

**ANALYSIS OF CENTRAL ITEMS – 2006/07 – 2010/11**
**Appendix 5**

	2006/07 £000	2007/08 £'000	2008/09 £'000	2009/10 £'000	2010/11 £'000	Detail
Coroners Courts	168	173	178	183	188	Brent is one of five boroughs forming the London Northern District Coroners Courts Committee, namely Haringey (the lead borough), Brent, Barnet, Enfield and Harrow. Haringey deals with the administration, and charges the other boroughs on a population basis.
Local Government Association	68	72	75	78	81	The council is a member of the Local Government Association (LGA) and the Association its objectives are to protect and promote the interests of member authorities, including discussions with central government on legislative issues, and to provide research and statistical information.
London Councils (formerly ALG)	155	157	162	167	172	The council is a member of the London Councils formerly known as the Association of London Government (ALG). Its objectives are to protect and promote the interests of member authorities, including discussions with central government on legislative issues, and to provide research and statistical information concentrating particularly on issues affecting London boroughs.
LGIU Subscription	19	19	19	19	19	The council subscribes to the Local Government Information Unit. It is an independent research and information organisation supported by over 150 councils.
West London Alliance (WLA)	20	20	20	20	20	The Council provides a contribution to the administration and secretariat costs of the WLA. The West London Alliance is a cross-party partnership between the six west London Local Authorities (Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow), which aims to provide a clear single voice by lobbying on behalf of the area's residents, service providers and business communities.
Park Royal Partnership	25	25	25	25	25	The Park Royal Partnership was established in the early 1990's and has been successful in securing grant funding from the Single Regeneration Budget to promote the regeneration of

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						the Estate. Park Royal together with adjacent Wembley has been designated a priority regeneration area for the London Development Agency. PRP schemes play an important part in the Authority's job creation and economic development strategy. Brent contributes to PRP along with the London Boroughs of Ealing and Hammersmith and Fulham making a match funding of £25k.
Copyright Licensing	12	13	14	15	15	The Copyright Licensing Agency licenses public and private bodies to photocopy and scan material from books, journals and periodicals.
External Audit	410	422	435	448	462	This relates to the work undertaken by PricewaterhouseCoopers and excludes the various inspection regimes which are budgeted for elsewhere. It is the net figure after charges for grant claims to service areas.
Corporate Insurance	360	380	400	420	440	This budget encompasses the policies for public liability, fidelity guarantees, employers' liability, officials' indemnity, money handling, personal accident, engineering and terrorist insurance not linked directly to specific properties. It also includes claims handling. The remaining policies primarily cover premises and vehicles and are recharged through the insurance fund in the form of premiums to units and service areas.
Debt Charges/Net Interest Receipts	18,085	17,549	18,334	18,833	19,656	The budget for 2006/07 is £18.085m, made up of £22.146m for capital financing charges is offset by £4.061m of net income for interest receipts.
Prudential Regime Financing Charges	2,602	4,036	5,116	5,911	6,710	Debt charges generated by borrowing for schemes through the use of the prudential regime which have no specific revenue support. The costs have to be met at the expense of other priorities or through a higher council tax.
Levies	7,044	6,446	7,272	8,015	8,830	Lea Valley Regional Park, LPFA, Environment Agency and

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Premature Retirement Compensation	4,170	4,260	4,345	4,430	4,520	WLWA all levy the Authority. The WLWA accounts for £5.049m in 2006/07 is based on the tonnage of household waste delivered by Brent as well as the council tax base. Under the new charging scheme introduced in 2006/07 Brent will pay more but this is partly offset by a transitional protection scheme that will unwind in 2008/09. Increasing landfill tax and effects of the Landfill Allowances Trading Scheme (LATS) will also drive up costs in future years. The assumptions are that WLWA levy will rise by 10% per year, there will be a £3 per ton increase in landfill tax per annum and that other levies will rise by 3%. This is the ongoing revenue cost of pensions caused by premature retirements, that do not fall on the Pension Fund, which took place primarily up to 31 <sup>st</sup> March 1994. Those costs generated by action taken after 1 <sup>st</sup> April 1994 are charged directly to the service area where the decision was taken. The amount paid to pensioners is uplifted <i>by the inflation rate applicable in the previous September( 3.6% 2007/08)</i>
Middlesex House/Lancelot Road	392	421	450	479	510	A new funding agreement for the scheme was agreed in 2000/01 with the then Network Housing Association. It has received the required consent from the Secretary of State for Environment, Transport and the Regions. The contributions for future years have been reviewed with the aim of equalising these until 2019/20 with annual growth of 7.6%. This corresponds to the assumptions in the 30 year business plan
Remuneration Strategy	418	2,500	2,500	2,500	2,500	The council faces a range of significant challenges in its approach to pay for its staff. These include implementation of the single status agreement by April 2007, resolving a range of pay anomalies including London Weighting, and a number of supplements and bonus payments, and putting in place adequate arrangements to ensure the recruitment and retention of suitable skilled staff. These are some of the key

