



## **SUMMONS TO ATTEND COUNCIL MEETING – Budget report**

**Monday 25 February 2013 at 7.00 pm**  
Council Chamber, Brent Town Hall, Forty Lane,  
Wembley, HA9 9HD

To the Mayor and Councillors of the London Borough of Brent and to each and every one of them.

I hereby summon you to attend the MEETING OF THE COUNCIL of this Borough.

CHRISTINE GILBERT  
Chief Executive

Dated: Friday 15 February 2013

**For further information contact:** Peter Goss, Democratic Services Manager  
020 8937 1353, [peter.goss@brent.gov.uk](mailto:peter.goss@brent.gov.uk)

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**The press and public are welcome to attend this meeting**

# Agenda

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Report attached.

**Ward Affected:** All Wards

**Contact Officer:** Mick Bowden, Deputy  
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- The meeting room is accessible by lift and seats will be provided for members of the public.
- Toilets are available on the second floor.
- Catering facilities can be found on the first floor near The Paul Daisley Hall.
- A public telephone is located in the foyer on the ground floor, opposite the Porters' Lodge

**LONDON BOROUGH OF BRENT**  
**Meeting of the Full Council - 25 February 2013**  
**2013/14 BUDGET AND COUNCIL TAX**

## **SECTION 1**

### **1. EXECUTIVE SUMMARY**

- 1.1 The budget report sets out the key decisions Members are asked to make on:
- the 2013/14 General Fund revenue budget;
  - the 2013/14 Schools Budget;
  - the 2013/14 Housing Revenue Account;
  - the Council's capital programme for 2013/14 to 2016/17;
  - the Council's treasury management strategy; and
  - prudential indicators aimed at ensuring the affordability of capital spending and a secure approach to borrowing and investment.
- 1.2 This executive summary covers the main items covered in each of the sections of the report.
- 1.3 *Section 2* details proposed recommendations to Full Council. These are cross-referenced to appropriate parts of the main body of the report. They include the statutory decisions Full Council is required to make on the overall budget requirement of the council, gross revenue expenditure and income, and the council tax calculation.
- 1.4 The 2012/13 probable outturn for the General Fund budget is covered in *Section 3*. Balances at the end of 2012/13 are forecast at £12.041m which would be £961k higher than the forecast in the 2012/13 budget report.
- 1.5 *Section 4* deals with the key spending decisions. This section sets out the underlying budget assumptions, the process for development of the proposals, including the role of members of the Executive and the Budget and Finance Overview & Scrutiny Committee, and the involvement of the public and businesses.
- 1.7 The Budget and Finance Overview & Scrutiny Committee has held several meetings during the development of the budget and its draft recommendations are set out in their first interim report which is attached as Appendix E to this report
- 1.8 The key decisions Members need to take on the 2013/14 General Fund budget are as follows:
- Agreeing the service area budgets for 2013/14, which are detailed in Appendix C, incorporating growth and savings outlined in Appendix D;

- Agreeing the budget for central items for 2013/14, which is detailed in Appendix F;
  - Agreeing to maintain the general reserves figure at its existing level in 2013/14;
  - Agreeing the overall proposed budget of £284.297m for 2013/14;
  - Agreeing the proposed council tax requirement of £81.741m.
- 1.9 In making decisions on the budget, Members have to consider the extent to which the proposed budget supports delivery of corporate and service objectives, the consequences of agreeing or not agreeing budgets at the recommended level for services and council tax payers, and the realism of, and risks associated with, the budget.
- 1.10 Members also have to consider the impact of the budget on individuals and communities in Brent. Budget proposals are screened individually by service areas to ensure that equalities implications have been taken fully into account when making recommendations. Members also have a legal duty to ensure that the budget as a whole does not discriminate against communities or individuals because of age, ethnicity, gender, disability, religion, or sexual orientation, and meets the council's other duties to promote equal opportunities and good race relations.
- 1.11 Severe pressure on budgets, limited resources, and uncertainty mean that there are significant risks within the budget. These risks are assessed as part of the budget setting process and then carefully monitored and managed during the year as part of the performance and finance review process. The most significant financial risks for 2013/14 that have been identified as part of this process are as follows:
- The cumulative impact of reductions in local government funding nationally, meaning that the Council has to continue to identify further savings against a budget that has been significantly cut since 2010/11;
  - Demographic pressures and potential increase in client numbers above that allowed for in the budget;
  - The impact of the changes to the welfare benefit system;
  - The continued ability of the council to offset loss of interest on balances as a result of reduced interest rates by debt restructuring;
  - The ongoing impact of the economic downturn on service income and service demand;
  - The ability of the Council to ensure that savings identified are delivered;
  - The up-front costs of restructuring the Council, including redundancy and pension costs as the Council's workforce reduces
- 1.12 The assessment of risk forms the basis for assessment of balances required. The advice of the Deputy Director of Finance on balances is as follows:
- The minimum prudent level of balances should be £12.0m (representing 4.2% of the net budget requirement for 2013/14) which would be sufficient to meet the revenue budget risks identified in the report;

- The optimal level of balances, to enable effective medium term financial planning in the authority, is within the range of £12.0m to £15.0m, with use of balances in any year being replenished in subsequent years;
  - Balances should only be used to fund one-off spending.
- 1.13 The resources to fund the General Fund budget are set out in *Section 5*. Overall the Council will receive Revenue Support Grant of £115.976m in 2013/14 and Brent will also receive £5.289m from the New Homes Bonus Grant
- 1.14 As part of the new business rates system the council will also receive £46.532m of business rate top up. In addition Brent has estimated that it will raise £106.307m in business rates in 2013/14 of which its retained share will be £31.892m.
- 1.15 The government has announced that council tax increases in excess of 2% would be deemed excessive and be subject to a local referendum. It has announced a grant for those councils that do not increase council tax for 2013/14. The grant amounts to £1.053m for Brent Council and would be received in 2013/14 and 2014/15. For succeeding years the government has announced that this funding will be incorporated as base funding for future spending review decisions.
- 1.16 In total from Revenue Support Grant, New Homes Bonus Grant, Business Rates Top Up, Brent's Retained Business Rates and the Council Tax Freeze Grant the Council will receive funding of £200.742m.
- 1.17 The council tax income requirement is £81.741m. This is based on the proposed budget requirement of £284.297m, less the funding identified in paragraph 1.16 of £200.742m and £1.814m for Brent's share of the Collection Fund surplus. Using the council tax base of 77,191 Band D equivalent properties agreed by General Purposes Committee on 22 January 2013, the Band D Council Tax for Brent services would be £1,058.94 in 2013/14, unchanged from the figure in 2012/13.
- 1.18 Council tax payers in Brent also have to fund the GLA precept, which covers the Metropolitan Police, the London Fire and Emergency Planning Authority, Transport for London, the Olympics levy and the GLA itself. The Greater London Assembly will be meeting on 25 February 2013 to consider the Mayor of London's proposal regarding the GLA council tax precept for 2013/14.
- 1.19 Subject to agreement to the recommendations in this report and the final decision on the Mayor's proposed precept, the overall council tax at Band D in Brent would be £1,361.94 in 2013/14, a reduction of 0.3% from 2012/13.
- 1.20 *Section 6* of the report sets out the council's Medium Term Financial Strategy (MTFS) and is the last part of the report dealing specifically with the General Fund. In December 2012 the government announced a provisional two year settlement for local government that covered 2013/14 and gave indicative figures for 2014/15. A one year spending review for 2015/16 is anticipated for June. Therefore we cannot be certain of funding for future years but we can

make assumptions based upon the national figures included within the Autumn Statement in December 2012. The provisional settlement figures detail a reduction in Revenue Support Grant of £20m for 2014/15 and our current assumptions are that funding will continue to fall in future years with reductions of £13m and £12m in 2015/16 and 2016/17 respectively leading to savings required in total by 2016/17 of £55m.

- 1.21 The current economic situation makes assumptions about other variables in the budget difficult. The government's announcement on public sector pay generally is likely to mean pay increases will be limited. Uncertainty about future price inflation will also impact on the cost of supplies and services purchased by the council. A number of the council's contracts are linked to inflation indices and the ability to restrict future cost increases will be dependent upon the Council's negotiations with its key suppliers. On the other hand, continuation of low interest rates will have an on-going impact on the council's interest on balances.
- 1.22 There are other service pressures that have been incorporated into the Council's budget for 2013/14. These include a provision for potential increased costs in temporary accommodation, increased adult social care clients and increased costs of waste disposal. The Council's MTFS is a key tool in managing the pressures and uncertainties it faces. The delivery of the One Council Programme is instrumental to the MTFS which builds upon the council's financial stability and its judicious use of balances to manage risk. The Council has sought to deal with the financial climate by taking decisions about the services it can afford to provide to ensure the budget is sustainable, not just in 2013/14 but over the medium term. Finally, the Council has been careful not to build up unsustainable commitments by limiting the amount of prudential borrowing to fund the capital programme.
- 1.23 *Section 7* of the report deals with the Schools Budget. The structure of the Dedicated Schools Grant (DSG) is changing for 2013/14 and will be disaggregated into three blocks – Schools, High Needs and Early Years. For 2013/14 Brent will receive a basic DSG allocation of £5,066 per pupil. This compares to an average for England of £4,550 and a maximum and minimum of £8,595 and £3,949 respectively. Schools also receive a pupil premium targeted at deprivation – in 2013/14 this will be an additional £900 per pupil eligible for free school meals over the last six years.
- 1.24 The Housing Revenue Account, which covers the activities of the council as landlord for approximately 8,900 dwellings, is dealt with in *Section 8*. The HRA is separate from the General Fund and is ring-fenced – ie HRA expenditure is met from HRA resources, which primarily consists of rents. An average rent increase of 3.74% was agreed for 2013/14 in line with the government's Rent Restructuring Policy at the Executive on 11 February 2013.
- 1.25 The Council's overall capital programme for 2013/14 to 2016/17, together with the forecast outturn for 2012/13, is dealt with in *Section 9*. It is a four year rolling programme and balances the need to deliver the council's priorities,

requirements to manage and maintain the council's existing assets, and the need to limit the impact of borrowing on the revenue budget both in the short and the longer term. The overall proposed capital programme is £102.5m in 2013/14, with £85.3m spent on General Fund assets and £17.2m on HRA assets.

- 1.26 The treasury management strategy, in *Section 10*, sets out how the council plans to protect itself against future banking failures and to minimise the adverse impact of reduced interest rates. The CIPFA Prudential Code for Capital Finance requires the treasury management and annual investment strategy to be approved by Full Council.
  
- 1.27 In addition to the requirement that councils adopt a treasury management strategy, the Prudential Code aims to ensure that councils use freedoms to borrow introduced in the Local Government Act 2003 responsibly. It requires councils to set affordability limits on the amount of borrowing for capital purposes, to be clear about the impact on council tax and rents of their borrowing policy, to manage their borrowing and lending in a professional way, and to ensure value for money from the use of borrowing to fund capital investments. Details of the limits set for the prudential indicators included in the Code and other ways in which the council intends to use its prudential borrowing powers are set out in *Section 11*.
  
- 1.28 Setting the budget and council tax is one of the most important decisions Members take during the year. Decisions can affect the services received by the people of Brent and the level of council tax they pay. The legal basis on which the budget and council tax is set is also carefully defined in statute. *Appendix M* sets out advice from the Director of Legal and Procurement on Members' individual responsibilities to set a legal budget and how they should approach this task. It is important that all Members read this advice carefully before taking part in decision making on the 2013/14 budget.

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## **SECTION 2**

### **2. RECOMMENDATIONS**

**These recommendations only include a provisional Council Tax level for the GLA as its final budget was not agreed when this report was dispatched. This means that the statutory calculation of the total amount of Council Tax under Section 30(2) of the Local Government Finance Act 1992 may be amended by the final Greater London Authority precept;**

#### **In respect of Section 3**

- 2.1 Note the latest forecast for the General Fund outturn (Appendix A(i)) for 2012/13.
- 2.2 Agree the 2012/13 budget virements (Appendix A(ii)).

#### **In respect of Section 4**

- 2.3 Note the process, including consultation that has led to these budget proposals.
- 2.4 Agree the General Fund revenue budget for 2013/14, as summarised in Appendix B, or consider any amendments to that budget.
- 2.5 Agree the Service Area budgets including the cost pressures, savings, fees and charges and other adjustments detailed in Appendices C and D.
- 2.6 Note Appendix F and agree the budgets for central items and other budgets, or consider any amendments to those budgets.
- 2.7 Note and, where appropriate, make provision for the contingent liabilities and risks set out in this section of the report.
- 2.8 Agree the approach to balances set out in the report.
- 2.9 Receive the report from the Chief Finance Officer in paragraph 4.29 in respect of his statutory duty under Section 25 of 2003 Local Government Act.

### **In respect of Section 5**

- 2.10 Note that the GLA precept will be approved at the meeting of the Greater London Assembly on 25 February 2013.
- 2.11 Note the information regarding the limitation of council tax increases.
- 2.12 Agree there is no surplus or deficit at 31 March 2013 for that part of the Collection Fund relating to community charge.
- 2.13 Note and consider the advice of the Director of Legal and Procurement as set out in Appendix M.
- 2.14 Agree the instalment dates for council tax and NNDR for 2013/14, and the recovery policy for council tax as set out in Appendix G(ii).
- 2.15 Agree that applications for reducing Council Tax payable by persons of pensionable age in receipt of a war widows, war widowers or war disablement pension in accordance with section 13A(1)(c) of the Local Government Finance Act 1992 as set out in Appendix G(iv).
- 2.16 That decisions on other individual applications for reducing Council Tax payable in accordance with section 13A(1)(c) of the Local Government Finance Act 1992 be delegated to the Director of Finance and Corporate Services as set out within this report.

### **In respect of Section 6**

- 2.17 Agree the Medium Term Financial Strategy and the provisional service area cash limits for 2014/15 to 2016/17 set out in Appendix H.

### **In respect of Section 7**

- 2.18 Agree the Schools Budget set out in Appendix I.

### **In respect of Section 8**

- 2.19 Agree the Housing Revenue Account budget set out in Appendix J.

### **In respect of Section 9**

- 2.20 Note the latest forecast outturn position on the 2012/13 capital programme, and agree the revised budgets.
- 2.21 Agree the 2013/14 to 2016/17 programme as set out in Appendix K(ii), including the new capital allocations.

- 2.22 Note the inclusion in this Capital Programme of all capital schemes and agree that these are subject to the approval procedures as set out in the Constitution.
- 2.23 Note the levels of unsupported borrowing forecast for 2013/14 and future years and the impact on council tax levels.
- 2.24 Adopt the policy on repayment of principal in 2013/14 as set out in paragraphs 9.15 to 9.22.

**In respect of Section 10**

- 2.25 Agree the Treasury Management Strategy and the Annual Investment Strategy for 2013/14.

**In respect of Section 11**

- 2.26 Note the requirements of the Prudential Code.
- 2.27 Agree the Prudential Indicators set out in this section for affordability, capital spending, external debt and treasury management.
- 2.28 Note the arrangements for monitoring and reporting on Prudential Indicators.

**In respect of Section 12**

- 2.29 Note and agree the procedures for controlling expenditure set out in section 12.
- 2.30 Agree the updated schedule of Provisions and Earmarked Reserves set out in Schedule 1 of Appendix N.

**In addition**

- 2.31 Authorise the council's Chief Finance Officer to:
- (a) Make payments on approved capital schemes in 2013/14.
  - (b) Borrow in 2013/14 up to the limits agreed within the Prudential Indicators.
  - (c) Enter such leasing arrangements as are necessary to finance the programme for 2013/14 and terminate or renegotiate any existing leases.
  - (d) Make such minor adjustments to budgets as are necessary.

**The following sections of the recommendations relate to the calculation of the budget and council tax as set out by the statutory framework. Amendments to the above recommendations which alter figures in Appendix B will require this section to be changed to reflect these.**

- 2.32 In agreeing the above recommendations and the budget in Appendix B, note that the effect of all these measures is to produce a council tax requirement for the council's own purposes for 2013/14 of £81,740,638.
- 2.33 Note that a credit of £1.814m is attributable to the net surplus on the Collection Fund.
- 2.34 Note that at its meeting on 22 January 2013 General Purposes Committee calculated the amount of 77,191 as the council tax base for the year 2013/14 in accordance with the Local Authorities (calculation of Council Tax Base) Regulations 1992.
- 2.35 In relation to the council tax for 2013/14 we resolve:

That the following amounts be now calculated by the Council for the year 2013/14 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:

- (a) £1,062,271,000 being the aggregate of the amount that the Council estimates for the items set out in Section 31A(2) of the Act.
- (b) £980,530,362 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £81,740,638 being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.
- (d) £1,058.94 being the amount at (c) above, divided by the amount for the taxbase specified above calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

(e) Valuation Bands

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
705.96	823.62	941.28	1,058.94	1,294.26	1,529.58	1,764.90	2,117.88

being the amounts given by multiplying the amount at (d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 2.36 That it be noted that for the year 2013/14 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, in respect of the

Greater London Authority, for each of the categories of dwellings shown below:

<b>Valuation Bands</b>							
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
202.00	235.67	269.33	303.00	370.33	437.67	505.00	606.00

- 2.37 That, having calculated the aggregate in each case of the amounts at (e) and the precepting authority referred to in the preceding paragraph above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2013/14 for each of the categories of dwellings shown below:

<b>Valuation Bands</b>							
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
907.96	1,059.29	1,210.61	1,361.94	1,664.59	1,967.25	2,269.90	2,723.88

- 2.38 The Chief Finance Officer has determined that the Council's basic amount of Council Tax for 2013/14 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Act 1992.

