

**Extract from Minutes - Council Meeting 22<sup>nd</sup> November 2010****FIRST READING DEBATE ON THE 2011/12 TO 2014/15 BUDGET**

Councillor John opened the debate by stating that the Liberal Democrats gave politics a bad name because they were a party that would say anything and do anything to win votes. She added that the local Liberal Democrats had, while in power, spent four years blaming the Labour government for lack of funding when the government had increased funding to local government by more than 40% in real terms. Now that the Liberal Democrats were in power the Council was faced with cuts of nearly one third, made worse by being front loaded. The Building Schools for the Future programme had been cut and local government was bearing a disproportionate share of cuts in public spending. Councillor John maintained that there was no need for cuts on such a scale because Britain's debt as a proportion of national income was one of the lowest in the EU and it appeared from recent reports that the country was able to afford to offer significant financial support to Ireland. She submitted that cuts were being made to further a political agenda which was the destruction of the welfare state. Councillor John submitted that when Labour left office in 2006, Brent Council was an improving council but progress had stalled between 2006-10 in the chaos of a joint administration between two parties who did not speak to one another often enough to make a decision. The cuts now faced by the council were on an unimaginable scale and the sort of cuts that the Liberal Democrats had opposed in the run up to the general election. The previous administration had a lot of choice in how to spend the resources at its disposal in contrast to being faced with having to make cuts such but, Councillor John said, there was a choice in the way that the cuts were made. Councillor John stated that the council could not justify keeping open branch libraries which hardly anybody used when there were disabled and elderly people who needed home care. She acknowledged that money had been spent on improving library buildings but nothing had been done to secure value for money and now the government was forcing the council to choose between empty branch libraries and meals on wheels. New ways of working had to be found and it was the intention of the administration to develop a library service fit for the 21st century. It was not the intention to salami slice or impose unidentified savings on departments but instead, priorities would be identified and everything possible would be done to defend front line services. Councillor John stated that the government had embarked on a programme of centralisation that included schools, social housing and welfare being removed from local democratic control with the services and facilities being offered to a mixed bag of organisations with vested interests.

Councillor Lorber referred to a past Labour government in the 1980's having to approach the International Monetary Fund for assistance and he accused the last government of again mis-managing the country's economy. Councillor Lorber asked if anybody wanted what had happened in Ireland to happen in the UK. He reminded members that the last Labour budget in March 2010 had proposed £44B of cuts. He stated that action on housing benefit had already been taken over the last two years because the previous Labour government had recognised the need to contain the money being spent. He submitted that it was now time for some hard decisions to be taken and it was time for people to be told the truth about the

position the country was in. Councillor Lorber referred to the last Council administration which had achieved the highest resident satisfaction results. He stated that the administration over the four years it had been in office had been a successful one in achieving a freeze on Council Tax increases and delivering better services. The One Council programme was on course to save £21M and more if properly managed. The incoming Labour administration had opposed the building of the new civic centre despite the improvements it would deliver. Other savings were arising from working in partnership with other agencies and all this had been introduced because it was clear what cuts were in the pipeline. Councillor Lorber ended by saying that the country had to recognise it could only spend what it could afford.

Councillor HB Patel referred to the recent government decision to lend money to Ireland and justified this by reference to the fact that Britain exported more to Ireland than to China, India, Brazil and Russia and it was therefore very much in the UK's economic interest to support Ireland. He submitted that the current government was transferring more power to local government than had been the case before. Councillor Patel stated that the last Labour government had nearly bankrupted the country. He added that all political parties knew before the general election that cuts in expenditure would be required and it was only a question of how much and when such action was needed. The Government had decided to front load the cuts in order to reduce the debt more quickly, which he claimed was a common sense approach. Councillor Patel submitted that past local government budget settlements had awarded below inflation increases in certain areas. He felt the present government was showing the right way forward.

Councillor El-Abadi felt reference to the country doing so badly on the back of debt was misplaced. He wanted to hear how the budget cuts would be affecting Brent. He asked, if the past Council administration had done so well, why it was voted out at the recent local elections. Councillor Allie felt the corporate plan presented to the Council contained nothing new with many aspects comprising a continuation of what the Council was already doing.

