

SERVICE GROWTH / COST PRESSURES - 2016/17 - 2019/20

Service	Item	2016/17	2017/18	2018/19	2019/20	Comments
		£'000	£'000	£'000	£'000	
Demographic Changes						
C&YP	No Recourse for Public Funds	400	100	100	0	The number of families presenting themselves to Brent who have no recourse to public funds has increased significantly since 2013/14. The total direct cost to Brent is forecast to be circa £1m in 2015/16 and is expected to increase in future years, primarily due to recent welfare reform changes. £0.4m is required to increase the current budget allocation of £0.5m to fund accommodation costs and subsistence for NRPF families.
C&YP	Social Workers - Workforce Planning	500	0	0	0	Workforce planning in Children's Social Care is designed to ensure that caseloads for social workers in the Locality safeguarding service do not exceed 20 children per social worker and in Care Planning do not exceed 15 children per social worker. These figures have been agreed across London as the maximum safely manageable caseload for social workers in children's social care. This strategy is also linked to the ongoing growth in Brent's child population, increased expectations from Ofsted and recruitment/retention issues in relation to Social Workers. £0.5m is required in 2016/17 to fund the additional social workers required to maintain the safe workload allocation as identified above.
CWB	Community Based Service - Homecare and Direct Payments	2,100	0	0	0	Based upon recent modelling projected demand for homecare services has been projected to increase in 2016/17 between 8 - 10% and Direct Payments between 10-20%. Although the numbers of older people are increasing according to population growth, the proportion or mix of service users with dementia will increase significantly which in general means that additional costs will be incurred by the department. The base number of clients across accommodation based support is projected to stay static for 16/17, with the increase in demand diverted to less costly Community based services
Total Demographic Changes		3,000	100	100	0	
Demand lead pressures						
R&E	Contracts – Uplift with respect to demographic pressures	500	0	0	0	To provide monies to meet potential increases in various contracts with respect to demographic pressures
R&E	Additional post required to take outdoor advertising sites and lamppost banner sites to market	78	(25)	0	0	If we do not create this extra capacity we will not be able to create the new income streams, which far outweigh the costs. This is a specialist skillset, and that capacity cannot be solely provided by reallocating work from within the extremely small team
Resources	HR -- Additional post to co-ordinate the apprentice and graduate schemes run by the council.	44	0	0	0	As part of the council's commitment to improve job opportunities for local young people, 100 apprentices will be recruited over 3 years and 50 local graduates in 5 years. The need has arisen to have an additional post to co-ordinate the apprentice and graduate schemes run by the council.
Total demand lead growth		622	(25)	0	0	
Price lead growth						
CWB	Accommodation and Community Based Packages	1,060	0	0	0	Price led growth has been projected to be between 1.5% and 4%. Over the last 5 years, ASC Commissioners have taken an aggressive approach to keeping the cost of care home placements and homecare hourly rates at the same level or with minimal increases. Increased obligations on employers in the social care sector e.g. auto enrolment pensions, reducing the use of zero hour contracts and NMW and LLW have impacted providers and the direct impact of pay levels of the workforce has a greater impact on homecare providers. Therefore this is a wider concern about the viability of the HC market locally if we do not look at what we pay. Through market warming exercises for upcoming tenders the clear feedback we are getting from the market is they will have to increase the prices they tender to meet their additional employment costs (Clearly the council cannot accept the full cost of new employee obligations but we must keep the market viable to purchase the services we need.) The department is already experiencing problems with making some placements, as some provider are reluctant to or simply will not accept Brent prices. Currently our 'usual costs' for placements are to some extent controlled through using the WLA wide APC (framework agreement) which sets the price for placements across the WLA. However, the retendering of this service is currently underway and intelligence indicates that providers will be looking to use this as an opportunity to increase their 'usual' fee rates. This is likely the biggest risk to increased placement costs, some of which we will need to meet if we wish to continue to access capacity in a viable, local market.
R&E	Public Realm - Waste Treatment	311	0	0	0	Waste treatment costs for residual waste and organic waste are set by the West London Waste Authority. They are applied on a rate per tonne basis. These increase year on year to account for operational uplift and increases in disposal charges. The actual rate increases are not yet known. These will be revealed by WLWA in January. However, this pressure is estimated using last year's rate of increase.
Central	Pay Increase	1,088	0	0	0	This assumes a pay ward for 2016/17 of 1.0%.
Central	National Insurance	1,537	0	0	0	This relates to changes in the National Insurance regulations where the current NI rebate employer's receive on staff within a defined pension scheme will cease from April 2016 costing the Authority £1.537m. Staff could also lose up to £40 per month.
Central	Freedom passes	193	700	700	0	For 2016/17 the cost of concessionary fares increased to £16.284m from £16.091m an increase of £193k. Overall, the costs of concessionary fares have increased by 0.8% for London Councils and 1.2% for Brent. The largest element in the increase relates to TfL fares which increased by 1% and was based on the July 2015 RPI inflation rate. For future years the assumption for the budget is that fares will increase by 2.0% and that there will be 2.3% increase in the volume of journeys as more people qualify for concessionary fares.
Central	Pensions - Actuarial review	342	550	555	0	The employer's pensions oncosts is due to increase from 29.4% in 2015/16 to 30% in 2016/17 in line with the previous actuarial review and £342k is the growth required to meet this additional pressure. From 2017/18 the new three yearly actuarial review of the pension will apply and it is currently assumed that an additional £550k and £555k will be needed for 2017/18 and 2018/19 respectively.
Total Price led growth		4,531	1,250	1,255	0	
Change in Legislation / Regulation / Policy						