- 2.39 (a) That the Chief Finance Officer be and is hereby authorised to give due notice of the said council tax in the manner provided by Section 38(2) of the 1992 Act.
- (b) That the Chief Finance Officer be and is hereby authorised when necessary to apply for a summons against any council tax payer or non-domestic ratepayer on whom an account for the said tax or rate and any arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.
- (c) That the Chief Finance Officer be and is hereby authorised to collect revenues and distribute monies from the Collection Fund and is authorised to borrow or to lend money in accordance with the regulations to the maximum benefit of each fund.

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## **SECTION 3**

### **3. THE PROBABLE OUTTURN 2012/13**

#### **Introduction**

- 3.1 This provides information on forecast spending in 2012/13.
- 3.2 At the end of quarter three the forecast position is for a net underspend on service area budgets of £665k and an underspend of £1.060m on central items and Government Grants. This is an improvement of £658k on quarter 2 underspend of £67k after taking account of a £1m transfer to earmarked reserves to help meet the additional cost pressures on the temporary accommodation budget in 2013/14. The main reasons for this are improvements in the outturn position for Adults Social Services, Regeneration and Major Projects and Central Items. The result is that, on the basis of forecasts at the end of quarter 3, general fund balances at 31<sup>st</sup> March 2013 will be £12.041m. This is £961k better than the originally budgeted balances of £11.080m.

#### **The 2012/13 Budget Forecasts**

- 3.3 The council set a General Fund revenue budget of £260.392m for 2012/13 including a planned contribution of £1m to balances. Estimated balances at 31<sup>st</sup> March 2012 were set at £10.080m. The planned contribution to balances would have increased the carry forward at 31<sup>st</sup> March 2013 to £11.080m. However, based on the 2011/12 final outturn the forecast is now £12.041m.
- 3.4 Table 3.1 below summarises the forecast outturn which is set out in more detail in Appendix A(i). The underspend of £725k now forecast increases the contribution to balances from £1m to £1.725m with the general fund balances at 31<sup>st</sup> March 2013 now forecast to be £12.041m.

**Table 3.1 2012/13 Forecast Outturn**

	Latest Position Over/(Under) Spend	
	£'000	£'000
<b>Service Areas</b>		
Adult Social Services	86	
Children and Families	50	
Environment and Neighbourhoods	468	
Regeneration and Major Projects	(1,000)	
Central Services	(269)	
Transfer to reserves	1,000	
		335
<b>Central Items / Government Grants</b>		(1,060)
<b>Net Overspend</b>		<b>(725)</b>

3.5 The following paragraphs provide detailed explanations of the variances on service areas.

#### 3.5.1 Adult Social Services

Current forecasts are that the outturn overspend will reduce to £86k, some £452k less than the forecast of £538k at quarter 2. The department is working hard to identify new areas to bring this down further, so that at year end it hopes to have a balanced budget position. The financial pressure in 2012/13 relates to the shortfall in funding for transitions over the last two financial years, a pressure of £1m and the department has worked continuously to reduce this with compensating underspends in other areas of the budget such as:

- Keeping vacancies unfilled and not recruiting agency staff.
- On off top slicing of grants to voluntary organisations in relation to care services and HIV/Aids services.
- Additional agreement on capitalisation of occupational therapy costs.
- Agreement from the PCT for funding of staff costs for the memory clinic and for historic rent and service charges

#### 3.5.2 Children and Families

The service area is currently forecasting an overspend of £50k, a change of £38k on the £12k overspend reported in quarter 2. There continue to be pressures on the children's social care purchasing and placement budget although steps have been taken during the year to reduce these costs.

#### 3.5.3 Environment and Neighbourhood Services



Environment and Neighbourhoods is currently forecasting an overspend of £468k for 2012/13. The projected tonnages on waste and recycling have increased since quarter 2 and current forecasts are for a £796k overspend predominantly around higher than anticipated tonnages for residual waste to landfill. There continue to be issues over staffing costs following the wave 2 staffing and structure review and a shortfall in highways and licensing income. To meet the overspend £443k of balance sheet deposits and provisions no longer required will be written back. Negotiations are also taking place with Veolia to achieve lower gate fees, a reduction in vehicle costs and a review of rounds. Action is also being taken to review agency and freeze vacant posts and non essential spend. Overall the position is £316k worse than quarter 2.

#### 3.5.4 Regeneration and Major Projects

The main pressure within Regeneration and Major Projects was envisaged at the start of the year to be the housing benefit scheme changes resulting from the introduction of the Local Housing Allowance caps in April 2011. Temporary Accommodation budget includes growth of £1.134m in order to assist in managing the cost pressures and increased service demand. The pressures on the temporary accommodation and housing benefit budgets are not as high as projected and it is currently showing an underspend of £861k in total. The forecast outturn is now expected to be £1.0m an improvement of £500k on the quarter 2 position. It is proposed that expected surplus on Regeneration & Major Projects for 2012/13 will be set aside in a reserve to help meet the additional temporary accommodation pressures in 2013/14.

#### 3.5.5 Central Services

The forecast outturn position remains unchanged from the quarter 2 position of a £269k underspend. This covers an underspend on vacant posts in the policy area of Strategy, Performance & Improvement.

#### 3.6 Central Items

This breakeven position on central items is made up of various underspending and overspending items as follows:

**Table 3.2 Central Items**

	<b>£'000</b>
Capital Financing	(1,177)
West London Waste Authority Levy	550
Premature Retirement Compensation	(150)
Carbon Tax	(237)
Government Grants	(46)
<b>Total</b>	<b>(1,060)</b>

### 3.6.1 Capital Financing

The underspending of £1,177k on capital financing reflects the successful debt restructuring exercises in previous years, new borrowing at lower than anticipated interest rates, higher than estimated interest receipts and improved cash flow. The current low level of interest rates continues to be beneficial to this budget.

### 3.6.2 West London Waste Authority Levy

This overspend of £550k remains unchanged from that reported in quarter 2.

### 3.6.3 Premature Retirement Compensation

These are the historic costs chargeable to the general fund of staff who retired early and the underspend of £150k represents the on-going reduction in the number of pensioners to which this applies.

### 3.6.4 Carbon Tax

The Carbon Reduction Commitment (CRC) Energy Efficiency Scheme is a mandatory UK-wide scheme that is designed to incentivise large public and private sector organisations to take up cost-effective energy efficiency opportunities through the application of reputational and financial drivers. The carbon tax is paid in arrears and the outturn for 2011/12 has turned out to be lower than expected with a total payment of £279k of which £212k was applicable to schools. This pattern of spend is unlikely to change in 2012/13 therefore a projected underspend of £237k is being assumed against this budget.

## 3.7 **2012/13 Virements**

A number of transfers for members' approval are included in Appendix A(ii) relating to quarter 3. These transfers are for the consolidation of budgets for the transfer of the emergency duty budget, adjustments to rent, customer services and the employee benefits project.

## General Fund Balances Carried Forward

3.8 The estimated position on balances carried forward is set out in Table 3.3 below.

**Table 3.3 Estimated Balances Carried Forward 31<sup>st</sup> March 2013**

	£'000	£'000
Balances at 1st April 2012		(10,316)
Forecast underspend on service area budgets	(665)	
Transfer to Reserves	1,000	
Forecast position on central items	(1,060)	
Budgeted contribution to balances	(1,000)	
Net contribution to balances		(1,725)
<b>Estimated Balances C/Fwd</b>		<b>(12,041)</b>

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## **SECTION 4**

### **4. THE 2013/14 REVENUE BUDGET REQUIREMENT**

#### **Introduction**

- 4.1 This section sets out the proposals for the 2013/14 General Fund revenue budget. These form the basis for delivering the Council's priorities in the context of the Medium Term Financial Strategy (MTFS).
- 4.2 In the First Reading Debate at Full Council on 19 November 2012, the Leader of the Council identified the key priorities of the Administration as being:
- To promote fairness
  - To strengthen our community
  - To support growth in the local economy
- 4.3 In order to deliver corporate and service priorities, the budget needs to be robust and sustainable. Members also need to balance the interests of service users and tax-payers. Members will need to take account of:
- a. The balance between spending and council tax;
  - b. The deliverability and impact of budget savings proposals;
  - c. The adequacy of budget provision for central items;
  - d. The sustainability of the overall budget in the current year, including consideration of risks and the appropriate level of balances;
  - e. The sustainability of the overall budget in future years, taking account of future commitments, the delivery of Borough Plan priorities, and the likely availability of services;
  - f. The equalities impact of spending and savings proposals.
- 4.4 Under the Local Government Act 2003, the Chief Finance Officer of the authority must report on the robustness of the estimates made in the annual budget calculation, together with the adequacy of financial reserves. The budget proposals in this section have been developed following guidance from the Deputy Director of Finance and have been through a robust process of development and challenge. The Deputy Director of Finance is therefore confident about the robustness of the estimates. In addition, the minimum level of balances recommended of £12m is, in the Deputy Director of Finance's view, sufficient to allow for the risks identified and to support effective medium term financial planning.
- 4.5 The budget requirement that results from the proposals in this section is £284.297m (see Appendix B). After allowing Revenue Support Grant, Business Rates, Council Tax Freeze Grant, New Homes Bonus and Brent's share of the surplus in the Collection Fund, this would produce a Council Tax Requirement of £81.741m. This would mean a Band D Council Tax for Brent

services of £1,058.94, which is the same as for 2012/13. Details of the council tax calculation, and the GLA precept, are given in Section 5 below.

### **Underlying budget assumptions used in the 2013/14 budget process**

4.6 The underlying assumptions in the budget are as follows:

- Provision has been made for a 1% increase in pay in 2013/14. The employer's contribution to pensions is anticipated to increase to reflect the actuary's valuation of assets and liabilities as at 1 April 2010.
- No general allowance has been made for price inflation in 2013/14. Instead specific provision has been made for contractually committed price increases on a case by case basis.

### **The process for developing the proposals**

4.7 Proposals in this budget have been developed by the members of the Executive, taking account of the advice of officers. The key processes for doing this are as follows:

- Development of the budget approach, based on the Borough Plan and the updated medium term financial outlook which was considered by the Executive in July 2012;
- Away-days involving both Executive and Corporate Management Team members to consider the key service and budget issues likely to affect the council in future years;
- Development by officers, in consultation with relevant Lead Members, of budget proposals for individual services within the context of the Borough Plan and the MTFS;
- A process of external consultation with residents and businesses;
- Agreeing the publication of the detailed budget proposals in this report.

4.8 The Budget and Finance Overview & Scrutiny Committee has met on a number of occasions during the budget process. All Members have been invited to a session of the Committee on 5 February 2013 where there is the opportunity to pose questions to the Deputy Leader and Lead Member for Resources on the proposals in this report. The report of the Budget and Finance Overview & Scrutiny Committee is attached as Appendix E.

4.9 Other decisions have been made on items that have been taken into account in these budget proposals. The Executive on 10 December 2012 agreed the 2012/13 balance on the Collection Fund and General Purposes Committee on 22 January 2013 agreed the council tax base and estimated business rate yield for 2013/14 – all of these decisions are taken into account in the council tax calculation in Section 5 below.

4.10 Decisions of external bodies affect the budget process. The final grant settlement was published on 4 February 2013. Notifications from levying bodies, including the West London Waste Authority, are taken into account in

this report. The precept for the GLA will be confirmed by the Greater London Assembly on 25 February 2013.

### **Involvement of the public and other stakeholders**

- 4.11 There have been a number of ways in which the council has sought to obtain views of the public and other stakeholders to inform decisions on services. These include the use of results from user satisfaction surveys and through consultation meetings.
- 4.12 Summary details of budget issues have been sent to local businesses and public consultation meetings were held during the first week of February.
- 4.13 Managers and staff are kept informed about the overall budget situation through regular up-dates at the quarterly Senior Management Group events.

### **Movements since the First Reading Debate**

- 4.14 The First Reading Debate report of the Deputy Director of Finance to Full Council on 19 November 2012 set out progress on the budget. The projected budget gap at that stage was £0.2m for 2013/14.
- 4.15 Details of the progress that has been made are set out below:

*a. Surplus carried forward from 2012/13*

As highlighted in Section 3 the budget monitoring position for 2012/13 has improved and an underspend of £725k is now forecast. This means that balances at 31 March 2013 are expected to be £12.041m, £961k more than the original forecast.

*b. Service area cost pressures*

Total service area cost pressures of £8.5m have been funded within the budget. These are detailed in Appendix D(i) and include:

- Housing – Temporary Accommodation (£2.5m)
- Adult Social Services – Increased client numbers (£1.6m)
- Waste and Recycling – Increased disposal costs including impact of landfill tax increases (£1.3m)
- Children social care – transfer of responsibility for youth remand costs from central government (£0.8m)
- Contractual inflation - (£0.6m)

c. *One Council Programme*

The One Council Programme, which was launched in 2009, fundamentally changes the way the council carries out its business. The aim of the Programme is to do things differently and better. The Programme supports delivery of savings and cost avoidance measures in the budget.

It is forecast that by 2014/15 the One Council Programme will have achieved an £75m reduction in the budget gap compared to the 2010/11 baseline. Revisions compared to previous projections include:

- a. Amendment to waste savings to reflect on-going budget pressures in this area of spend;
- b. A revised estimate of the extent to which children's placement costs will be reduced through the Working with Families project following further detailed analysis of placement costs;
- c. Removal of savings related to Project Athena pending implementation of the new systems.

The £75m saving is made up as follows:

Savings within individual service cash limits (£60m). These include savings in:

- *cross-council projects* including future customer services, staffing and structure, review of employee benefits, procurement, finance modernisation, future customer services, realignment of corporate and business support, One Print, and income maximisation; and
- *service/partnership projects* including libraries, parking, highways maintenance, waste and street cleansing, managing the public realm, working with families, school improvement, special education needs, adult social care customer journey, adult social care direct services, adult social care commissioning, integration of social care and health, housing needs transformation, and revenues and benefits lean reviews.

£15m from *cost avoidance* which reduces the amount the council needs to provide for cost pressures within the budget. These measures include:

- zero provision for general non-staffing budgets as a result of improved procurement methods through the strategic procurement project and the general impact on the need to purchase goods and services as a result of overall downsizing of the organisation through structure and staffing projects;
- increased use of in-house foster carers and other changes introduced as part of the Children Social Care Transformation project limiting increases in children's social care placement costs;
- reduced amount needed for growth for transition of children with disabilities as a result of better planning;
- management of growth in demand for social housing (as part of the wider housing needs transformation project). This has helped the council address pressures resulting from welfare reform.



The scale of savings/cost avoidance measures means that disciplined approaches are needed to ensure that projects deliver the level of savings required of them on time. The One Council Programme provides a robust framework to deliver complex change quickly and effectively. This includes the need to invest resources in programme management, project management, change management, and IT and other infrastructure. These costs are offset against the overall One Council Programme savings.

Details of savings from individual projects are included in Appendix D(v). Table 4.1 below summarises the savings and also shows the overall costs of the Programme. Costs and savings are monitored as part of normal budget monitoring procedures.

**Table 4.1 One Council Programme savings and costs**

	2010/11 Actual £'000	2011/12 Actual £'000	2012/13 Forecast £'000	2013/14 Budget £'000	2014/15 Budget £'000
Cross-cutting savings/cost avoidance	10,099	28,329	34,570	40,241	45,206
Service project savings/cost avoidance	1,590	12,825	20,078	24,622	30,064
<b>TOTAL PROGRAMME SAVINGS</b>	<b>11,689</b>	<b>41,154</b>	<b>54,648</b>	<b>64,863</b>	<b>75,270</b>
Total Programme costs	4,290	2,195	3,870	2,870	1,870
<b>NET PROGRAMME SAVINGS</b>	<b>7,399</b>	<b>38,959</b>	<b>50,778</b>	<b>61,993</b>	<b>73,400</b>

The One Council Programme Board, which is chaired by the Director of Strategy, Partnerships and Improvement, meets fortnightly to monitor overall progress on the Programme and receives four weekly updates on individual projects and their delivery of benefits. The One Council Overview and Scrutiny Committee receives progress reports on the overall Programme three times each year. The Committee also receives updates on progress on individual projects.

