

Council Meeting 19 February 2020

Conservative Group Amendment to the Council's Budget Proposals 2020/21

Advice from the Director of Finance

Senior finance support has been provided to assist the Conservative Group to formulate an alternative budget that reflects their policy priorities.

The Alternative Budget proposed by the Conservative Group would be a legal, balanced budget for 2020/21, although it is recognised that this carries significant financial risk. The potential implications for 2021/22 and 2022/23 have not been considered as part of these proposals.

The proposal to remove the growth for London Living Wage (LLW) will mainly have an impact on the procurement of the new homecare contract agreed by Cabinet in November 2019. Therefore, this proposal would result in funding for LLW on the new homecare contract not being available and the Council would incur consequential abortive costs of the tender.

In addition, the council currently spends approximately £1.3m per annum on landlord incentives. The budget is used to procure properties to end the homeless duty, and so move people out of temporary accommodation which is typically more expensive. It is also used to procure properties to prevent homelessness and therefore stop people going into temporary accommodation in the first instance. Consequently, reducing this budget may result in higher temporary accommodation costs. This proposal therefore comes with significant financial risk and an alternative mitigating proposal would need to be identified.

The New Homes Bonus is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas. For Brent, this grant is not built into the Council's revenue budget and currently forms part of the financing of the capital programme. Allocating a proportion of the grant into the Council's revenue budget is allowed under the current grant conditions, however would have an impact on the financing of the capital programme such that projects would need to be scaled back or reconsidered.

In summary, these proposals carry significant financial risk and require further detailed modelling to ensure that they are deliverable and that their consequences are properly understood.

Motion in the name of Cllr Suresh Kansagra on behalf of the Conservative Group

Conservative Group – Alternative Budget Proposals 2020/21

Council is asked to consider the following alternative budget for 2020/21:

Propose to increase Council tax by 2.5% only, with 2% ring fenced for Adult Social Care.

This proposal will generate income of £126.3m, compared to £128.1m generated with the planned increase of 3.99%.

This proposal means a Brent Council Tax of £1,293.90 at Band D for 2020/21 compared to Labour proposal for £1,312.74

The Council notes the following:

- The Conservatives have always been and still are the party of lower rates of taxation through responsible policies and budgeting, meaning that people will have more money in their pockets to spend and save as they wish.
- The Conservative have always proposed to tax the residents less leaving more money in their pockets to spend and save as they wish.
- Labour have increased Council tax by over 15% since 2016.
- Council tax increased by 3.99% in 2016/17, 3.99% in 2017/18, 4.99% in 2018/19 and 4.99% in 2019/20. Prior to this council tax was frozen. Therefore, since 2016, council tax has increased by over 15% overall. Well above the rate of inflation

Propose to remove the growth for London Living Wage, saving £1.5m.

The Conservative Group believe in fair wages for fair work. Conservatives support a National Minimum Wage. Since the introduction of the London living Wage in 2008 the Conservatives have kept pace with increases.

Propose to remove the landlord incentive and save 1.3m.

The Council's Landlords Incentive Scheme is designed to give money to Landlords as an incentive to rent their properties to people who have been evicted from their homes and who cannot ordinarily afford to live in the borough. There are many people who work hard, pay their bills and taxes but have to live outside Brent because they cannot afford to live in the borough. We feel that it is wrong to subsidise private landlords in this way. It also acts as an incentive to keep rents artificially high. It is therefore our proposal to scrap this scheme.

Propose to abolish the green bin tax

Gardeners are fulfilling a great service to the borough. We acknowledge that they are supporting sustainable environmental good practice of which many will be doing their own composting. We are of the opinion that the green bin tax has a negative impact to the green policies that the householders and the Council purports to support.

Conservative Group Priority areas

The Conservative Group will continue to support those people who are young people, vulnerable and elderly; measures to improve highway infrastructure such as addressing poor pavements, potholes and fly-tipping.

The table below sets out the proposed changes to the 2020/21 budget.

Conservative Group - Alternative budget proposals	Impact on 2020/21 budget
Propose to increase Council tax by 2.5%, with 2% ring fenced for Adult Social Care	1.8
Propose to remove the growth for London Living Wage	(1.5)
Propose to remove landlord incentives	(1.3)
Recognition of additional pressures on temporary accommodation budget	1.3
Build New Homes Bonus into the base budget	(1.3)
Propose to abolish the green bin tax	1.0
Total	0.0

Councillor Suresh Kansagra
Kenton Ward Councillor