sign Early Day Motion 1761 which calls on the Government to abolish the air passenger duty and replace this with a per plane tax based on the actual distance travelled, which would be fairer for passengers flying on busy routes.

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Full Council – 14th September 2009

**Motion selected for debate by Councillor Bob Blackman,
Leader of the Conservative Group**

Funding of free bus travel in London

This Council notes the threats from the Labour Government to reduce public expenditure to compensate for their complete failure to handle the public finances properly.

This Council further notes that Gordon Brown has claimed to have ended boom and bust, but Britain went into one of the deepest recessions in the developed world. Over the last year, 2,000 people have lost their job every day. The Bank of England has warned that we face a difficult and protracted recovery and, even when the recession ends, Britain will be left with a massive debt crisis. Under Labour we have the largest budget deficit of any large economy and the highest debt level since World War Two.

In particular, this Council notes that the Labour Government has threatened to remove £52 million in funding of free bus travel in London for the elderly and infirm. This Council believes that this will result in this cost falling on the Brent Council Taxpayer.

This Council resolves to support London Councils and the Greater London Authority in outright opposition to this unwarranted and unfair attempt by the Labour Government to transfer these costs to Brent Council taxpayers.

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