*d. Central Items*

Since the first reading debate the forecasts for central items have been reviewed. A number of budgets have been updated to reflect latest information on levies and subscriptions.

The capital financing budget has been reduced to reflect the extent to which the council has been able to achieve savings by securing low interest rates on borrowing to support the capital programme.

## 2013/14 Service Area Budgets

4.16 Table 4.2 below summarises the changes in budget at service area level between 2012/13 and 2013/14.

**Table 4.2 Service Area Budgets**

	2013/14 Revised Base Budget £'000	Cost Pressures		Savings		2013/14 Draft Budget £'000
		£'000	%	£'000	%	
Adult Social Services	107,548	1,697	1.6	(230)	(0.2)	109,015
Children & Families	44,040	1,250	2.8	(1,085)	(2.5)	44,205
Environment & Neighbourhood	34,368	2,083	6.1	(649)	(1.9)	35,802
Regeneration & Major Projects	30,832	2,525	8.2	(2,870)	(9.3)	30,487
Central Units	43,051	753	1.7	(1,956)	(4.5)	41,848
<b>Total Service Area Budgets</b>	<b>259,839</b>	<b>8,308</b>	<b>3.2</b>	<b>(6,790)</b>	<b>(2.6)</b>	<b>261,357</b>

## Central Items

4.17 Central items are items not included in individual service cash limits. The total of central items is £40.442m in 2013/14. Further details of the items are included in Appendix F.

## Risks

4.18 It is important that an assessment is made of potential risks as part of the budget process. This helps the council set an appropriate level of balances and also ensures that risks can be monitored and managed effectively. Given the nature of the financial challenge facing the Council this assessment addresses both the year ahead and later years.

4.19 The categories which the council uses to assess its budget risks are set out below:

- a. demand risks where the level of service provision depends on projections of need. These include children's and adults' care budgets, the temporary accommodation budget, and the waste management budget. There are also likely to be more general demand risks associated with the ongoing impact of the recession such as increased pressure on the housing benefit service;
- b. risks from new legislation or other statutory changes, where there is some uncertainty about impact on council costs. The key risk relates to the changes to welfare benefits and the potential impact on Housing and other services across the Council.
- c. risks from legal challenges;

- d. treasury management risks. Although the council has started to receive payments in respect of the Icelandic deposits this remains a risk. There is also the risk of increased borrowing costs should long-term interest rates rise;
- e. procurement risks. No allowance has been made for general price increases within the 2013/14 budget. However these pressures should be reduced as a result of the current market situation with opportunities to secure savings through procurement;
- f. pay risks. Each 0.5% above the amount provided for would cost the council £0.6m;
- g. grant risks. These include risks arising from changes to grant conditions, the council not meeting grant conditions, or uncertainty about the amount of grant the council will receive. An on-going risk area is the council's housing benefit subsidy claim which is by far the largest single grant claim the council makes. There is also a risk relating to the new Education Services Grant which will be announced quarterly during the financial year;
- h. risks of not achieving savings or income targets in the budget. The council has a good track record of delivering savings included within individual service budgets. However the scale of the savings being delivered provides a significant risk to the Council's financial position in the years ahead;
- i. asset management risks if corporate or service buildings have to be closed because of current condition;
- j. risks from natural disasters or terrorist attacks.

Risks to the capital programme are addressed in Section 9 below.

4.20 The risks are quantified in Table 4.3 below.

**Table 4.3 Major Risks**

	Potential Risk £'000	Likelihood %	Net risk £'000
<b><u>Demand risks</u></b>			
Adult care packages	6,000	20%	1,200
Children's care packages – incl legal costs	3,000	20%	600
Waste	1,000	20%	200
<b><u>New legislation and other statutory changes</u></b>			
Welfare reform changes	10,000	25%	2,500
Youth Remand – new responsibility	500	25%	125
Localisation of Council Tax Benefit	4,500	25%	1,125
<b><u>Interest rate risks</u></b>			
Combined potential effect of reduced short term rates, additional borrowing requirement,	5,000	20%	1,000

	Potential Risk £'000	Likelihood %	Net risk £'000
and bank failure			
<b><u>Procurement risks</u></b>			
Risk that cost of social care placements may increase by more than allowed in the budget	1,500	30%	450
Energy risk – risk of increases in energy prices which cannot be contained in budgets	500	20%	100
Other procurement risks	2,000	10%	200
<b><u>Pay risks</u></b>			
Risk that pay increases are above those allowed for in the budget	600	20%	120
<b><u>Grant risks</u></b>			
Risk of exceeding the threshold on housing benefit overpayments in 2013/14	600	20%	120
Risk of amendments to housing benefit subsidy claim	1,500	20%	300
Risk of loss of income from other grant changes	2,000	20%	400
<b><u>Savings/income risks</u></b>			
Risk of not achieving savings in the budget	16,000	20%	3,200
Risk of loss of income from ongoing impact of recession	800	15%	120
<b><u>Asset management risks</u></b>			
Closure of council buildings and need to undertake emergency maintenance or find alternative accommodation	1,000	10%	100
<b><u>Major disaster</u></b>			
The government has a scheme (the Bellwin scheme) that covers authorities for 85% of costs of a major disaster above 0.2% of net revenue budget. The risk to the council is 100% of costs below the threshold and 15% above it.	500	30%	150
<b>Total General Fund revenue risks</b>	<b>57,000</b>		<b>12,010</b>

## Balances

- 4.21 As set out in Section 3, the council's General Fund usable balances are forecast to be £12.041m at the end of 2012/13.
- 4.22 Councils need balances so that they can deal with unforeseen calls on Services without disrupting service delivery. The level of risk that a council assesses it faces is therefore the minimum level at which balances should be maintained.

- 4.23 Balances can also contribute to effective medium term financial planning for councils. They allow councils to adjust to changes in Services and spending requirements over a period of time (see section 6 below for the Medium Term Financial Strategy for Brent), to plan council tax rises to avoid excessive increases in any one year, and to take a more flexible approach to the annual budget cycle, for example through *invest to save* schemes. They also allow councils to respond to new demands/priorities for spending which arise during the year. This flexibility needs to be considered each year depending on the particular pressures facing the council and the outlook in the medium term.
- 4.24 Balances also have to be used carefully. They can be used only once. Decisions to use balances to fund on-going spending or hold down council tax increases can only apply for one year. In the following year, either additional budget reductions have to be made or additional council tax increases are required. There is a risk of future financial instability if significant levels of balances are used to fund on-going spending or reductions in council tax. This is particularly the case given the tight financial settlements expected in future years and pressures to keep council tax increases down.
- 4.25 Under the 2003 Local Government Act, the Deputy Director of Finance, as Chief Finance Officer (Section 151), has to be satisfied that the level of available General Fund balances is adequate. The Deputy Director of Finance advises that:
- a. The minimum prudent level of balances should be £12.0m, which is sufficient to meet the revenue budget risks identified in the report.
  - b. The optimal level of balances, to enable effective medium term financial planning in the authority, remains at £12.0m to £15.0m, with use of balances in any year being replenished in subsequent years;
  - c. As a general rule, Members should only plan to use balances to fund one-off spending which cannot be funded from other sources;
  - d. Where Members wish to use balances to fund on-going spending or reductions in council tax, they should indicate how they plan to make up the budget shortfall in future years.
- 4.26 Table 4.4 below presents the proposals from the Administration on balances in 2013/14.

**Table 4.4 Proposed General Fund Balances in 2013/14**

	£'000
<b>Total Estimated Balances at 31 March 2013</b>	<b>12,041</b>
Proposed contribution from 2013/14 budget	0
<b>Estimated Balances at 31 March 2014</b>	<b>12,041</b>

### Member decisions on balances

- 4.27 Members must decide on the contribution they wish to make to or take from balances in 2013/14 to support the General Fund revenue budget. In doing so they need to consider the advice on the factors to take into account in paragraph 4.29.

### **Overall Budget Requirement**

- 4.28 The overall budget requirement in 2013/14 resulting from the proposals in this section is £284.297m. The make up of this budget requirement is summarised in Table 4.5 (details in Appendix B).

**Table 4.5 General Fund Budget Requirement in 2013/14**

	<b>£'000</b>
Service area budgets	261,357
Centrally held Government Grants	(22,883)
Central items	40,442
Inflation provision and cost pressures and savings held centrally	5,381
<b>Proposed budget requirement for 2013/14</b>	<b>284,297</b>

### **Statement by the Deputy Director of Finance on the budget and balances**

- 4.29 Under Section 25 of the 2003 Local Government Act I am required to comment on the adequacy of the budget calculation and the level of balances proposed within a budget. The two issues are related. The less prudent the revenue provision and forecasts of demand and risk, the higher the level of balances required to justify the budget calculations. This budget has been carefully prepared, risks have been identified and quantified and, while excessive provision has not been made in the budget, a prudent and cautious approach has been taken. The council also has adopted rigorous budget monitoring arrangements during the year and a policy of restoring balances once used. The combined approach means that a minimum prudent level of balances is £12.0m, which will cover the General Fund revenue budget risks identified over the medium term. As the forecast level of balances as at 31 March 2013 is at this level, no further increase is required for 2013/14.

## SECTION 5

### 5. RESOURCES

#### Introduction

5.1 This section sets out the extent of external support available to finance the council's expenditure including Revenue Support Grant, Retained Business Rates, Business Rates Top-up, Council Tax Freeze Grant, the New Homes Bonus, the requirements of the Greater London Authority, items in the Collection Fund and finally the calculation of council tax for 2013/14.

#### External Support

5.2 The Local Government Finance Settlement was published on 4 February 2013 and this was laid before the house on the same day.

#### *Spending Review/Autumn Statement*

The 2013/14 settlement was based on the Government's Spending Review in October 2010, covering the four years from 2011/12 to 2014/15. That had revealed that total contributions to local government (excluding schools, police and fire) would be reduced by 26% in real terms over this period, with cuts being front loaded and delivered mainly through a reduction in formula grant. The settlement announced on 19<sup>th</sup> December 2012 covers 2013/14 and 2014/15 and incorporates the impact of the December 2012 Autumn Statement. As part of the Chancellor's Autumn Statement the chancellor announced that local government would have to find a further 2% cut in funding equating to £445m nationally. This is in addition to the 6.5% reduction announced in the spending review and 1% reduction announced in the previous year's Autumn Statement and the additional £300m taken from the new homes bonus. The chancellor also announced there would be a one year spending review in 2015/16 followed by a further spending review for 2016/17 onwards.

#### *The national position*

5.3 The government has calculated the adjusted local government spending control total, which is referred to as the aggregate start-up funding assessment. This is £26.1bn in 2013/14 and £23.9bn in 2014/15. It has also determined that estimated aggregate business rates in England in 2013/14 will be £21.8bn of which £10.9bn will be the local share. For 2013/14 the total amount of RSG will be £15.2bn which will fall to £12.7bn in 2014/15.

### *The business rates retention system*

- 5.4 From April 2013, the Government is changing the way in which local government is funded through the introduction of the business rates retention scheme. Local government will now be able to benefit directly from supporting local business growth as they will be able to keep a proportion of any increases in business rates revenue.
- 5.5 This year's local government finance settlement is the first under the new arrangements. It will provide each local authority with its starting position under the business rates retention scheme. This includes the following elements, which will be fixed until the first reset that the Government intends will take place in 2020:
- Individual authority start-up funding assessment
  - Baseline funding level
  - Individual authority business rates baseline
  - Tariffs and top-ups

The system also retains elements of the existing system such as the revenue support grant (RSG) and specific grants. Details of the new system are included in Appendix G(iii).

- 5.6 A guide produced by the Department of Communities and Local Government to the Local Government Finance Settlement, which explains the system is available on their website at:

<http://www.local.odpm.gov.uk/finance/1314/plainenglishguide.pdf>

#### *Revenue Support Grant and Business Rate Funding 2013/14*

- 5.7 There are number of elements under the new system that need to be taken into account:
- Revenue Support Grant
  - Business Rates Top-up
  - Retained Business Rates
  - Council Tax Freeze Grant
  - New homes Bonus
- 5.8 For 2013/14 Brent's Start-up Funding based upon on its 2012/13 Formula Funding adjusted for grants is £193.132m of which government has determined that the proportionate share funded by the Revenue Support Grant (RSG) will be £115.976m. The remaining £77.156m is the government's notional baseline figure for business rates and the business rates top-up.



- 5.9 The position for Brent in 2013/14 is that it will receive a Business Rates Top Up of £46.532m. For 2014/15 the Business Rates Top Up will increase by RPI to £47.960m and continue to be increased by RPI for future years.
- 5.10 As part of the new system Brent has to estimate 2013/14 level of business rates and to budget for the retained business rates element for Brent and at the same time determine how much will need to be paid over to the GLA and central government. This is detailed in table 5.1

**Table 5.1 – Business Rates**

	<b>£m</b>
Retained Element – Brent (30%)	31.892
GLA Element (20%)	21.261
Central Government Element (50%)	53.154
<b>Total</b>	<b>106.307</b>

- 5.11 For 2013/14 Brent has estimated that the total value of business rates collected by the Authority will be £106.307m and that Brent's retained share will be £31.892m. The increase in the collectable figure is largely due to the estimated growth in business rates from the new Civic Centre and other developments around the Wembley Stadium area. This does not affect the business rate top up from the Government.

### **Limitation of Council Tax Increases/ Council Tax Freeze Grant**

- 5.12 The Localism Act 2011 allows the government to determine levels of council tax increase above which local authorities are required to seek approval via a local referendum. For 2013/14 this has been set at 2%. The recommended budget and council tax set out in chapter 4 will not breach this limit.
- 5.13 For 2013/14 and 2014/15 the government has set aside £450m so that every council can freeze their council tax in those years and an additional £100m for council tax support. In the case of Brent this would be £1.053m, equivalent to a 1.3% increase in council tax. This grant would be received in 2013/14 and 2014/15.

### **New Homes Bonus**

- 5.14 The New Homes Bonus Grant was introduced in 2011/12. The objective was to provide an incentive to local authorities to increase housing supply in their area by providing a financial reward equal to the national average for the council tax band D for each new additional property (at Band D equivalent). This is currently £1,439, payable on a rolling basis for six years as a non ringfenced grant. Therefore councils receive a double benefit from each new home, with the additional council tax due plus the reward grant. There are

also payments for long term empty properties brought back in to use (or reductions if this number increases), and an additional payment for of £350 for each new affordable home.

- 5.15 The grant has largely been funded by taking money nationally out of the settlement funding with £500m from RSG in 2013/14 and £800m in 2014/15.
- 5.16 The grant for 2013/14 is based on changes in property numbers between September 2009 and September 2012. The cumulative figure for Brent to year 2 was £2.794m. During this period the increase in properties in Brent was slightly above the national average. However in year 3 there was a large increase in properties, partly due to around 600 student units coming in to rating (these are exempt from Council Tax, but do qualify for New Homes Bonus grant) As a result, Brent will receive £2.495m of grant for year 3. This is added to the £2.794m above, bringing the cumulative grant payable in 2013/14 to £5.289m. There were 1,814 new properties between September 2011 and September 2012.
- 5.17 The grant will be paid for six years and will be cumulative. The average figure for Brent for the first two years was approximately £1.4m. If this were to be replicated for each of the next three years, by year 6 the grant for Brent would be £9.5m (i.e.£1.4m multiplied by five, plus the £2.5m in year 3, which is unlikely to be replicated). From the seventh year, properties built in the first year would drop out from the calculation, and be replaced by those built in the seventh year.
- 5.18 With the developments in Wembley in particular there is a reasonable likelihood that Brent will see a continued increase in properties over this period, although less than in 2011/12.

### **The Collection Fund**

- 5.19 Whatever estimated eventual balance remains on the fund in respect of the under/over recovery of council tax must be added to, or subtracted from, the following year's council tax bills. Adjustments are shared with the GLA.
- 5.20 The Executive meeting on 10 December 2012 approved an estimated council tax surplus of £2.34m in 2012/13, of which the Council's share is £1.814m with the balance payable to the GLA.
- 5.21 For 2013/14 onwards Brent will be required to budget for business rates with 30% retained by the authority and with precepts of 50% to central government and 20% to the GLA applicable respectively. Brent will need to operate a collection fund for business rates in a similar way as council tax. No under/over recovery of business rates will need to be declared until 2014/15.