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						issues to address set out within the Brent People Management Strategy endorsed by the Executive in December 2005. £500k has been included for this purpose in 2006/07.
South Kilburn Development	500	750	1,500	2,000	2,000	Work on the development of South Kilburn is continuing. For example, the show homes are nearing completion, and the delivery partner to carry forward the Masterplan to its conclusion will soon be chosen. In 2006/07 the budget of £500k is to meet: the additional costs to the temporary accommodation budget as the number of units available to the council to house families falls, as work begins on homes in the area; and additional legal, independent advice for residents and other consultant fees.
Investment in IT	820	820	820	820	820	These sums are to be used to fund a small amount of new development in 2006/07, to pay the leasing and debt charges for previously implemented projects, and to meet the ongoing costs of maintenance and support.
Ward Working	900	1,020	1,040	1,040	1,040	It was originally planned that a full roll out of the remaining 15 wards would occur by October 2006 to add to the 6 wards piloted in 2004/05. This assumes this will now take place in 2007/08.
Local Authority Business Growth Incentives	(1,000)	(1,500)	(1,500)	(1,500)	(1,500)	The LABGI scheme was introduced in 2005/06 and allows authorities to retain a proportion of any increase in business rates revenues above a certain level. It aims to provide incentives to local authorities to promote economic growth. There is a complex formula determining the amount a local authority receives, with baseline growth in business rates set on the basis of historic growth. Authorities were originally limited to 70% of any increase above the baseline (this has now been amended to provide for 100%), up to a maximum level. Reductions in the level of empty properties contribute to this, as this reduces empty relief and thus increases the total

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Freedom Pass Scheme	0	400	800	1,200	1,600	Brent's subscription to the TFL concessionary fare scheme is £7.72m in 2006/07 compared with £7.17m in 2005/06. This increase has been included in the Housing and Community Care budget for 2006/07. Subsequent adjustments will be made to reflect actual passes issued compared with those assumed. There is therefore a risk of this figure increasing. £400k of additional monies per annum has been included in the medium term financial strategy to cover rises over the rate of inflation in future years and this sum is held as a central item.
Council Elections	0	0	0	0	350	Local elections in May 2010.
Neighbourhood Renewal Fund	(2,279)	(2,279)	0	0	0	Government has announced a continuation of Neighbourhood Renewal Funding (NRF) for Brent for the financial years 2006/07 and 2007/08. There are a number of principles that underpin the allocation, and which the council must adhere to: NRF allocations must be agreed through the Local Strategic Partnership (LSP); NRF must be spent on contributing towards the government's floor targets for reducing the gaps between Brent's most deprived neighbourhoods and the rest of the country; NRF must not be used to substitute for mainstream funding already being spent within the most deprived neighbourhoods.
Advertising Hoardings/Sponsorship	(20)	(11)	(11)	(11)	(11)	Consent has been given by the Planning Committee for 18 adverts on lampposts. The contract provides, after the first three months, a guaranteed minimum revenue of £500 per advert. If the average net revenue per location is less than £3,000 then the authority will receive £555 per site. If it exceeds £3,000 then the authority will get 30% of the amount by which it exceeds £3,000. There is a 3 month warm up

