



LONDON BOROUGH OF BRENT

MINUTES OF THE CABINET Monday 10 February 2020 at 4.00 pm

PRESENT: Councillor M Butt (Chair), Councillor McLennan (Vice-Chair) and Councillors Agha, Farah, Hirani, Miller, M Patel, Krupa Sheth, Southwood and Tatler

Also present: Councillors Crane, Johnson and Kelcher.

1. **Apologies for Absence**

None received.

2. **Declarations of Interest**

3. **Minutes of the Previous Meeting**

RESOLVED that the minutes of the previous meeting held on 14 January 2020 be approved as an accurate record of the meeting.

4. **Matters Arising (if any)**

None.

5. **Petitions (if any)**

None.

6. **Reference of item considered by Scrutiny Committees (if any)**

None.

7. **Budget & Council Tax 2020/21-2022/23**

The Deputy Leader and Cabinet Member for Resources, Councillor Margaret McLennan, introduced the report setting out the Council's budget proposals for 2020/21 – 2022/23 along with a summary of the Council's overall financial position in the medium term.

Councillor Muhammed Butt, Leader of the Council, welcomed Katie Barringer (Brent Trees) to the meeting who he advised had requested to speak in support of a proposal from the Budget Scrutiny Task Group regarding the use of savings accrued within Regeneration & Environment to support a programme of tree planting. In addressing Cabinet, Katie Barringer highlighted the work being undertaken by the Council following its declaration of a climate emergency and the

environmental, health and socio-economic benefits associated with trees and urged Cabinet to support the proposal made by the Task Group.

Councillor Matt Kelcher, Chair of the Resources and Public Realm Scrutiny Committee and Chair of the Budget Scrutiny Task Group, was then invited by the Leader to address Cabinet. Acknowledging the difficult financial context within which the budget had needed to be set, he advised that the Task Group had sought to undertake a fair assessment of the proposals, offering comment and suggestions for consideration with their report included as an appendix to the main budget report. The three main themes around which the Task Group had structured their review had been transparency & accountability; creativity & innovation; and prudent use of resources, with the Task Group anticipating a full response to the recommendations made. Councillor Margaret McLennan, Deputy Leader of the Council, expressed her thanks to scrutiny members for their contribution to the proposals before the Cabinet and confirmed that consideration would be given to the recommendations and a full response provided.

Additional comments were also received from Councillor Robert Johnson who expressed concern at the ongoing impact the Government's programme of austerity was having on deprived and vulnerable communities across the borough along with the potential impact of the Fair Funding Review.

Councillor McLennan extended her thanks to officers and cabinet member colleagues for the hard work undertaken in producing the current budget proposals. She drew members' attention to the recommendations detailed in the report, which included a proposed overall increase in Council Tax of 3.99% (including a 2% precept for Adult Social Care) and savings currently totalling £7.4m (as summarised in Appendix C(i) of the report). In addition, the report included details of the budget and rent setting/service charge proposals relating to the Housing Revenue Account which, in line with the Government's rent policy, included a recommended increase of CPI +1%. Looking beyond 2020/21, Councillor McLennan ended her introduction by referring to the summary of budget proposals being developed from 2021 – 2023 themed around service transformation; making the Council's money go further and income generation with the Council, she pointed out, seeking to maintain its proactive approach towards addressing the challenges faced.

In response to the comments raised in relation to trees and the environment, Councillor Krupa Sheth, Cabinet Member for Environment, felt it important to recognise the Council's commitment towards its current programme of tree replacement and planting, which it had also been possible to support through the NCIL process.

In terms of comments from other Cabinet Members, Councillor Shama Tatler, Cabinet Member for Regeneration, Property & Planning, also echoed the sentiments expressed. She highlighted that whilst the Council had maintained a prudent and well managed approach towards its budget there were still significant challenges to be addressed in terms of the strategic approach to be developed on the climate emergency, impact of BREXIT and austerity.

Councillor Krupesh Hirani, Cabinet Member for Public Health, Culture and Leisure, also endorsed the budget proposals and highlighted that details were still awaited

on the final grant allocation from Public Health England (PHE) and NHS England in relation to funding for the public health element of the budget.

Councillor Miller, Cabinet Member for Community Safety & Engagement, advised that he welcomed the inclusion of proposals within the budget in support of community safety initiatives seeking to utilise funding previously allocated to provision of the Met Patrol Plus Partnership Tasking Team.