## The Council Tax Base

- 5.22 Council tax is a property based tax with classification of properties into 8 bands depending on the value of the property (see Appendix H(i)). Different rates of tax apply to each band so that properties in Band A will pay one-third of the tax of properties in Band H, the highest level. There are various reductions to the standard charge, for example where there is a single householder in residence in the property. Band D is the middle band and Band D equivalents are used to express the tax base of the authority.
- 5.23 From 2013/14 onwards the band D equivalent properties figure used to calculate tax base previously will need to be adjusted to take account of changes introduced in the 2012 Local Government Finance Act.
- 5.24 Under this Act, the previous scheme of Council Tax Benefit (CTB) has been replaced by a new Council Tax Support Scheme. Under CTB, local authorities basically received 100% subsidy on the actual cost of CTB granted. However under Council Tax Support the government will be giving a fixed annual grant which is designed to cover 90% of the previous cost of CTB (i.e. imposing a 10% cut in government subsidy). The result of this is that local authorities will have to fund this reduction (together with any further increases resulting from increases in the level of Council Tax, or from caseload changes) either from charging a proportion of Council Tax to previous recipients (excluding pensioners) or from cuts in other services or a combination of both. At the same time, authorities have been given the power to reduce or remove exemptions from Council Tax for uninhabitable or empty homes.
- 5.25 Members agreed the new Council Tax Support scheme, and the changes to exemptions, at the Special Council meeting on 10<sup>th</sup> December 2012. The effect of these decisions is to give an estimated adjusted tax base figure of 80,408 compared to 100,921 for 2012/13 were no adjustments applied. These figures assumed a 100% collection and have to be adjusted for an allowance for non-collection.
- 5.26 The regulations governing the new scheme prescribe a national framework for calculating entitlement for persons of pensionable age. To avoid any adverse impact on a small number of claimants in receipt of a war widows, war widowers or war disablement pensions a further decision is required and set out in Appendix G (iv).
- 5.27 A tax base of 77,191 adjusted equivalent Band D properties in 2013/14 was agreed by the General Purposes Committee on 22 January 2013. This assumes a collection rate of 96.0% will be achieved in respect of charges raised for 2013/14 (reduced from the 97.5% in 2012/13). The reduced collection rate takes account of the fact that over 22,000 households who up till now have been receiving part of full CTB will now be required to pay amounts of Council Tax which they previously received benefit for. It is inevitable that this will have an adverse effect on the overall collection rate.

## Calculating the Council Tax Level

5.28 The calculation of the council tax for Brent services is set out in Table 5.2 below. The calculation involves deducting Formula Grant from Brent's budget, deducting the surplus on the Collection Fund, and dividing by the tax base.

**Table 5.2 Calculation of Brent's Council Tax for 2013/14**

	<b>£'000</b>
Proposed Brent budget	284,297
Less Revenue Support Grant	(115,976)
Less Retained Business Rates	(31,892)
Less Business Rates Top up	(46,532)
Less Council Tax Freeze Grant	(1,053)
Less New Homes Bonus	(5,289)
Less Net Surplus on Collection Fund	(1,814)
<b>Total to be met from Council Tax for Brent Budget</b>	<b>81,741</b>
<b>Tax Base (Adjusted Band D equivalents)</b>	<b>77,191</b>
<b>Band D Council Tax (£)</b>	<b>£1,058.94</b>

## Greater London Authority (GLA)

5.29 The GLA came into existence on 3<sup>rd</sup> July 2000 and includes the London Fire and Emergency Planning Authority (LFEPA), the Metropolitan Police and Transport for London and from 2013/14 will levy a precept for both council tax and business rates.

5.30 Each financial year, the Mayor and Assembly must prepare and approve a budget for each of the constituent bodies and a consolidated budget for the authority as a whole.

5.31 The GLA's budget setting process is as follows:

- (a) The Mayor must prepare for each financial year a budget for each of the constituent bodies and a consolidated budget for the Authority as a whole.
- (b) The Mayor will then prepare a preliminary draft of his proposed consolidated budget for consultation with the Assembly.
- (c) After such and any other consultation, the Mayor determines the draft consolidated budget and presents it to the Assembly. The Assembly must approve this budget with or without amendment.
- (d) After the draft consolidated budget has been approved, with or without amendment, the Mayor shall prepare a final draft of his proposed consolidated budget for the next financial year. If at the time he presents the final draft budget to the Assembly, that final draft is different to the original draft, with or without amendments, the Mayor must present a written statement to the Assembly of his reasons for the

changes. This final draft must be presented and agreed before the end of February.

- (e) After considering the final draft, the Assembly must approve it with or without amendments. Any amendment must at this stage be agreed by two thirds of the members voting. The resulting budget will be the approved consolidated budget for the financial year.

5.32 The Mayor's initial budget based on a precept at Band D is £303.00 for 2013/14. This represents a reduction of £3.72 or 1.2%.

### **Setting the Tax**

5.33 The council is required to make certain calculations under sections 30, 33, 34 and 36 of the Local Government Finance Act 1992. These calculations are:

- The basic amount of council tax for both Brent Council and the GLA;
- The basic amount of council tax for each valuation band for both Brent and the GLA;
- The aggregate amount of council tax for each valuation band, which includes the basic amount for Brent and the GLA.

5.34 In accordance with these requirements, Members are asked to agree the calculations set out in the recommendations. The effect of a 0% increase in Brent Council's Band D council tax, which leaves council tax at the 2012/13 level of £1058.94, combined with the GLA precept reducing to £303.00, would be an overall decrease of 0.3%. The full calculation for each Band is included within the recommendations.

5.35 Any amendments agreed to the budget will require a recalculation to be undertaken.

### **Council Tax and NNDR Instalment Dates and Recovery Policy for Council Tax**

5.36 Appendix G (ii) sets out the council tax and NNDR instalment dates and the recovery policy for council tax which Members are asked to endorse.

5.37 The council has continued to promote payment by direct debit to improve overall collection. The instalment date for non-direct debit payers will be: at the 1<sup>st</sup> of the each month starting in April until the 1<sup>st</sup> January 2014, whilst direct debit payers can pay on the 1<sup>st</sup>, 12<sup>th</sup>, 17<sup>th</sup>, or 28<sup>th</sup> of the month. Both direct debit payers and non-direct debit payers currently make payments over a maximum of 10 instalments. From April 2013 council tax payers will be able to request to make payment over twelve monthly instalments.

5.38 Council tax collection rates have been improving and are now favourably comparable to other similar London Boroughs. At the end of December 2012, 84.7% of council tax due in 2012/13 was collected, up slightly from 84.5% in December 2011. The Council is set to achieve its target in-year collection of 96.2% of council tax due for 2012/13, although it will have to collect arrears in future years to achieve the overall target set of 97.5%.

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## **SECTION 6**

### **6. THE FUTURE - MEDIUM TERM FINANCIAL STRATEGY**

#### **Introduction**

- 6.1 Councils are expected to plan their finances over more than a one year period. The longer term planning of finances supports the achievement of priorities in the Borough Plan and allows more effective planning of services. It encourages councils to predict events in the future and develop their strategy in the light of these. It helps councils work more effectively with partners in the public, voluntary and private sectors. It allows councils to plan their strategy for balances, using them as a safety valve to ensure that changes in resources or demands from year to year do not impact unduly on services or council tax payers.
- 6.2 2012 saw the British economy continue its struggle to recover from the recession which began in the last quarter of 2008. It is now forecast that the economy will remain broadly flat during 2013 with a risk of a return to recession. In addition there continues to be inflationary pressures with RPI peaking and CPI both around 3%. It is anticipated that inflation may fall marginally during 2013 before further reductions in 2014.
- 6.3 The October 2010 Spending Review targeted a reduction in the deficit to £37bn by 2015/16. In the Autumn Statement in December 2012 the forecast for 2015/16 is that that the deficit will be £73bn. The Autumn Statement also included a further reduction of 2% in local government spending nationally for 2014/15. The Government also announced that austerity measures would continue in place until 2017/18. It is therefore important that the Council focuses on the medium term financial position to enable it to effectively plan its response to the challenges ahead.
- 6.4 This section of the report sets out the financial forecast for Brent, and looks at the financial issues that will affect Brent in the medium term. It:
- sets out the council's strategy to address the major issues raised;
  - considers the resource envelope within which the council will be operating over the next four years; and
  - looks at the way the council will need to manage its finances within the resource envelope.

#### **Medium Term Financial Strategy**

- 6.5 Financial planning needs to be carried out in the context of the MTFS.
- 6.6 The MTFS is not simply or even primarily a set of forecasts of future spending needs. Instead it allows Members and others to examine the financial consequences of their priorities for spending and council tax levels within a set of clear principles and set out actions required to align resources and spending.

- 6.7 Members have agreed that the MTFs should be based on the principles that:
- (i) Financial plans should provide for a balanced position between income and expenditure for both capital and revenue accounts;
  - (ii) Adequate provisions are made to meet all outstanding liabilities;
  - (iii) A rigorous financial control system is implemented that ensures that these financial plans are delivered and therefore reduces the corporate impact of adverse events and trends;
  - (iv) A system is established that protects balances from erosion by ensuring that every decision to release balances is accompanied by a decision to replenish them;
  - (v) There will be a thorough examination of the council's 'Base Budgets' on a regular basis to identify efficiency savings and to ensure that existing spending is still a council priority;
  - (vi) Resources will be allocated to investment in the council's assets to ensure they support the delivery of corporate and service priorities;
  - (vii) There will be a redirection of resources to fund corporate policy priorities as expressed in the Borough Plan.
  - (viii) Resources will be made available to finance 'invest to save' schemes to help modernise and improve services and generate efficiencies in the medium term.
- 6.8 Service areas will be required to manage their budgets over all three years within these limits subject to any changes within the overall strategy and adjustments for savings delivered through the One Council Programme. For example, if the inflation allowance set was felt to be insufficient, a service area would have to review its base budget provision to identify how additional savings could be made within its budget. This is a rolling programme with an indicative target set for Year 4 as part of each budget process.

### **Resource envelope**

- 6.9 The introduction of multi-year settlements was associated with an expectation from government that councils would use the additional certainty about external funding to enable forecast council tax levels to be set.
- 6.10 The provisional local government finance settlement in December 2012 covered 2013/14 and gave indicative allocations for 2014/15. A one year spending review for 2015/16 is anticipated by June 2013. Therefore we can not be certain of funding for future years but we can make assumptions based upon the national figures included within the Autumn Statement in December 2012.



## Managing the budget within the resource envelope

- 6.11 Appendix H contains the financial forecast for the council. It is built up using the 4 year budgets for service areas, projections over four years of currently identified growth and central items, and savings from the One Council Programme. It also includes resource projections, including grant levels, movements in the council tax base, business rate yield and collection rate assumptions.
- 6.12 The result of the process is that a level of net savings required is identified for each year of the plan based on no council tax increases. Details of projected savings required are provided in Table 6.1.

**Table 6.1 Initial Forecast of Savings Required in Future Years**

	2014/15 £m	2015/16 £m	2016/17 £m
Net savings required:			
<b>Annual</b>	<b>20.4</b>	<b>17.1</b>	<b>17.3</b>
<b>Cumulative</b>	<b>20.4</b>	<b>37.5</b>	<b>54.8</b>

- 6.13 The figures shown in Table 6.1 are the level of savings in each year, and assume that the savings in the previous year have been made. The figures are also shown cumulatively to show the total level of reductions that would be needed in the period 2014/15 to 2016/17.
- 6.14 The projections also assume that the council will keep its level of balances unchanged.
- 6.15 Factors that are built into the projections include:

### Spending assumptions

- Service area budgets have been rolled forward at 2013/14 levels into future years;
- An allowance for pay inflation of 1% in 2014/15 and 2% thereafter;
- No general inflation for prices in 2014/15 and future years other than that which is contractually committed ;
- No savings assumptions are built into service area budgets for 2014/15 onwards;
- Provision for cost pressures in service area budgets of £5.6m in 2014/15, £2.1m in 2015/16 and £3.7m in 2016/17. Details of this are provided in Appendix D(i).
- The movement in central items detailed in Appendix F. These include:

- *Debt charges (capital financing charges net of interest receipts):* These are forecast to grow from £25.1m in 2013/14 to £27.3m in 2014/15, £28.1m in 2015/16 and £27.9m in 2016/17;
- *Levies:* These are forecast to grow from £3.5m in 2013/14 to £3.6m in 2014/15, £3.8m in 2015/16 and £3.9m in 2016/17;
- *Freedom Pass/concessionary fares.* These have risen significantly over the last few years and the budget for 2013/14 is £15.3m. There are no indicative figures for years but the current assumptions for future years is that prices will rise by 4% and there will be a 1.5% increase in usage. In addition because of the volatility of this budget in the past an additional contingency of £500k is being allowed for in 2014/15 to reflect any additional increases in transport costs. Therefore, Brent has budgeted for an additional £1.2m (2014/15), £0.8m (2015/16) and £0.8m (2016/17).
- *Redundancy and Restructuring Costs.* A budget of £2.6m has been set aside for 2013/14. These costs are anticipated to reduce over the medium term as higher redundancy and severance costs in the earlier years are replaced with the actuarial strain costs of meeting the costs of early retirements which are spread over three years.

#### Resource assumptions

- Revenue support grant of £95.3m in 2014/15, £81.9m in 2015/16 and £69.6m in 2016/17 (based on national assumptions from the Autumn Statement 2012);
- Council tax freeze grant incorporated into revenue support grant from 2015/16;
- New Homes Bonus to increase to £9.5m by 2016/17;
- Other unallocated grants to reduce by £0.5m each year;
- Council tax base increase of 0.7% each year;
- Council tax collection of 96% in each year;
- Retained business rates to increase by 3% each year;
- Business rate top-up to increase by 2% each year;

6.16 The budget projections provide a framework within which the council can manage its budget over the medium to longer term. This involves:

- *Reviewing projections of budget pressures resulting from demand pressures, cost increases, and loss of income and identifying means by which they can be reduced/eliminated.* The delivery of projects within the One Council programme will be vital in containing demand pressures and delivering transformed and improved services.
- *Identifying the impact of corporate and service priority growth.* No allowance has been made for additional or service priority growth in future years.

- *Reviewing provisions within central items:* This will be a key area for the council to look at in order to try to limit growth. Appendix H includes £40.4m in 2013/14, £42.6m in 2014/15, £44.6m in 2015/16 and £45.5m in 2016/17.

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## **SECTION 7**

### **7. THE SCHOOLS REVENUE BUDGET**

#### **Introduction**

7.1 This section provides details of the School Budget's probable outturn for 2012/13 and also sets out estimates for the Schools Budget for 2013/14 for approval. The proposed Schools Budget for 2013/14 was approved by the Schools Forum on 9 January 2013.

#### **The Forecast Outturn 2012/13**

7.2 The Schools Budget consists of two main elements. The first element is called the Individual Schools Budget (ISB) and is delegated to schools in the form of budget shares. The second element consists of Centralised Items and this money is held back centrally to fund expenditure incurred on services such as Pupil Referral Units, SEN and payments to non-maintained nurseries. A ring-fenced specific grant called the Dedicated Schools Grant (DSG) funds all areas of the Schools Budget.

7.3 Budget shares were allocated to schools at the start of the 2012/13 financial year and schools were expected to spend this money on revenue expenditure. Schools are allowed to carry forward surpluses, as long they do not exceed 5% of their budget amount in secondary schools and 8% in primary and special schools. Where surpluses are earmarked for specific purposes schools can carry forward amounts greater than these percentages.

7.4 Centrally held budgets within the Schools Budget have continued to experience pressures in certain areas such as in-year SEN statements and pupils placed in out of borough special schools, due to price increases and demand pressures. A significant amount of SEN expenditure occurs via recoupment arrangements whereby each local authority is charged by other local authorities for their resident pupils that are educated in other local authority schools. Normal recoupment arrangements mean that payments are done significantly in arrears with actual cash payments being 12-24 months after the financial year to which the payment relates. This can mean that forecasting accurately can be difficult and the pressures in these budgets are still being quantified but at present the forecast is for the Schools Budget to overspend by £182k on an in year basis for 2012/13. The cumulative deficit brought forward from the 2011/12 financial year amounted to £5.7m, which means that the current forecast for the cumulative deficit to be carried forward at the end of 2012/13 is £5.9m. The Schools Forum has agreed a Schools Budget deficit recovery plan that will eliminate the cumulative deficit by the end of 2014/15. Performance against the recovery plan is currently ahead of schedule as the planned cumulative deficit at the end of 2012/13 had been £6.9m. The recovery plan is based on planned savings in central SEN expenditure arising from the One Council SEN Project as well as utilising DSG "Headroom" in setting the Schools Budget for 2013/14 and subsequent years.