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Employers' Pension Fund Contributions	75	75	75	75	75	<p>period for each site. £9k is already generated from other advertising hoardings.</p> <p>The council's actuaries fix the employers' contribution to the Pension Fund every 3 years as a percentage of the salary for those staff who are in the Pension Fund. This has led to increases in employer's contributions and which have been incorporated into service area budgets. £75k has been retained to cover staff not included within service area budgets such as Trading Units, and other contingent items.</p>
Insurance Fund	1,800	2,000	2,000	2,000	2,000	<p>The council operates an Insurance Fund in order to self insure its buildings and contents as well as to cover employee and third party legal liabilities and professional indemnity, though it does have insurance policies to limit the council's overall exposure. The authority has an excess of £279k on any particular claim and has a maximum exposure of £3.4m in any financial year. These arrangements are in place to minimise the council's costs as opposed to covering all costs through external insurance. Service areas are charged insurance premiums for buildings and contents. The level of the Fund is reviewed against the known and potential level of liabilities for claims. Members have been informed in previous years that the Fund was insufficient and significant contributions would be required to ensure the Fund has resources to meet likely claims. In 2004/05 the authority was able to make an additional contribution of £1.5m to improve the position of the fund after reviewing the year end position of the authority's accounts. This payment was in response to the Joint Audit and Inspection Letter 2003/04 where PwC stated that under Financial Reporting Standard 12 there was a requirement to provide for all liabilities as they are incurred and were recommending that Brent should provide for insurance claims</p>

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HRA Recharges/Rent Rebates	347	347	347	347	347	<p>based on the assessment of outstanding claims at the year end. At the 31<sup>st</sup> March 2006 the Insurance Fund balances were £2.175m and it is not clear whether the fund will increase by the end of the financial year. Currently it is estimated that the potential liabilities to be met from the fund are between £4m and £5m. However, a number of these will be challenged and not paid or a lower sum agreed. The current budget for 2006/07 is £1.8m has been proposed for 2006/07 increasing to £2.0m in future years to build up the fund to meet these and future liabilities.</p> <p>An annual exercise is undertaken, as part of the budget process, to allocate reasonable charges between the General Fund and the HRA in connection with the Management and Maintenance of its dwelling stock. Any split is calculated on a number of differing factors which seek to reflect and measure a reasonable charge for activity in relation to the HRA. As the number of properties within the HRA has reduced (15,081 in March 1996 to an estimated 9,512 in March 2006), the charge to the HRA has fallen consistently over that period. The establishment of Brent Housing Partnership also has brought the issue sharply into focus as a number of services provided to it are linked to Service Level Agreements with direct charges for the work undertaken. A net £347k is included within this budget for 2006/07 to reflect the loss of the transitional scheme and other changes in the distribution of costs.</p>
Civic Facility/Property Repairs and Maintenance	1,150	2,000	2,500	2,500	2,500	<p>The provision included within this budget provides an initial allocation, based on the increased revenue maintenance costs and debt charges, associated with keeping the existing building stock and investing in them to bring them up to a reasonable standard. This assumes that the scheme does not go ahead.</p>

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Future of Wembley	350	350	350	350	350	<p>Costings and timings in future years are still very provisional but provide a prudent estimate of the possible requirement.</p> <p>The council has published an ambitious Vision For Wembley, setting out an agenda for a once-in-a-lifetime regeneration opportunity for Brent. A £350k budget has been established under the control of the Chief Executive specifically to support the delivery of this vision including; assessment of the LDA development proposals for the Wembley Industrial Estate, support the LDA on final infrastructure works, development of a Wembley town centre urban design framework, develop possible council use of the Stadium area and supporting usage of the area in the 2012 Olympics.</p>
Leasing Costs (Internal Scheme)	(350)	(115)	(50)	(50)	(50)	<p>It has been agreed that unless there are strong business reasons the use of operating leases should be phased out. This is because the asset remains the property of the lessor and this leads to a number of problems at the end of the lease. Items therefore have been purchased from capital resources and service areas charged with a notional rather than an actual rental over the life of the asset. This budget reflects the charges received from service areas while the expenditure is included within borrowing costs. It amounts to £350k in 2006/07 with a decline in future years.</p>
<b>TOTAL</b>	<b>36,241</b>	<b>40,350</b>	<b>47,216</b>	<b>50,314</b>	<b>53,669</b>	