Councillor Mili Patel, Cabinet Member for Children's Safeguarding, Early Help and Social Care, felt it was important to recognise the ongoing challenges faced in relation to the increasingly complex nature of demand and associated budgetary pressures on safeguarding and children's services. Whilst the budget would ensure the Council was able to continue meeting its statutory obligations there had also been a need to adopt a creative approach towards future service delivery, which had involved the creation of the Family Hub model.

Councillor Eleanor Southwood, Cabinet Member for Housing and Welfare Reform, also endorsed the budget proposals and highlighted the extensive nature of the consultation undertaken in relation to the Council's rent setting proposals. Cabinet felt it was important to recognise that the additional funding generated as a result of the recommended rent increase would directly contribute towards the Council's ongoing investment programme in council homes and estate improvements.

In summing up, Councillor Muhammed Butt highlighted the challenging nature of the budget setting process given the ongoing impact of the Government's austerity programme and current uncertainty in relation to the outcome of the Fair Funding Review and proposals relating to Business Rates. Despite these ongoing financial pressures, he felt it important to recognise the positive approach it had been possible for the Council to adopt given its prudent management of the budget with particular reference made to the programme of capital investment and council house building and continued delivery of services to support the more vulnerable members of society. Whilst recognising the significant issues to be addressed in tackling the climate emergency, Councillor Butt felt there was also a need to recognise the pressures in terms of ensuring the Council remained able to meet its statutory obligations, particularly in relation to adult and child safeguarding. Whilst this would remain a priority, he advised that Cabinet would also be willing to consider ring-fencing any overall underspend in order to tackle the climate emergency with the Council, he pointed out, also continuing to actively lobby the Government in relation to the local government funding regime.

Drawing attention to the report, Cabinet were advised they would be required to consider those recommendations detailed within sections 2.1 – 2.12 of the report, in order to confirm the final budget to be recommended to Council. Members also noted the need for Council to establish a Council Tax Setting Committee in order to approve the final Council Tax level for 2020/21 taking account of the final precept to be set by the GLA, who would be meeting after the Council's budget setting meeting.

RESOLVED that having noted the deputation received from Katie Barringer (Brent Trees) and additional comments made by Councillors Kelcher in summarising the key themes from the Budget Scrutiny Task Group report and Councillor Johnson, Cabinet:

- (1) Agree to recommend to Full Council an overall 3.99% increase in the Council's element of council tax for 2020/21, with 2% as a precept for Adult Social Care and a 1.99% general increase.
- (2) Agree to recommend to Full Council the General Fund revenue budget for 2020/21, as summarised in Appendix A of the report.
- (3) Agree to recommend to Full Council the cost pressures and technical adjustments detailed in Appendix B of the report.
- (4) Agree to recommend to Full Council the savings detailed in Appendix C of the report.
- (5) Note the report from the Budget Scrutiny Panel in Appendix D of the report. In addition, Cabinet agreed at the meeting to recommend to Council that any overall underspend across the General Fund accrued at the end of March 2020 be ringfenced and bought forward as proposals for spending on the climate change emergency.
- (6) Agree the HRA budget for 2020/21, as set out in section seven of the report.
- (7) Agree the HRA rents for council dwellings, tenant service charges and garages, as set out in section seven of the report.
- (8) Agree the rents set under the Housing General Fund for Brent Housing PFI and traveller's site pitches and to note the rents for Hillside dwellings as set out in section seven of the report.
- (9) Note the Dedicated Schools Grant as set out in section eight of the report.
- (10) Note the advice of the Director of Legal, HR, Audit and Investigations as set out in Appendix E of the report.
- (11) Agree, and where relevant agree to recommend to Full Council, the schedule of fees and charges set out at in Appendix F of the report.
- (12) Note the results of consultation as set out in section six and detailed in Appendix G of the report.
- (13) Note and approve the specific recommendations to Full Council as detailed in section 2.13 – 2.29 of the report.

8. **Capital Programme Budget 2020/21 – 2024/25**

The Deputy Leader & Cabinet Member for Resources, Councillor Margaret McLennan, introduced the report setting out the Council's Capital Programme. The report also included new capital bids proposed for the medium term financial planning period 2020/21 – 2024/25.

Cabinet noted the extensive nature of the Capital Programme, which, as part of the budget setting process, had been focused on supporting the delivery of a number of

the Council's statutory responsibilities in relation to school place provision, investment in new affordable housing and the existing housing stock, town centres, public realm and community facilities. In addition to the existing Capital Programme, the report also detailed the schemes held in the pipeline for inclusion in the 2020/21 -2024/25 programme. The key projects included within the programme had been detailed within section 4 – 9 of the report with members specifically highlighting the South Kilburn Estate Regeneration and Highways and Footways maintenance programme.