## **Schools Budget Funding in Brent**

- 7.5 The 2012/13 financial year marks the last year for the current basis for School Funding as the Government is introducing fundamental changes from 2013/14.
- 7.6 2013/14 marks phase 1 of the DfE's reforms which will fundamentally change the method used by local authorities to distribute funding to schools. Officers have worked through these complicated changes in consultation with the Schools forum.
- 7.7 The structure of the Dedicated Schools grant is also changing with it being disaggregated into three blocks which are the Schools Block, the High Needs block and the Early Years Block. In addition the data from the October 2012 pupil count will determine the final Dedicated Schools Grant (DSG) that Brent will receive, rather than the January 2013 pupil count which would have been the case under the old methodology.
- 7.8 The Department for Education (DfE) have provided a Guaranteed Unit of Funding (GUF) which provides authorities with a specific DSG per pupil rate. In broad terms the settlement for schools is cash flat with the 2013/14 GUF for the Schools Block in Brent being set at £5,066 per pupil which can be compared with an average for England of £4,550 and a highest and lowest GUF of £8,595 and £3,949 respectively. While this cash-flat settlement represents a more favourable settlement than for the rest of local government it nevertheless can be seen as a real terms reduction as inflation is not covered.

Schools also receive the Pupil Premium which is a specific grant targeted at deprivation. In 2013/14 Schools will receive £900 per disadvantaged pupil based on the numbers of children that have been eligible for free school meals over the past 6 years. This is an increase of £300 per pupil when compared with the 2012/13 figures.

- 7.9 Details of the provisional Schools Budget for 2013/14 are given in Appendix I.
- 7.10 At its meetings on 9 January 2013 the Schools Forum considered the Schools Budget as part of the Council's statutory requirement to consult the Schools Forum prior to setting the forthcoming Schools Budget. At this meeting the members of the Schools Forum raised the issue of ensuring central elements of the Schools Budget represent good value for money. The Schools Forum, therefore, requested that the most significant budget areas of the central Schools budget should continue to be subject to greater review and scrutiny to ensure value for money. A rolling programme of such reviews and reports was agreed at the Schools forum meeting on 1 February 2012 and this programme will continue into 2013/14 to inform the budget setting for 2014/15.

## **Schools Budget Risks**

7.11 Some of the pressures impacting on the central expenditure items in 2012/13 have already been examined in paragraph 7.4. It is anticipated that some of these pressures will continue to persist in 2013/14.

## **Schools Budget Medium Term Financial Plan**

7.12 The DfE have announced that they will be undertaking a major review of school funding to develop a National funding Formula. At the moment no details have been released but the aim is to develop a formula based approach to determine the distribution of funding to local authorities rather than the current historic methodology. Any changes arising from this review will feed into the 2015/16 settlement.

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## SECTION 8

### 8. HOUSING REVENUE ACCOUNT

#### Introduction

- 8.1 The Housing Revenue Account (HRA) is a record of revenue expenditure and income, relating to the authority's own housing stock, i.e. it reflects the council's landlord role. The statutory framework for the operation of the HRA is provided in the Local Government and Housing Act 1989 and this Act prescribes the categories of income and expenditure to be included in the HRA, hence the "ring-fenced HRA".
- 8.2 A new HRA self financing system for Council Housing was implemented in April 2012. Under HRA self financing, the Council's HRA continues to be a ring-fenced account for the income and expenditure for Council dwellings, but the housing subsidy system was abolished and replaced by self financing (in exchange for a one off repayment of a proportion of debt). The HRA budget for 2013/14 has therefore been compiled on the basis of this new framework.
- 8.3 Expenditure charged to the HRA in 2013/14 includes:
- Repairs and maintenance;
  - Supervision and management;
  - Rent and rates; and
  - Capital charges.
- 8.4 Income credited to the account in 2013/14 includes:
- Dwelling rents;
  - Non dwelling rents;
  - Charges for services and facilities; and
  - Interest receivable.
- 8.5 Any balances on the HRA at the end of the year are carried forward within the HRA to the next year. There is no general discretion to transfer sums into the HRA or to support the General Fund with contributions from the HRA i.e there can be no cross-subsidy between the General Fund and the HRA, although legitimate charges flow between the accounts.
- 8.6 The council must agree and publish an annual budget for the HRA and this budget must avoid a deficit. This process is often referred to as rent setting, as the final component in agreeing a balanced HRA is setting the level of dwelling rents. If, during the year, it seems that the account is moving into deficit, the council must take all reasonably practicable steps to bring the account back into balance, including the consideration of additional rent rises. To the extent that it is not possible to find savings or increase income, then a debit balance should be carried forward to the following year and the council must budget to eliminate the deficit during that year.

- 8.7 A detailed report on the HRA budget for 2013/14 was agreed by the Executive on 11<sup>th</sup> February 2013. That report set out proposals for an overall rent increase of 3.74% for the main properties within the stock. This is in line with the government's rent restructuring policy. Members are requested to formally agree the HRA budget at Full Council.
- 8.8 The dwellings that the council owns at Stonebridge (transferred from the Stonebridge Housing Action Trust following the ballot in 2007) are held outside the HRA, and are not therefore included in the HRA budget. Proposals for rent levels for these dwellings for 2013/14 were included in the "HRA Budget 2013/14 and Rent Increase Proposals for Council Dwellings" Report agreed by the Executive on 11<sup>th</sup> February 2013. For these Stonebridge dwellings in 2013/14, that report set out proposals to increase the average rents by 3.1% and to increase the service charges by an average of 11.8% (note that this increase incorporates a new charge for digital tv).

#### **The HRA Probable Outturn 2013/14**

- 8.9 The HRA budget report shows that net HRA expenditure for 2012/13 is forecast to be in line with budget. Additionally the audited surplus brought forward from 2011/12 exceeded the budget by £1,572k. Taking this variance into account, it is therefore forecast that the estimated balance on the HRA account at 31<sup>st</sup> March 2013 will be £1,972k in surplus, which is £1,572k more than originally budgeted.

#### **The HRA Budget 2013/14**

- 8.10 The 2013/14 HRA budget includes the following:
- 8.10.1 An inflation allowance of 1% for pay, the Employer's Superannuation Contributions for BHP staff remains at 17.8% while for Council Staff there is an increase of 0.5% to 27.4%. For non pay price rises, a general increase of 0% has been used, except for repairs which is 2.21% and cleaning, Grounds maintenance which is 3.75%, and Gas servicing which is 1.1% in line with their contracts.
- 8.10.2 The government's implementation of its rent restructuring policy continues into 2013/14 and, under the national formula, individual rents should increase by 3.1% + 1/3rd towards their target rent. However, the impact on tenants will be cushioned by "caps and limits", which generally means that in 2013/14 no rent will increase by more than 3.1% + £2.
- 8.10.3 An overall average rent increase of 3.74% (average £3.82 per dwelling per week) for the main properties within the stock. This increase is to be applied taking full account of the government's rent restructuring guidance. The following table sets out the impact on tenants, grouping the increase in bands:

Analysis of change in weekly rent from 2012/13 to 2013/14

<b>Banding</b>	<b>No</b>
Below £-3	21
Between £-2 and £-1	37
Between £-1 and £0	240
Between £0 and £1	541
Between £1 and £2	584
Between £2 and £3	649
Between £3 and £4	681
Between £4 and £5	2898
Between £5 and £6	3143
Between £6 and £7	7
Between £7 and £8	4
Over £8	11
	<b>8,816</b>

- 8.10.4 An increase in service charges of 2.6%;
- 8.10.5 Savings of £862k comprising stock loss, efficiency and other savings;
- 8.10.6 Growth of £3.877m, comprising £500k to increase the bad debt provision (taking account of welfare reforms), £200k to contribute to a new welfare reform team in Brent Housing Partnership, £200k for void repairs, and £2.977m for depreciation (to be spent on HRA Capital Expenditure). This growth represents a real increase in HRA expenditure for 2013/14 and the additional resources for HRA capital will allow the Council to make choices about whether to increase the supply of new homes, accelerate the delivery of the repairs and maintenance backlog or improve the quality of the housing stock (options are being developed as part of the HRA Asset Management Strategy). This growth of £3.877m includes £1.572m which is a one off budget allocation for 2013-14 only (funded from balances), and £2.305m which is ongoing.
- 8.10.7 An estimated dwelling stock level (excluding Brent's Stonebridge dwellings) at 1<sup>st</sup> April 2013 of 8,879 dwellings;
- 8.10.8 Rent collection assumed at approximately 97.7% of the rental income due;
- 8.10.9 Voluntary HRA debt repayment. Up to 2003/04 there was a statutory requirement for the repayment of HRA debt. This requirement was removed in April 2004, along with the subsidy to pay for it. There is a provision to make a voluntary repayment, but this is not subsidised. No voluntary repayment of debt has been specifically included in the budget for 2013/14 and this is in line with the HRA business plan.
- 8.10.10 The current level of debt relating to the HRA was £137m at 1<sup>st</sup> April 2012 and this is expected to increase to £141m at 31<sup>st</sup> March 2013. This increase takes account of the £4m HRA capital programme in the 2012/13 budget. Brent's HRA borrowing limit under self financing will be £199m; and the estimated HRA borrowing "headroom" is £58m.

8.10.11 Taking into account the above, the HRA is estimated to show a surplus of £400k at 31<sup>st</sup> March 2014.

8.10.12 Details of the HRA budget are shown in Appendix J.

### **HRA Risks**

8.11 The main risk associated with the HRA budget for 2013-14 are:

- Recovery of Leaseholder Service Charges (Major Work); and
- Rent Collection – maintaining high collection performance and the impact of welfare reforms (universal credit, direct payment of housing benefit to tenants, changes to non-dependant deductions and the spare bedroom tax).

### **HRA Business Plan/HRA Asset Management Strategy**

8.12 The Council's HRA Business plan is now updated regularly and shows that the HRA 30 year business plan is viable. The key highlights from the current Business Plan are:

- There is no capital shortfall in any year
- The HRA operating account remains in surplus throughout the plan
- The HRA debt is scheduled to be repaid in line with the due dates of the existing loans.

8.13 An HRA asset management strategy is being developed which will be used to determine the priorities for Capital expenditure within the HRA and will consider options for stock re-balancing, new development and stock investment. The strategy will be reported to Members in due course.

## SECTION 9

### THE CAPITAL PROGRAMME 2012/13 to 2016/17

#### Introduction

- 9.1 This section up-dates the capital programme position for 2012/13 and sets out proposals for the programme from 2013/14 onwards. The programme includes for the first time projected figures for 2016/17.
- 9.2 The capital programme is a four year rolling programme. The key drivers of the capital programme are priorities in the Borough Plan and condition of assets. These are in turn reflected in the asset management plans for classes of assets (e.g. schools, council housing, other council buildings, roads, parks etc) and private sector and social housing strategies (disabled facilities grants, private sector renewal, housing association grants).
- 9.3 There are a number of constraints on the capital programme which are as follows:
- a. Unavoidable capital spending requirements: e.g. the council's buildings need to meet basic condition standards, school places need to be provided, roads need to be maintained;
  - b. Restrictions on the way resources are used: e.g. lottery, Transport for London, Targeted Capital Fund, devolved capital funding for schools, disabled facilities grant, other grant funding, Section 106 funding etc;
  - c. Limited access to capital receipts: This is particularly an issue given the impact of the current slump in the property market. The general market situation means it is not necessarily a good time to sell property assets;
  - d. Limited capacity to fund borrowing: There is no direct constraint on borrowing (since the Local Government Act 2003 introduced the prudential borrowing framework). However councils have to take into account the impact on future revenue spending. The level of prudential borrowing has to be considered in the context of the council's overall revenue budget commitments in the medium term. At a time when revenue budgets are being reduced the Council's ability to meet the costs associated with borrowing is significantly limited, unless it enables revenue savings elsewhere in the Council's budget.
- 9.4 The council continues to be required to consider longer term issues that need to be addressed. These include:
- a. The schools capital programme, specifically to meet longer term school capital needs and address the requirements for additional pupil places.
  - b. The longer term revenue and capital funding needs of council housing.
  - c. Sports facilities such as the requirement to develop a procurement strategy for Multi Use Games Areas (MUGAs) in the borough.
  - d. Parks where there is a backlog of repairs.
  - e. Highways infrastructure.

9.5 This section of the report sets out:

- Forecast outturn spending on the 2012/13 programme,
- The proposed 2013/14 to 2016/17 programme,
- The main risks in the capital programme,
- The policy to be applied to Minimum Revenue Provision.

### The 2012/13 Capital Programme

9.6 The revised capital programme for 2012/13 is detailed in Appendix K(i). A summary of the revised 2012/13 programme is included in Table 9.1 below.

**Table 9.1 Revisions to 2012/2013 Capital Programme since Second Quarter Monitoring**

Service Area	2012/13 position (second quarter)  £'000	Amended 2012/13 position (third quarter)  £'000	Variations to 2012/13 position  £'000
<b>Resources</b>			
Grant and External Contributions	(107,102)	(53,726)	53,376
Internal Contributions	(203)	(1,136)	(933)
Capital Receipts	(28,994)	(23,761)	5,233
S106 Funding	(14,667)	(14,667)	0
Unsupported Borrowing	(10,465)	(9,012)	1,453
Self-funded borrowing	(82,957)	(82,957)	0
<b>Total GF Resources</b>	<b>(244,388)</b>	<b>(185,259)</b>	<b>59,130</b>
Housing HRA	(15,575)	(11,015)	4,560
Grant and External Contributions	(88)	(160)	(72)
Unsupported Borrowing	(3,609)	(1,349)	2,260
<b>Total Resources</b>	<b>(263,660)</b>	<b>(197,783)</b>	<b>65,877</b>
<b>Expenditure</b>			
Regeneration and Major Projects	213,053	154,572	(58,481)
Children and Families	0	883	883
Environment and Neighbourhood Services	17,488	17,488	0
Adults and Social Care	1,552	1,532	(20)
Housing	8,357	6,846	(1,511)
Central	3,938	3,938	0
<b>Total GF expenditure</b>	<b>244,388</b>	<b>185,259</b>	<b>(59,129)</b>
Housing HRA	19,272	12,524	(6,748)
<b>Total Expenditure</b>	<b>263,660</b>	<b>197,783</b>	<b>(65,877)</b>
<b>Net Position</b>	<b>0</b>	<b>0</b>	<b>0</b>

Further detail of the movements on the 2012/13 capital programme will be provided within the Performance and Finance Review 2012/13 – Quarter 3 report which will be submitted to the March meeting of the Executive.

## 2013/14 to 2016/17 Capital Programme

### Overall programme

9.7 The proposed capital programme for 2013/14 to 2016/17 is attached as Appendix K(ii). Table 9.2 provides a high level summary.

**Table 9.2 Proposed 2012/13 to 2016/17 Capital Programme**

Service Area	Amended 2012/13 position (third quarter) £'000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
<b>Resources</b>					
Grant and External Contributions	(53,726)	(59,699)	(73,465)	(20,825)	(17,361)
Internal Contributions	(1,136)	(900)	(900)	(900)	(900)
Capital Receipts	(23,759)	(9,260)	(19,091)	(6,578)	(10,824)
S106 & CIL Funding	(14,667)	(5,500)	(5,500)	(5,500)	(5,500)
Unsupported Borrowing	(9,173)	(6,730)	(6,973)	(6,973)	(6,973)
Self-funded borrowing	(82,796)	(3,248)	(990)	(200)	(200)
<b>Total GF Resources</b>	<b>(185,257)</b>	<b>(85,337)</b>	<b>(106,919)</b>	<b>(40,976)</b>	<b>(41,758)</b>
Housing HRA	(11,137)	(14,922)	(10,362)	(10,362)	(10,362)
Grant	(38)	(50)	0	0	0
Unsupported Borrowing	(1,349)	(2,260)	0	0	0
Self-funded borrowing	0	0	0	0	0
<b>Total Resources</b>	<b>(197,781)</b>	<b>(102,568)</b>	<b>(117,281)</b>	<b>(51,338)</b>	<b>(52,119)</b>
<b>Expenditure</b>					
Regeneration and Major Projects	154,572	68,508	92,204	26,846	27,628
Children and Families	883	0	0	0	0
Environment and Neighbourhood Services	17,489	8,789	8,250	8,250	8,250
Adults and Social Care	1,532	722	737	650	650
Housing	6,845	6,868	5,278	4,780	4,780
Central	3,938	450	450	450	450
<b>Total GF expenditure</b>	<b>185,257</b>	<b>85,337</b>	<b>106,919</b>	<b>40,976</b>	<b>41,758</b>
Housing HRA	12,524	17,232	10,362	10,362	10,362
<b>Total Expenditure</b>	<b>197,783</b>	<b>102,569</b>	<b>117,281</b>	<b>51,338</b>	<b>52,120</b>
<b>Net Position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Spending proposals

9.8 The capital programme is based on the previous year's four year capital programme, rolled forward by a year, and amended to take account of the provisional Local Government Settlement announcement in December.