Councillor Van Kalwala offered his full support for the actions being taken to support the most vulnerable in the borough. He acknowledged the need to make cuts but also submitted that the Council needed to increase its balances after the last administration had reduced them and increase its funding for property maintenance. He submitted that the last government had led the world in taking action to prevent a world-wide recession and now the present government was supporting the Irish economy instead of finding money to build schools, hospitals and provide services for children.

Councillor Hunter referred to the awaydays attended by lead members and officers and felt this set a poor example to people on how the Council was managing the current situation. She stated that it was true that many organisations had similar events but they did not necessarily include an overnight stay. Councillor Hunter stated that the previous administration had spent £200 on an equivalent event. There were other aspects which the Council needed to be seen to be leading on and one of those was avoiding unnecessary business travel that such events involved.

Councillor Shaw deplored the suggestion that up to six libraries might be closed. She urged residents to petition the Council against taking such action. She was proud that the previous administration had managed to invest in the library service so that the twelve libraries remained open and a home service was provided. She stated that closing libraries would punish the children who used them. She alleged that the current administration had wanted to close libraries for many years and that it was not the cuts that were forcing them to do this.

Councillor J Moher offered no apologies for reviewing the business case for the civic centre and reviewing the One Council programme. The new administration had now done this and satisfied itself on the viability of both. He reminded members that the government was making £85B cuts over four years which would mean Brent having to find £94M. Councillor Butt stated that the outcome of the Comprehensive Spending Review (CSR) had not been good for councillors of all political persuasions. The reduction in public spending was biased against local government. In June the Council had lost £7m in year as a result of grants being cut. The libraries had lost £100K from the book fund, free swimming for children and the elderly had been cut and still the full impact of the CSR would not be known until December. There would be a major impact on the ability for councils to deliver front line services but the administration would work to produce both the necessary savings and the services by looking for efficiencies and reviewing how services were delivered. Councillor Butt added that there were still many unknowns on how the CSR would affect schools through the pupil premium distribution. Nevertheless, he submitted that the administration had an ambitious and positive outlook despite the challenges that lay ahead.

Councillor Colwill referred to cuts made to the primary care trusts by the previous government and to a £9M cut from the Council's budget. He felt the past government had used money from pension funds and its gold reserves trying to keep the economy going. The debt for the Council stood at £100M which was the cost of the civic centre and he wondered if people would support this strategy when presented with such a comparison. Councillor Powney submitted that it was the view of many that public money should be used to support the economy and he thought this was a view held by the Liberal Democrats who were now saying that this was too extravagant and less should have been spent. However he could not remember them saying that before the general election. The level of risk to the Council had been increased by the in-year cuts made earlier in the year which amounted to the level of reserves held by the Council. Councillor Powney warned that there were also many other public sector cuts which could have an impact on the Council such as in demand led social care services. He pointed out that the Building Schools for the Future programme had been cut despite support for it before the general election.

Councillor Hashmi defended the past decision to invest in Icelandic banks by pointing out that this had been done in consultation with the government and the Bank of England. He also reminded members that all this money was not lost. Councillor Hashmi referred to the £7B recently earmarked to support Ireland and compared that to the £61B worth of exports from the UK to Ireland and the £80B lent to Irish businesses by British banks so he submitted that this money needed to

be protected.

Councillor Matthews raised the issue of the suggested change in approach by London Councils towards voluntary sector funding and the danger this posed to services supporting women subject to violence. She identified the projects as an excellent example of partnership working and sought assurances that everything possible would be done to protect them.

**RESOLVED:-**

- (i) that the Borough Plan 'Brent our Future 2010-14' circulated separately to all councillors be approved as the definitive statement of priorities over the next four years for the Council's Administration;
- (ii) that the broad budgetary priorities set out in the report from the Executive be noted and the issues raised in the First Reading debate be referred to the Budget and Finance Overview and Scrutiny Committee.