RESOLVED that Cabinet:

- (1) Note the five year Capital Programme position (as detailed within Table 1 of the report).
- (2) Agree to recommend to Full Council the Capital Programme 2020/21 – 2024/25 as set out in Appendix 1 of the report and that the Chief Officers be authorised to take all the necessary actions for implementation of the programmes.
- (3) Agree to recommend to Full Council the changes to the existing Capital Programme in relation to additions of new projects as set out in Appendix 1 of the report.
- (4) Agree that the Director of Finance be authorised to make the necessary adjustments to the Capital Programme to account for the final 2019/20 outturn position and any associated programme slippage.
- (5) Agree to recommend to Full Council the Capital Strategy, Investment Strategy, Treasury Management Strategy and Minimum Revenue Provision Policy as detailed in Appendices 3 – 6 of the report.

9. **i4B Business Plan 2020-21**

The Leader of the Council, Councillor Muhammed Butt, welcomed Akintoye Durowoju (i4B Board Member) to the meeting and invited him to introduce the report setting out the i4B Holdings Ltd (i4B) Business Plan 2020/21, for shareholder approval.

In presenting the report, Akintoye Durowoju outlined how the 2020/21 Business Plan had been developed to recognise performance in relation to the 2019/20 Plan along with external market factors. As a result, the main focus in terms of priorities within the 2020/21 Business Plan had remained on growth and diversification with the strategic aims identified including the PRS acquisition programme and incorporation of key worker accommodation into the wider i4B portfolio of properties; developing a portfolio of new build accommodation, including working with the Council to develop on Council owned land and with Registered Providers or private sector developers on sites purchased from the market.

Councillor Robert Johnson was also invited by the Leader of the Council to speak on the report. In highlighting the work undertaken by the Affordable Housing Scrutiny Task Group, Councillor Johnson advised he was keen to ensure that the

recommendations made in relation to the affordable nature of housing being provided through i4B, FWH or via Registered Providers were recognised.

In considering the report and progress being made by i4B, Councillor Muhammed Butt, as Leader of the Council, and Councillor Eleanor Southwood, as Cabinet Member for Housing & Welfare Reform, highlighted the need to recognise the long term and evolving nature of the Business Plan in seeking to grow and diversify the company's portfolio, strengthen its balance sheet and spread risk in order to increase capacity. This was as part of an overall strategy to own and manage properties to support the Council in tackling pressures in relation to homelessness and reducing the reliance on Temporary Accommodation through the provision of permanent, secure and affordable housing. Whilst the specific recommendations from the Task Group had not been referenced within the Business Plan the approach adopted by the Council had included a range of measures including the purchase of properties from Housing Associations and developers as well as provision of funding to support i4B in terms of their acquisition programme.

In considering the recommendations detailed in the report, the Cabinet noted that Appendix 1 of the i4B Business Plan had been classified as not for publication on the basis it contained the following category of exempt information as specified under paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972, namely "Information relating to the financial or business affairs of any particular person (including the authority holding that information)".

RESOLVED that Cabinet:

- (1) Approve, on behalf of the Council as Shareholder, the i4B Business Plan as set out in appendix 1 of the report.
- (2) Approve the alignment of PRS phase two loan funding, as set out below:
 - (a) £24m of phase two funding be used to purchase 60 street properties;
 - (b) £86.5m of phase two funding be used for the purchase of a block of 153 units and the purchase of new build opportunities; and
 - (c) Depending on the viability of new build schemes, the Board be given the discretion to increase/decrease the amount of street properties and new build opportunities purchased.
- (3) Approve increasing the amount of PRS phase one and two properties purchased in Greater London.
- (4) Approve giving the i4B Board the authority to dispose of lower yielding Home Counties properties.
- (5) Approve the updated financial model.
- (6) Approve the financial modelling, as set out below:
 - (a) Based on current modelling, for the purchase of 360 street properties and the key worker Wembley DMS block:

- i4B's maximum cumulative loan will be £140m;
- i4B's maximum working capital will be £6.7m (£7m recommended for contingency);
- i4B will break even on an annual basis by 2023/24 and break even on an overall basis by 2035/36; and
- i4B's forecasted 30 year cumulative profit will be £11.4m.

10. **FWH Business Plan 2020-21**

The Leader of the Council, Councillor Muhammed Butt, welcomed Akintoye Durowoju (First Wave Housing Board Member) to the meeting and invited him to introduce the report setting out the First Wave Housing Ltd (FWH) Business Plan 2020/21, for Guarantor approval.