- 9.9 Amendments to the programme against that previously reported reflect:
- a. Slippage of funding for schemes from 2012/13.
  - b. Amended capital grant funding announcements.
  - c. Reviewed requirements for unsupported borrowing to underpin the capital programme taking into account affordability to the revenue account and levels of forecast capital receipts arising.
  - d. The addition of a fourth year – 2016/17 – to the four year programme which includes rolling programmes, such as highways maintenance, the private sector housing renewal programme, but does not at this stage include any new major schemes.

### Resources

- 9.10 Funding changes from the previously agreed programme are as follows:

a. *Grant funded schemes*

Figures for grant funded schemes have been based on the latest available figures. However, in several cases final allocations have not yet been disclosed, so these figures are estimates and are subject to revision.

b. *Capital receipts*

Capital receipts have been reviewed and capital programme resources amended to reflect the most up to date capital disposals forecasts. The position will continue to be kept under review. The disposal timetable is indicative and decisions will be taken on the basis of market conditions at the time and the need for the council to ensure best value from the disposals.

Additional receipts are expected from an increase in sales of Right to Buy properties, but these receipts are difficult to forecast. Legislation requires that these additional receipts are ring fenced to the provision of additional social housing.

c. *S106 and Community Infrastructure Levy Funding Agreements*

The council's Community Infrastructure Levy (CIL) scheme will come into effect in 2013/14. Existing Section 106 (S106) agreements are expected to continue to provide capital funding for a number of years. The capital programme includes an estimate of combined future S106 and CIL income. Members should note that this is currently an indicative profile of expenditure. Members should be aware that Section 106 funds are only triggered once schemes start on site and therefore timing of receipt of funds is not guaranteed, there has been a reduction in the number of agreements being triggered as a result of the economic downturn and a slowing in development.



d. *Self-funded borrowing*

Schemes funded from self-funded borrowing include 'invest to save' schemes such as automation in libraries, energy conservation schemes for which part funding is from Carbon Trust monies, IT schemes, and funding for the Civic Centre.

e. *Other borrowing*

Overall unsupported borrowing levels within the capital programme between 2012/13 and 2016/17 have been reviewed in light of the provisional Local Government Settlement announcement and the revised forecast levels of capital receipts arising in the individual years. Amendments have been made as appropriate ease pressure on the revenue account to meet debt charges.

From 2013-14 to 2016-17, the council's revenue budget is under significant pressure. In order to help reduce this pressure from 2012-13 the council will flexibly apply its capital resources in order to minimise the cost of borrowing over the medium term. Only where there is a legal obligation for the council to ring-fence specific capital resources to a specific project will capital resources be ring-fenced.

### **Capital Programme Risks**

- 9.11 Capital expenditure is on the whole easier to control than revenue spending as it is not generally demand led and commitments are only entered into once contracts are let. If it is necessary to reduce spending, it is possible to do so by not letting contracts.
- 9.12 The monitoring and management of the Capital Programme position is reported to Members as part of the Performance and Finance Review process.
- 9.13 The underlying capital programme risks are as follows:
- a. The impact of borrowing to fund the capital programme on the longer term financial stability of the council.
  - b. The effect of spending more on some schemes on the ability of the council to deliver other priority schemes.
  - c. The ability of the council to ensure that it is getting value for money from the spending it carries out on capital schemes.
  - d. The consequence of unmet needs on services provided in Brent.
  - e. Meeting capital funding needs for services funded under separate funding regimes, in particular schools and council housing.
  - f. Funding for major development programmes including South Kilburn and school places.
- 9.14 Table 9.3 below sets out these risks in more detail and the measures taken to manage them.

**Table 9.3 Capital Programme Risks**

<b>Risk</b>	<b>More detailed description</b>	<b>Measures taken to manage the risk</b>
<p>a. The effect of spending more on some schemes on the ability of the council to deliver other priority schemes.</p>	<p>Additional spending on schemes above that allowed for in the programme reduces funding available for other schemes. For most spending programmes, spend is within the council's control and therefore overspends only occur if controls fail.</p> <p>In other cases, mainly ones that involve land purchase or compensation, such as the Academies schemes or the Estate Access and Stadium Access Corridors, there is less direct control.</p>	<p>The council's capital spending controls and project management procedures are aimed at limiting additional costs to schemes in the programme. Schemes which it is proposed to add to the capital programme are subject to officer scrutiny and Member approval. Large schemes have to be approved by the Executive prior to going out to tender and when tenders come back. Smaller schemes are subject to the council's financial regulations and internal control procedures.</p> <p>Establishment of the Regeneration and Major Projects Department to improve the Council's approach to deliver schemes on time and within budget.</p>
<p>b. The ability of the council to ensure that it is getting value for money from the spending it carries out on capital schemes</p>	<p>The council spends up to £200m in a year on capital schemes. Achieving value for money is necessary to ensure that the council maximises outcomes from the spending.</p>	<p>Measures taken to manage this risk include:</p> <ul style="list-style-type: none"> <li>○ Prioritisation of schemes as part of the process for putting together the capital programme;</li> <li>○ Planned outcomes set for individual programmes are monitored through the quarterly Performance and Finance Review reports and in the annual budget report;</li> <li>○ Council procurement procedures ensuring value for money is achieved through procurement;</li> <li>○ Project management arrangements for individual schemes.</li> </ul>
<p>c. The consequence</p>	<p>There is a limit on the resources the council</p>	<p>The council takes a strategic approach to prioritising resources through the</p>

<b>Risk</b>	<b>More detailed description</b>	<b>Measures taken to manage the risk</b>
of unmet needs on services provided in Brent.	can use to fund the capital programme. That means that not all needs can be met.	<p>development of the Capital Strategy and the four year capital programme. In addition, asset management plans are used to measure unmet need.</p> <p>The council continues to secure resources from other sources including:</p> <ul style="list-style-type: none"> <li>○ Section 106 funding – although levels of triggered Section 106 have reduced as a result of the recession;</li> <li>○ Lottery funding;</li> <li>○ PFI funding, for example the Affordable Housing PFI;</li> <li>○ Additional government funding, for example Basic Needs Safety Valve;</li> <li>○ CIL – the implementation date is scheduled for 1 July 2013.</li> </ul>
d. Meeting capital funding needs for services funded under separate funding regimes, in particular schools and council housing.	In the case of schools, the main pressures are the provision of additional pupil places and the need to maintain the conditions of schools.	<p>The council has previously allocated the full amount of government grant, supported borrowing allocation, and section 106 funding to the schools programme. In addition, schools are able to borrow to fund works on the schools loan scheme.</p> <p>The council is looking at other opportunities to get improvements and expansion of schools as part of wider developments. In addition, the council continues to make use of other funding regimes, such as the Academy programme, to secure government funding. Representations are also made to government for further additional funding to meet unmet needs.</p>
e. Funding for major development programmes	The council's major programmes/projects include the South Kilburn development, the primary school expansions, new Academies and the Civic Centre project. These	The Regeneration and Major Projects Department has been established to improve the Council's approach to delivery of major programmes. Programme/Project Boards have been set up to manage each of these projects. There is reporting to Members at key stages of these programmes/projects.

Risk	More detailed description	Measures taken to manage the risk
	programmes/projects each individually present major risks and challenges to the council.	

### Minimum Revenue Provision

- 9.15 The Local Authorities (Capital Finance and Accounting) Regulations 2003 set out the requirement that councils set aside a minimum of 4% of their General Fund capital financing requirement to repay principal on debt, regardless of the length of life of the asset that was being financed.
- 9.16 Revised regulations which amend this requirement were issued in 2008. Under the new regulations councils are required to set an amount of Minimum Revenue Provision (MRP) which is 'prudent'. The definition of what counts as 'prudent' is set out in statutory guidance which has been issued by the Secretary of State for Communities and Local Government and which authorities are required to 'have regard' to.
- 9.17 Under the guidance councils are required to prepare an annual statement of their policy on making MRP to Full Council. The purpose of this is to give Members the opportunity to scrutinise use of the additional freedoms and flexibilities under the new arrangements.
- 9.18 For new borrowing under the Prudential system, councils were required to adopt from 2008/09 one of two further options for determining a prudent amount of MRP. One option is 'the asset life method', which allows councils to make provision for repayment of principal over the estimated life of the asset. This can be done using the 'equal instalment' method, where equal amounts of principal are paid each year, with reducing interest payments as debt is repaid, or the 'annuity' method, which is akin to a mortgage where the combined sum of principal and interest are equalised over the life of the asset. An alternative option is the 'depreciation method' which involves making Minimum Revenue Provision in accordance with the standard rules of depreciation accounting. This means setting aside an amount each year in line with estimated annual depreciation until the total initial debt is provided for.
- 9.19 The policy previously approved and now proposed for continuation in 2013/14 for non-HRA assets is as follows:
- For prudential borrowing, it is proposed that the council adopts the 'asset life method', and that an 'annuity' approach is used for calculating repayments. This ensures payments are spread equally over the life of the asset, which matches more closely the value the council gets out of the asset than loading payments at the beginning as would happen under the equal instalment method. It is also considerably easier to understand and

more transparent than the depreciation method. The proposed asset lives which will be applied to different classes of assets are as follows:

- Vehicles and equipment – 5 to 15 years;
- Capital repairs to roads and buildings – 15 to 25 years;
- Purchase of buildings – 30 to 40 years;
- New construction – 40 to 60 years;
- Purchase of land – 50 years (unless there is a structure on the land with an asset life of more than 50 years, in which case the land would have the same asset life as the structure).

The guidance also requires that the life of the asset is determined in the year in which it is acquired and is not varied subsequently. The requirement to make Minimum Revenue Provision does not commence until the asset becomes operational.

The guidance also sets out the approach to be taken to specific expenditure types which do not fall within these general categories, including spending capitalised under directions issued by the Secretary of State, capital grants to other organisations and individuals and so on. Details of the maximum asset life that can be applied in these cases are set out in Table 9.4.

**Table 9.4 Asset Life for Specific Assets Set Out in Guidance**

<b>Expenditure Type</b>	<b>Maximum Value of Asset Life</b>
Expenditure capitalised by virtue of a direction by the Secretary or State	20 years
Expenditure on computer programs	The life of computer hardware
Loans and grants towards capital expenditure by third parties	The estimated life of the assets in relation to which the third party expenditure is incurred
Repayment of grants and loans for capital expenditure	25 years, or the period of the loan if longer
Acquisition of share or loan capital	20 years
Expenditure on works to assets not owned by the authority	The estimated life of the assets
Expenditure on assets for use by others	The estimated life of the assets
Payment of levy on Large Scale Voluntary Transfers (LSVTs) of dwellings	25 years

9.20 These policies do not apply to HRA assets. The duty to make Minimum Revenue Provision in the Local Authorities (Capital Finance and Accounting) Regulations 2003 does not apply to HRA assets.

9.21 MRP on finance leases and PFIs is charged using the annuity method. The interest rate used is that implicit to the lease/PFI. The policy for leases and PFIs has no additional impact on the General Fund as the MRP requirement

is regarded as met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability.

- 9.22 Should there be any amendments to the policies set out in this section of the report these will be reported to Full Council at that time.

### Capital Financing Requirement

- 9.23 For *capital spending*, the council is required to calculate prudential indicators as follows:

- Planned capital spending on the General Fund and HRA (set out in this chapter);
- The estimated capital financing requirement for General Fund and HRA, reflecting the council's underlying need to borrow. This covers borrowing to fund past capital spending and in-year capital spending.
- HRA Limit on indebtedness reflecting the limit imposed at the time of implementation of self-financing by the Department of Communities and Local Government. This is monitored against the HRA Capital Financing Requirement which should remain below the limit set.

- 9.24 The issues of prudence and sustainability are closely related to that of affordability. These indicators help to demonstrate that the capital programme is prudent, affordable, and sustainable. Prudential indicators are shown in Table 9.6.

**Table 9.6 Prudential Indicators for Capital Spending**

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Planned capital spending:					
- General Fund	185.26	85.34	106.92	40.98	41.76
- HRA	12.52	17.23	10.36	10.36	10.36
- Total	197.78	102.57	117.28	51.34	52.12
Estimated capital financing requirement for <sup>1</sup> :					
- General Fund	478.13	477.88	471.17	463.62	456.39
- HRA	136.99	140.60	140.60	140.60	140.60
- Total	615.12	618.48	611.76	604.21	596.99
HRA Limit on Indebtedness:					
- HRA	199.291	199.291	199.291	199.291	199.291

<sup>1</sup> The Capital Financing Requirement estimates in this table are at 31<sup>st</sup> March of each year.

## **SECTION 10**

### **10. TREASURY MANAGEMENT STRATEGY**

#### **Introduction**

10.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services and the Prudential Code require local authorities to determine its Treasury Management Strategy Statement (TMSS) and Prudential Indicators (PIs) on an annual basis. The TMSS also includes the Annual Investment Strategy (AIS) that is a requirement of the CLG's Investment Guidance.

10.2 As per the requirements of the Prudential Code, the Authority has adopted the CIPFA Treasury Management Code and reaffirmed its adoption at its annual Budget meeting, most recently on 27 February 2012.

10.3 The purpose of this TMSS is, therefore, to approve:

- Treasury Management Strategy for 2013/14
- Annual Investment Strategy for 2013/14
- Statement of Investment Policy
- Prudential Indicators for 2013/14 to 2016/17

The approved Strategy will be implemented from the date of approval by the Council.

10.4 The Authority has borrowed substantial sums of money and has a significant amount invested and therefore, has potentially large exposures to financial risks including the loss of invested funds and the effect of changing interest rates. The successful identification, monitoring and control of risk is, therefore, central to the Authority's Treasury Management Strategy.

#### **Capital Financing Requirement**

10.5 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with usable reserves, are the core drivers of the Authority's Treasury Management activities. The expected movement of the CFR over the next three years is shown in Section 9.

10.6 At 31 December, 2012, the Authority's had £438m of debt and £80m of investments. These are set out in further detail below.

## Existing Investment & Debt Portfolio Position

Table 1

	31/12/2012 Actual Portfolio £m	31/12/2012 Average Rate %
<b>External Borrowing:</b>		
PWLB – Maturity	49	2.54
PWLB – EIP	288	5.01
Local Authorities	5	0.27
LOBO Loans	96	4.81
<b>Total Gross External Debt</b>	<b>438</b>	<b>4.64</b>
<b>Investments:</b>		
Market Deposits	59	0.37
Money Market Funds	21	0.39
<b>Total Investments</b>	<b>80</b>	<b>0.37</b>
<b>Net Debt</b>	<b>358</b>	

10.7 The forecast movement in the CFR in coming years is one of the Prudential Indicators (PIs). The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years.

### Interest Rate Forecast

10.8 Interest rates are forecast to continue the trend of the last few years, that is, that interest rates will remain low for even longer. Indeed, the forecast is for official UK interest rates to remain at 0.5% until 2016 given the outlook for limited economic growth and the continued austerity measures described in the Chancellor's Autumn Statement. Until the Eurozone reaches a situation where there is a reasonable prospect of reducing debt and re-establishing growth, then the UK's safe haven status will continue and increases in official interest rates and long term borrowing rates are unlikely to become an immediate prospect. The Authority will reappraise its strategies from time to time in response to evolving economic, political and financial events.

### Borrowing Strategy

10.9 Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. This difference creates a "cost of carry" for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. The cost of carry is likely to be an issue until 2016 or beyond. As borrowing is often for longer dated periods (anything up to 60 years) the cost of carry needs to be considered against a backdrop of uncertainty and affordability constraints in the Authority's wider financial position.



10.10 The Authority has a borrowing requirement in 2013/14 and there is expected to be a long term requirement to fully finance the Authority's capital expenditure. Borrowing will be undertaken to reach this situation when the expected course of interest rates justifies further long term borrowing. The Authority will adopt a flexible approach to this borrowing in consultation with its treasury management advisers, Arlingclose Ltd. The following issues will be considered prior to undertaking any external borrowing:

- Affordability;
- Maturity profile of existing debt;
- Interest rate and refinancing risk;
- Borrowing source.

### **Sources of Borrowing and Portfolio Implications**

10.11 In conjunction with advice from Arlingclose, the Authority will keep under review the following borrowing sources:

- Internal balances
- PWLB
- Other local authorities
- European Investment Bank
- Leasing
- Structured finance
- Capital markets (stock issues, commercial paper and bills)
- Commercial banks

10.12 The cost of carry has resulted in an increased use of shorter dated borrowing and repayment by equal instalments of principal. This type of borrowing injects volatility into the debt portfolio in terms of interest rate risk but is counterbalanced by its affordability and alignment of borrowing costs with investment returns. It also maintains an element of flexibility to respond to possible future changes in the requirement to borrow. The Authority's exposure to shorter dated and variable rate borrowing is kept under regular review.

10.13 The Authority has £95.5m exposure to LOBO loans (Lender's Option Borrower's Option) of which £25m of these can be "called" within 2013/14. A LOBO is called when the Lender exercises its right to amend the interest rate on the loan, at which point the Borrower can accept the revised terms or reject them and repay the loan without penalty. LOBO loans present a potential refinancing risk to the Authority since the decision to call a LOBO is entirely at the lender's discretion.

Any LOBOs called will be discussed with Arlingclose prior to acceptance of any revised terms. The default position will be the repayment of the LOBO without penalty i.e. the revised terms will not be accepted.

## **Debt Rescheduling**

- 10.14 The Authority's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs.
- 10.15 The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans have adversely affected the scope to undertake useful debt restructuring although occasional opportunities arise. The rationale for undertaking any debt rescheduling or repayment would be one or more of the following:
- Reduce investment balances and credit exposure via debt repayment
  - Align long-term cash flow projections and debt levels
  - Savings in risk adjusted interest costs
  - Rebalancing the interest rate structure of the debt portfolio
  - Changing the maturity profile of the debt portfolio
- 10.16 Borrowing and rescheduling activity will be reported to the Executive and Council in the Annual Treasury Management Report and the mid year report.

## **Annual Investment Strategy**

- 10.17 In accordance with Investment Guidance issued by the CLG, and best practice, this Authority's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority's investments is secondary, followed by the yield earned on investments.
- 10.18. The Authority and its advisors remain on a heightened state of alert for signs of credit or market distress that might adversely affect the Authority.
- 10.19 Investments are categorised as "Specified" or "Non-Specified" within the investment guidance issued by the CLG.
- Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the "high credit quality" as determined by the Authority and are not deemed capital expenditure investments under Statute. Non-specified investments are, effectively, everything else. Investments for more than a year remain non-specified until they mature.
- 10.20 The types of investments that will be used by the Authority and whether they are specified or non-specified are as follows:

**Table 2: Specified and Non-Specified Investments**

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Investments with Registered Providers	✓	✓
Certificates of deposit with banks and building societies	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	×
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	×
Commercial Paper	✓	×
Corporate Bonds	✓	✓
AAA-Rated Money Market Funds	✓	×
Other Money Market and Collective Investment Schemes	✓	✓
Debt Management Account Deposit Facility	✓	×

Further details can be found in Appendices L (i) and (ii).

10.21 Registered Providers (RPs) have been included within specified and non-specified investments for 2013/14. Investments with RPs will be analysed on an individual basis and discussed with Arlingclose prior to investing. RPs are Housing Associations and other Registered Social Landlords.

10.22 The minimum credit rating for non-UK sovereigns is AA+ (or equivalent). For specified investments the minimum long term rating for counterparties is A- (or equivalent). Within these criteria, the Chief Financial Officer (CFO) will have discretion to accept or reject individual institutions as counterparties on the basis of any information which may become available. This may include adding institutions not, at present, eligible should they become so, after having due regard to prudence. As detailed in non-specified investments in Appendix L (ii), the CFO will have discretion to make investments with counterparties that do not meet the specified criteria on advice from Arlingclose.

The other credit characteristics, in addition to credit ratings, that the Authority monitors are listed in the Prudential Indicator on Credit Risk (PI 12).

Any institution will be suspended or removed should any of the factors identified above give rise to concern, and caution will be paramount in reaching any deal regardless of the counterparty or the circumstances. Credit ratings are monitored continually by the Authority, using the advice of Arlingclose on ratings changes, and appropriate action to be taken.

The CFO will have the discretion to adopt a limit on lending to an individual country's institutions as seems prudent.

The countries and institutions that currently meet the criteria for investments are included in Appendix L (i).

- 10.23 Authority's Banker – The Authority banks with National Westminster and, at the current time, it meets the Authority's minimum credit criteria. NatWest is part of the RBS group and, should the credit rating fall below the Authority's minimum criteria, the RBS group will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

### **Investment Strategy**

- 10.24 With short term interest rates expected to remain low for some time, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.
- 10.25 In order to diversify a portfolio largely invested in cash, investments will be placed with approved counterparties over a range of maturity periods. Maximum investment levels with each counterparty will be set to ensure that prudent diversification is achieved.
- 10.26 Money market funds (MMFs) will be utilised but good treasury management practice prevails, and whilst MMFs provide good diversification, the Authority will also seek to mitigate operational risk by utilising at least two MMFs where practical. The Authority will also restrict its exposure to MMFs with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF. In addition, each Fund will be limited to a maximum deposit of £10m and no more than half the Council's deposits will be placed with MMFs.
- 10.27 The investment strategy will provide flexibility to invest cash for periods of up to 370 days in order to access higher investment returns, although lending to UK local authorities can be for up to 5 years. The upper limit for lending beyond a year is £20m. In practice lending for more than one year will be only to institutions of the highest credit quality and at rates which justify the liquidity risk involved.

10.28 Collective Investment Schemes (Pooled Funds):

The Authority has evaluated the use of Pooled Funds and determined the appropriateness of their use within the investment portfolio. Pooled funds enable the Authority to diversify the assets and the underlying risk in the investment portfolio and provide the potential for enhanced returns. Investments in pooled funds will be undertaken with advice from Arlingclose Ltd. The Authority currently has no investments in Pooled Funds.

10.29 Investment Policy:

The Treasury Management in the Public Services: Code of Practice (the Code) produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) was updated in November 2011, with a greater focus on risk management and significance of capital security as the Council's primary objective in relation to investments.

The Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- The Policy Statement is set out in Appendix L (iii). It will continue to apply until specific changes are required.

**Policy on Use of Financial Derivatives**

10.30 The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

10.31 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and any relevant foreign country limit.

10.32 The Authority will only use derivatives after seeking expertise, receiving a legal opinion and ensuring officers have the appropriate training for their use.

## **Housing Revenue Account Self-Financing**

- 10.33 Central Government completed its reform of the Housing Revenue Account (HRA) Subsidy system at the end of 2011/12. Local authorities are required to recharge interest expenditure and income attributable to the HRA in a way which is fair to the HRA without detriment to the General Fund. The guidance is very general, so the Council is required to adopt a policy that will set out how interest charges attributable to the HRA will be determined. The CIPFA Code recommends that authorities present this policy in their TMSS.
- 10.34 As of 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. Individual loans or parts of loans have been allocated to the HRA, on the basis of achieving the same long term rate as that which applied to the General Fund at the self financing date. In the future, new long-term borrowing will be assigned in its entirety to one pool or the other, allocating the costs and benefits to each accordingly.
- 10.35 Differences between the value of the HRA loans pool and the HRA's underlying need to borrow will result in a notional element of internal borrowing which may be positive. This balance will be assessed over the year and interest charged to the HRA at an appropriate rate for short term borrowing. The HRA will also hold reserves and balances which will be invested with the Council, and interest will be paid on identified balances at a rate which recognises that any investment risk is borne by the General Fund

## **Monitoring and Reporting on the Treasury Outturn and Prudential Indicators**

- 10.36 The CFO will report to the Executive on treasury management as follows:
- Annually, against the strategy approved for the year. The Authority will produce an outturn report on its treasury activity and the Prudential Indicators no later than 30<sup>th</sup> September after the financial year end.
  - After the middle of the year on the implementation of strategy and main features of the year's activity to date
  - The Executive and the Audit Committee will be responsible for the scrutiny of treasury management activity and practices.

## **Other Items**

### **10.37 Training**

CIPFA's Code of Practice requires the CFO to ensure that all members with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

### **10.38 Treasury Management Advisors**

The Authority uses Arlingclose as Treasury Management Advisors and receives the following services:

- Credit advice
- Investment advice

- Technical advice
- Economic & interest rate forecasts
- Workshops and training events
- HRA support
- Other matters as required

The Authority maintains the quality of the service with its advisors by holding quarterly meetings and tendering periodically.

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## SECTION 11

### 11. PRUDENTIAL INDICATORS 2012/13 – 2016/17

#### Background

11.1 There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities when setting and reviewing their Prudential Indicators.

#### Gross Debt and the Capital Financing Requirement

11.2 This is a key indicator of prudence and the estimated values are shown in Section 9.

#### Estimates of Capital Expenditure

11.3 This indicator is dealt with fully in Section 9.

#### Affordability indicators

11.4 The ratio of financing costs to net revenue stream is an indicator of affordability and is based on costs net of investment income:

Ratio of Financing Costs to Net Revenue Stream	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
General Fund	8.83	10.25	10.99	11.27
HRA	20.34	15.85	13.94	13.60

#### Incremental Impact of Capital Investment Decisions

11.5 The incremental impact of capital investment decisions is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
Increase in Band D Council Tax	4.37	11.32	14.46	21.48
Increase in Average Weekly Housing Rents	0	0	0	0

## Authorised Limit and Operational Boundary for External Debt

- 11.6 The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR. The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
- 11.7 The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements. The Operational Boundary and Authorised Limit are prepared on the same basis but the Authorised Limit includes additional headroom to allow for strategic decisions which may increase borrowing for short periods.

	2012/13	2013/14	2014/15	2015/16	2016/17
	Approved £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Authorised Limit	823	800	800	800	800
Operational Boundary	723	700	700	700	700

## Adoption of the CIPFA Treasury Management Code

- 11.8 This indicator demonstrates that the Authority has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the re-adoption of the CIPFA Treasury Management Code at its meeting on 27 February, 2012.

## Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- 11.9 These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net principal outstanding sums (i.e. fixed rate debt net of fixed rate investments).
- 11.10 The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

	Existing level at 31/12/12 %	2012/13 Approved %	2013/14 %	2014/15 %	2015/16 %	2016/17 %
Upper Limit for Fixed Interest Rate Exposure	100	100	100	100	100	100
Upper Limit for Variable Interest Rate Exposure	40	40	40	40	40	40

11.11 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Authority's treasury management strategy.

### **Maturity Structure of Fixed Rate borrowing:**

11.12 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

11.13 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

11.14 LOBOs are classified as maturing on the next call date i.e. the earliest date that the lender can require repayment.

Maturity structure of fixed rate borrowing	Existing level at 31/12/12 %	Lower Limit %	Upper Limit %
under 12 months	8	0	40
12 months and within 2 years	14	0	20
2 years and within 5 years	5	0	20
5 years and within 10 years	6	0	60
10 years and within 20 years	1	0	100
20 years and within 30 years	8	0	100
30 years and within 40 years	15	0	100
40 years and within 50 years	43	0	100

### **Credit Risk:**

11.15 The Authority considers security, liquidity and yield, in that order, when making investment decisions.

11.16 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk.

11.17 The Authority also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

11.18 The only indicators with prescriptive values remain to be long term credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

**Upper Limit for total principal sums invested over 364 days**

11.19 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

<b>Upper Limit for total principal sums invested over 364 days</b>	<b>2012/13 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
	20	20	20	20	20

## **SECTION 12**

### **12. PROCEDURES REQUIRED TO CONTROL EXPENDITURE**

#### **Introduction**

- 12.1 The council controls expenditure in a number of different ways. Principal amongst them are:
- (a) The Constitution including Standing Orders and Financial Regulations which set out delegated expenditure limits, control procedures for external contracts, and the financial and reporting responsibilities of Service Area and Service Unit Directors;
  - (b) Additional guidance and directions issued on a regular basis by the Chief Finance Officer;
  - (c) This budget report and the budget process which allocates resources between services and sets a framework through which spending can be monitored during the year.
- 12.2 The purpose of this section is to remind Members and Service Area or Corporate Directors of the expenditure control framework and how it will operate in 2013/14.

#### **Roles and Responsibilities**

- 12.3 Under the executive arrangements Full Council is responsible for approving the budget and policy framework and the Executive are then responsible for implementing the policies and spending the budget (except in respect of those functions such as planning which are not executive functions) in accordance with the budget and policy framework and the council's constitution.
- 12.4 Members and officers at all levels within the organisation have a role to play and responsibilities to carry out in order to manage the council's finances. Everybody needs to be clear about what their roles are, to ensure proper accountability across the council, to avoid either duplication or areas where no one is accountable. There also have to be clear links between service and financial planning. Service priorities can only be agreed in the light of what is affordable.
- 12.5 Key roles include:
- Full Council set policy about service levels and priorities and take decisions to prioritise resources between service needs and council tax levels. They ensure that officers are monitoring spending, and agree action plans to recover from potential overspends.
  - The Budget and Finance Overview & Scrutiny Committee scrutinises the budget process and the robustness of the budget proposals for both the current financial year and the medium term.

- The Corporate Management Team's role is to ensure corporate ownership of financial discipline and effective risk management and, through the Strategic Finance Group, provide Members with advice and enact their decisions.
- The Chief Finance Officer should put in place financial standards across the council to deliver a framework for financial control and provide accurate, timely and consistent monitoring information, and sound advice on financial decisions to be made by officers and members. He should also ensure that an effective and independent internal audit function operates.
- Service Area or Corporate Directors ensure that their service area enacts the necessary financial control and risk management framework and keeps spending within budget, indicating, where necessary, conflicts between current service policy and plans and resource allocation.
- Service Unit Managers should keep accurate financial records, comply with the financial control framework and take timely action to keep spending within budget.

### **Monitoring the Budget**

- 12.6 Once the budget has been set for the year and spending has started, it is critical to have an up to date and accurate picture of how spending is going.
- 12.7 The key monthly events in the cycle will be:
- Service units supply information to finance business partners on spending to date and year end forecasts.
  - Service areas supply similar information on total spending within their responsibility (including units) to Finance and Corporate Services.
  - The Strategic Finance Group will review the monitoring information and provide summary information and exception reports to the Corporate Management Team.
  - The Strategic Finance Group through the Corporate Management Team will examine proposed recovery plans, and take any other necessary action (including making recommendations to the Executive) to deliver spending within overall resources.
- 12.8 In addition to this monthly cycle, the Chief Finance Officer will report at least quarterly to the Executive on spending and forecasts. This report may go to Full Council if it requires decisions outside the budget and policy framework. The Chief Finance Officer will report immediately to the relevant Member body any significant financial problem that requires Members' decision to correct.

## **Virements, Transfers and In-Year Changes to Policy**

- 12.9 The Council's Standing Order 19 sets out requirements in respect of the above.
- 12.10 Full Council agreed an update Scheme of Transfers and Virements under Standing Order 19(a), attached at Appendix N, in November 2005. This refers to a Schedule of Earmarked Reserves and Provisions approved by Full Council at the budget setting meeting held before the start of the financial year. This schedule for the 2013/14 financial year is Appendix N at Schedule 1. Members are asked to approve this.

## **Controlling the Budget**

### **Overspending**

- 12.11 Overspends are not acceptable. There is unlikely to be any cause of an overspend that cannot be dealt with by action of some kind, even if this means changing policy, service levels and staffing levels, or virements from elsewhere in the service's budget.
- 12.12 If the monthly monitoring reports indicate that an overspend is likely, and subsequent investigations confirm this view, then Service Area or Corporate Directors will be required to detail the action they propose to take to correct the overspend. This will normally be expected to take the form of changes to the service necessary to correct the imbalance. Specific and costed proposals will be expected. Exceptionally, Service Directors may need to seek the Executive's approval to propose a change in policy to meet the overspend, which would then be submitted for Full Council's approval.
- 12.13 There may be occasions where, although changes are proposed that will reverse the overspend, they will not operate quickly enough to recover the position in the current financial year. Service Area or Corporate Directors must examine all further possible savings within their service to deal with any shortfall. If they have done so and an overspend is unavoidable then they can apply to the Executive for a one-off supplementary budget allocation subject to the agreement of the Chief Finance Officer. Again according to the limits defined this may need Full Council's approval.
- 12.14 Any overspend of controllable expenditure has the effect at outturn of reducing the council's balances. Normally all such use of balances will be required to be replaced by the service causing them to happen.

### **Rejected Growth Bids**

- 12.15 Services will have, during the budget setting process, submitted bids not approved and not included in the budget. Services need to consider their rejected growth bids and either fund the growth from compensating savings (see below) or not proceed with them. Service Area or Corporate Directors

may need to produce a report to the next cycle detailing the action if any that is recommended in each case.

### **Compensating Savings**

- 12.16 The phrase “*compensating savings*” can be used loosely in respect of committee reports. For the avoidance of doubt this phrase and the alternative of “met from within existing budget” are taken to have the following meanings:
- (a) “*Compensating savings*”- efficiency savings or service cuts are required to fund the spending proposal. If this phrase is used then the Service Area or Corporate Director **must** identify how the compensating savings are to be found and explain fully in the report what the service implications are. If none are offered it will be assumed that none are available and the financial implications supporting the application are invalid.
  - (b) “*Met from existing budget*”- can be used to refer to a specific expenditure proposal that has been included in a budget, or falls within a normal budgeted category and where the item can be funded without an overspend, or where there are unallocated funds in a budget that can be used to fund the current year and the subsequent year costs of the item.
- 12.17 The significance of these definitions is that they ensure that new expenditure proposals are always funded and do not cause overspends. If “*compensating savings*” is used as the funding justification and are not specified then the financial implications are invalid and therefore no authority can be given for the spending. If “met within budget” is used, then by definition there can be no overspend arising from the expenditure decision itself.