In presenting the report, Akintoye Durowoju advised that the company had considered relevant contextual factors, its performance and financial position in order to refine their strategic priorities for 2020/21. These priorities would be focussed on increasing the affordability of the capital investment programme; the disposal of assets in regeneration zones and the purchase of new build developments from the Council and market.

In considering the recommendations detailed in the report, the Cabinet noted that Appendix 1 of the FWH Business Plan had been classified as not for publication on the basis it contained the following category of exempt information as specified under paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972, namely "Information relating to the financial or business affairs of any particular person (including the authority holding that information)".

Having noted the general issues highlighted in response to the additional comments from Councillor Johnson when considering the i4B Business Plan, Cabinet **RESOLVED** to approve, on behalf of the Council as Guarantor, the First Wave Housing Business Plan as set out in Appendix 1 of the report.

11. **Voluntary Sector Initiative Fund (VSIF) Infrastructure Grant, Brent Advice Partnership - Local Advice and guidance services and Brent Advice Fund 2020/2021**

The Cabinet Member for Community Safety and Engagement, Councillor Tom Miller, introduced the report seeking Cabinet's agreement to the approval of a one year extension to the Voluntary Sector Initiative Fund (VSIF), Infrastructure Grant to CVS Brent along with the Brent Advice Partnership – local advice and guidance services contract with Citizens Advice Brent (CAB) and Brent Advice Fund. Cabinet noted the proposed extension would enable provision of services to be maintained during the transition towards the new model of collaboration with the voluntary and community sector.

Councillor Muhammed Butt, Leader of the Council, welcomed the representatives from the voluntary and community sector who were in attendance and thanked them for their engagement and support in progressing the transition towards the new model of collaboration.

RESOLVED that Cabinet:

- (1) Approve a one-year extension to the Voluntary Sector Initiative Fund (VSIF) Infrastructure Grant to CVS Brent in the sum of £80,000 to the end of March 2021 to provide services during the transition period of the introduction of the new model of collaboration.
- (2) Approve a one-year extension to the Brent Advice Partnership – local advice and guidance services contract with Citizens Advice Brent – in the sum of £171,475.
- (3) Approve a one-year extension of the Brent Advice Fund in the sum of £120,000.

12. **Facilities Management (FM) Service – Review of Facilities Management provision and in-house service delivery**

The Cabinet Member for Regeneration, Property & Planning, Councillor Shama Tatler, introduced the report seeking approval to a proposed service delivery model for provision of the Council's FM Service. The report included a cost comparison and risk analysis for the potential in-house delivery of existing services compared to an external delivery model, with the service divided into three distinct elements – Hard FM, Soft FM and Catering & Hospitality.

Cabinet noted that options in relation to the catering and hospitality element of the service were still in the process of being developed and would therefore be the subject to a separate report and expressed support for the rationale in seeking to bring the soft element of service provision in-house. This was on the basis that it would provide the opportunity to improve synergies in management of the contract whilst also enabling staff to move on to Brent's employment terms and conditions and providing access to the London Living Wage and Pension Scheme.

In considering the recommendations detailed in the report, the Cabinet noted that Appendix A had been classified as not for publication on the basis it contained the following category of exempt information as specified under paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972, namely "Information relating to the financial or business affairs of any particular person (including the authority holding that information)".

RESOLVED that Cabinet:

- (1) Agree that Hard FM services be outsourced on the expiry of the existing contract in July 2021 and to further extend the outsourced Hard FM service arrangements in place at the Civic Centre and The Library at Willesden Green to the wider retained estate buildings to better serve the council's requirements and give consistency across the corporate portfolio.
- (2) Agree that Soft FM services (Security, Portering and Cleaning, but excluding Catering and Hospitality) be delivered in-house beyond the current contract end date in July 2021.

- (3) Subject to agreement of (1) and (2) above, delegate to the Strategic Director for Regeneration & Environment approval of the pre-tender considerations for the procurement of a contractor to undertake Hard FM services and thereafter arrange for officers to evaluate tenders on the basis of the approved evaluation criteria.
- (4) Delegate authority to the Strategic Director for Regeneration & Environment, in consultation with the Cabinet Member for Regeneration, Property and Planning, to award the contract for Hard FM services from July 2021.
- (5) To note that no decision is to be made with regard to the Catering and Hospitality Service at this stage, with a separate report to provide specific options for the Catering and Hospitality services to be produced for consideration in the near future.

13. **Exclusion of Press and Public**

There were no items that required exclusion of the press or public.

14. **Any other urgent business**

None.

The meeting ended at 5.01 pm

COUNCILLOR MUHAMMED BUTT
Chair