### **Balances**

- 12.18 The council has working balances to meet unforeseen financial contingencies. There is a danger that they will be seen as a resource available to solve any and every financial problem that arises. Therefore there is a need to establish policies to regulate the use of balances.
- 12.19 The key policy is that any application of balances must be accompanied by a proposal to restore them in the future. The possible reasons for allocating balances and the way that balances can be recovered include:
- (a) A reference from a service for funds to avoid a policy change to eliminate an overspend. The service needs to identify additional efficiencies and savings the following year to restore balances while the continuing costs of the existing policy are added to its total saving requirement.
  - (b) A reference from a service for a temporary allocation of balances to give the service time to recover an overspend. The service needs to agree to restore the balances used over a period of time.



- (c) To fund implementation costs of future savings. The first call on the future efficiencies and saving will be the restoration of balances.
- (d) To provide initial funding for new initiatives or proposals. The restoration of balances and the future year costs are met by increasing the council's overall saving target in future years.
- (e) To meet the cost of a policy change not budgeted for at the start of the financial year. The restoration of balances and the future year costs are met by increasing the council's overall saving target in future years.
- (f) To meet some financial contingency not foreseen at the beginning of the financial year. The restoration of balances and the future year costs are met by increasing the council's overall saving target in future years.

12.20 In every case balances can only be allocated on the recommendation of the Council's Chief Finance Officer (S151 of Local Government Act 1972) and by the Executive or, depending on the defined limits, Full Council.

12.21 Balances will not be available to meet overspends or other inappropriate purposes. The Executive should use any control it has over balances as a means of ensuring that services are putting in place adequate recovery plans.

### **Financial Implications**

12.22 There is a requirement to provide financial implications on every report requiring a Member decision, and for these to be cleared with the Chief Finance Officer in advance of publication. The Chief Finance Officer has a right to issue a report concurrently on matters requiring the Members' attention. There is a need to be clear about the content of financial implications so that they can play their intended role in controlling expenditure.

12.23 The financial implications of any proposal should set out:

- Its cost in the current and future financial years, and the basis on which the cost has been calculated;
- An assessment of risks involved, including the potential impact, likelihood and the approach to management of those risks;
- The proposed funding source, indicating either that it can be met from existing service area resources or what compensating savings will also have to be agreed; and
- If additional resources are required, a clear reference indicating what part of the cost is additional, and the policy and service implications of both not proceeding and funding the proposal from within existing resources, and the time period over which any use of balances could be repaid.

12.24 The Chief Finance Officer must be consulted on all financial implications that may result in a reference for additional funding, and should be consulted on major financial issues where spending is being contained within budget. For

practical purposes, services should indicate to Finance and Corporate Services, as soon as they can, any issues that are likely to result in a report requiring such clearance, to enable the consultation to proceed as smoothly as possible. **In all cases failure to provide financial implications in the prescribed manner means that expenditure approval has not been given, and any expenditure that takes place is unauthorised.**

12.25 Where the Chief Finance Officer believes the financial implications of a report to be invalid he may:

- Require the report to be withdrawn from the relevant meeting;
- Supply alternative financial implications under his own name to be circulated to the meeting; or
- Indicate to the meeting the reasons why he believes the financial implications are invalid and the consequences of proceeding on that basis (i.e. that the expenditure would be unauthorised despite a resolution of the meeting to agree it).

12.26 The above is designed to protect Members from agreeing to proposals without having adequate financial advice before them. Where that is the case, irrespective of these rules, administrative law may well mean that any decision is invalid. The rules also have the effect of protecting the council from unfunded spending proposals.

## LIST OF APPENDICES

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(ii)	Budget Virements 2012/13 – Quarter 3
Appendix B	2013/14 Revenue Budget
Appendix C	Service Area Budget Summary
Appendix D (i)	Service Cost Pressures
(ii)	Analysis of Savings Items within Service Area Budgets
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Appendix E	Final Report of the Budget & Finance Overview & Scrutiny Committee
Appendix F	Central Items
Appendix G (i)	Council Tax Property Valuation Bands
(ii)	Council Tax and NNDR Instalment Dates and Collection Policy
(iii)	Business Rates System
(iv)	Local Discounts
Appendix H	Financial Forecast 2013/14 - 2016/17
Appendix I	Recommended Schools Budget 2013/14
Appendix J	Housing Revenue Account Objective/Subjective Analysis
Appendix K (i)	Capital Programme 2012/13 – Expenditure and Income
(ii)	Capital Programme 2013/14 – 2016/17 – Expenditure and Income
Appendix L (i)	Annual Investment Strategy 2013/14 – Council’s Credit Criteria
(ii)	Local Government Investments – Non -Specified
(iii)	Policies and Objectives of Treasury Management Activities
Appendix M	Advice from the Director of Legal and Procurement
Appendix N	Scheme of Virements and Transfers Under Standing Order 17(a)
Appendix O	Background Information

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## 2012/13 LATEST REVENUE BUDGET COMPARED WITH FORECAST OUTTURN

	Original Budget £'000 (1)	Latest Budget £'000 (2)	Full Year Forecast £'000 (3)	Variance £'000 (3)-(2)
<b>Service Area Budgets</b>				
Adult Social Services	89,552	91,028	91,114	86
Children & Families	51,402	46,253	46,303	50
Environment & Neighbourhood Services	34,073	34,096	34,564	468
Regeneration & Major Projects	33,277	33,510	32,510	(1,000)
Central Services	32,550	37,565	37,296	(269)
Transfer to reserves	0	0	1,000	1,000
	<b>240,854</b>	<b>242,452</b>	<b>242,787</b>	<b>335</b>
Capital Financing Charges	25,343	25,343	24,166	(1,177)
Levies	2,579	2,579	3,129	550
Premature Retirement Compensation	5,416	5,416	5,266	(150)
Insurance Fund	1,800	1,800	1,800	0
New Homes Bonus	(2,794)	(2,794)	(2,794)	0
Transformation Enabling Fund	3,500	3,500	3,500	0
One Council Programme	(734)	(69)	(69)	0
Remuneration Strategy	229	229	229	0
South Kilburn Development	900	900	900	0
Affordable Housing PFI	1,288	0	0	0
Carbon Tax	304	304	67	(237)
Redundancy & Restructuring Costs	4,354	4,354	4,354	0
Inflation Provision	2,025	1,050	1,050	0
Other Items	1,541	1,541	1,541	0
<b>Total Central Items</b>	<b>45,751</b>	<b>44,153</b>	<b>43,139</b>	<b>(1,014)</b>
Government Grants	(27,213)	(27,213)	(27,259)	(46)
Contribution to/(from) Balances	1,000	1,000	1,725	725
<b>Total Budget Requirement</b>	<b>260,392</b>	<b>260,392</b>	<b>260,392</b>	<b>0</b>
<b>Balances B/Fwd</b>	<b>10,080</b>	<b>10,316</b>	<b>10,316</b>	<b>0</b>
Contribution (to)/from Balances	1,000	1,000	1,725	725
<b>Total Balances Forecast for 31st March 2013</b>	<b>11,080</b>	<b>11,316</b>	<b>12,041</b>	<b>(725)</b>

These figures incorporate the virements in Appendix A(ii)

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## BUDGET VIREMENTS - 2012/2013 - Quarter 3

Detail	Children & Families	Environment & Neighbourhoods	Adult Social Services	Regeneration & Major Projects	Customer & Community Engagement	Chief Executive's Office	Strategy Performance & Improvement	Legal & Democratic	Finance & Corporate Services	Central Items
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Digital Post Room - Customer Services / Children & Families	(25)								25	
Blue badge - Disability & Health Reform Grant Allocation			22							(22)
NI Contributions	7	6	6	10	(2)		4	3	15	(49)
Ashley Gardens Portcabin - Recharge of accommodation costs	23			(23)						
Emergency Duty Team - Replacement of annual recharge	(264)		264							
Senior Practitioner transfer			(13)						13	
Employee Benefits - Reimbursement		92								(92)
<b>Total</b>	<b>(259)</b>	<b>98</b>	<b>279</b>	<b>(13)</b>	<b>(2)</b>	<b>0</b>	<b>4</b>	<b>3</b>	<b>53</b>	<b>(163)</b>

## 2013/14 REVENUE BUDGET

	2012/13 £'000	2013/14 £'000
<b>Service Area Budgets (SABs)</b>		
Adult Social Services	91,028	109,015
Children & Families	46,253	44,205
Environment & Neighbourhood Services	34,096	35,802
Regeneration & Major Projects	33,510	30,487
Central Services	37,565	41,848
<b>Total SABs</b>	<b>242,452</b>	<b>261,357</b>
<b>Other Budgets</b>		
Central Items	42,466	40,442
Transformation Enabling Fund	3,500	2,500
Inflation Provision	1,050	3,467
One Council	(69)	(500)
Council Tax Grant	(2,575)	0
Unallocated Government Grants	(24,638)	(22,883)
Centrally Held Growth	0	164
Use of earmarked reserve	0	(250)
Increase in balances	1,000	0
<b>Total Other Budgets</b>	<b>20,734</b>	<b>22,940</b>
<b>Total Budget Requirement</b>	<b>263,186</b>	<b>284,297</b>
<b>Less</b>		
Formula Grant	155,420	0
Revenue Support Grant	0	115,976
Retained Business Rate	0	31,892
Business Rate Top up	0	46,532
Council Tax Freeze Grant	0	1,053
New Homes Bonus	2,794	5,289
Surplus/(Deficit) on the Collection Fund	774	1,814
	<b>158,988</b>	<b>202,556</b>
<b>Total to be met from CT for Brent Budget</b>	<b>104,198</b>	<b>81,741</b>
<b>Total to be met from CT for GLA Precept</b>	<b>30,181</b>	<b>23,389</b>
Taxbase - Band D Equivalents	98,398	77,191
<b>Brent Council Tax Requirement at Band D</b>	<b>£1,058.94</b>	<b>£1,058.94</b>
<b>Brent % Increase</b>	<b>0.0%</b>	<b>0.0%</b>
<b>GLA Precept</b>	<b>£306.72</b>	<b>£303.00</b>
<b>GLA % Increase</b>	<b>0.0%</b>	<b>-1.2%</b>
<b>TOTAL BAND D including Precepts</b>	<b>£1,365.66</b>	<b>£1,361.94</b>
<b>TOTAL % Increase</b>	<b>0.0%</b>	<b>-0.3%</b>

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**SERVICE AREA: Budget Summary**

ITEM	YEAR 1	YEAR 2				
	2012/2013 Approved Budget £'000 (1)	Budget Virements & Technical Adjustments £'000 (2)	Cost Pressures £'000 (3)	Savings £'000 (4)	Inflation £'000 (5)	2013/2014 Budget Forecast £'000 (6)
Adult Social Services	89,552	17,996	1,697	(230)	0	109,015
Children & Families	51,402	(7,363)	1,250	(1,085)	0	44,205
Environment & Neighbourhood Services	34,073	296	2,083	(649)	0	35,802
Regeneration & Major Projects	33,277	(2,445)	2,525	(2,870)	0	30,487
Central Services	32,550	10,501	753	(1,956)	0	41,848
<b>TOTAL</b>	<b>240,854</b>	<b>18,985</b>	<b>8,308</b>	<b>(6,790)</b>	<b>0</b>	<b>261,357</b>

**Notes:**

1. 2013/2014 Budget = Column 1 + 2 + 3 + 4 + 5

**SERVICE AREA: Adult Social Services**

ITEM	YEAR 1	YEAR 2				
	2012/2013 Approved Budget £'000 (1)	Budget Virements & Technical Adjustments £'000 (2)	Cost Pressures £'000 (3)	Savings £'000 (4)	Inflation £'000 (5)	2013/2014 Budget Forecast £'000 (6)
<b>Adult Social Care</b>						
<b>Welfare Payments</b>						
Concessionary fares	15,198	450	0	0	0	15,648
<b>Social Care</b>						
Transitions	3,205	2,755	1,615	(30)	0	7,545
Adults with learning disabilities	15,250	0	0	(200)	0	15,050
Adults with physical disabilities	7,180	0	0	0	0	7,180
Adults with mental illness	6,934	0	0	0	0	6,934
Older people	21,400	0	0	0	0	21,400
Support planning	3,120	(233)	0	0	0	2,887
Reablement	2,573	264	0	0	0	2,837
Safeguarding	590	0	82	0	0	672
Direct services	5,534	0	0	0	0	5,534
Client affairs	591	(64)	0	0	0	527
Grants	2,844	(1,554)	0	0	0	1,290
	<b>69,221</b>	<b>1,168</b>	<b>1,697</b>	<b>(230)</b>	<b>0</b>	<b>71,856</b>
<b>Public Health</b>						
Public Health	0	17,235	0	0	0	17,235
<b>Directorate</b>						0
Senior management	689	0	0	0	0	689
Commissioning	1,450	0	0	0	0	1,450
Central costs	2,994	(857)	0	0	0	2,137
	<b>5,133</b>	<b>(857)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,276</b>
<b>TOTAL</b>	<b>89,552</b>	<b>17,996</b>	<b>1,697</b>	<b>(230)</b>	<b>0</b>	<b>109,015</b>

**Notes:**

1. 2013/2014 Budget = Column 1 + 2 + 3 + 4 + 5

**SERVICE AREA: Children & Families**

ITEM	YEAR 1	YEAR 2				
	2012/2013 Approved Budget £'000 (1)	Budget Virements & Technical Adjustments £'000 (2)	Cost Pressures £'000 (3)	Savings £'000 (4)	Inflation £'000 (5)	2013/2014 Budget Forecast £'000 (6)
Director's Office	387	(143)	0	0	0	244
Achievement and Inclusion	46,157	(1,422)	0	(675)	0	44,060
Social Care	37,126	(5,387)	1,250	(410)	0	32,578
Central Support and Others	1,053	(348)	0	0	0	706
Schools, DSG and other school related	(33,321)	(62)	0	0	0	(33,383)
<b>TOTAL</b>	<b>51,402</b>	<b>(7,363)</b>	<b>1,250</b>	<b>(1,085)</b>	<b>0</b>	<b>44,205</b>

**Notes:**

1. 2013/2014 Budget = Column 1 + 2 + 3 + 4 + 5

**SERVICE AREA: Environment & Neighbourhood Services**

ITEM	YEAR 1	YEAR 2				
	2012/2013 Approved Budget £'000 (1)	Budget Virements & Technical Adjustments £'000 (2)	Cost Pressures £'000 (3)	Savings £'000 (4)	Inflation £'000 (5)	2013/2014 Budget Forecast £'000 (6)
Business Support	685	(132)	0	0	0	553
Brent Transport Service	(211)	(30)	0	0	0	(241)
Consumer & Business Protection	1,435	108	0	(50)	0	1,493
Recycling & Waste	22,114	69	1,560	(36)	0	23,706
Safer Streets	2,989	(744)	290	(40)	0	2,495
Emergency Planning & Control	714	77	0	0	0	791
Parking Control	(3,208)	(89)	33	(395)	0	(3,659)
Parks Service	2,622	(294)	50	(11)	0	2,367
Cemeteries	(61)	(152)	0	(29)	0	(242)
Transportation	0	(174)	83	(88)	0	(179)
Directorate	686	1,184	0	0	0	1,870
Sports Service	1,970	641	67	0	0	2,678
Libraries	4,338	(168)	0	0	0	4,170
<b>TOTAL</b>	<b>34,073</b>	<b>296</b>	<b>2,083</b>	<b>(649)</b>	<b>0</b>	<b>35,802</b>

**Notes:**

1. 2013/2014 Budget = Column 1 + 2 + 3 + 4 + 5

**SERVICE AREA: Regeneration & Major Projects**

ITEM	YEAR 1	YEAR 2				
	2012/2013 Approved Budget £'000 (1)	Budget Virements & Technical Adjustments £'000 (2)	Cost Pressures £'000 (3)	Savings £'000 (4)	Inflation £'000 (5)	2013/2014 Budget Forecast £'000 (6)
<b>Housing</b>						
Housing Needs	8,511	(263)	2,450	(400)	0	10,298
Private Housing Services	731	(4)	0	0	0	727
Supporting People Team	9,953	0	0	(1,600)	0	8,353
Other Housing Services	320	(306)	75	(10)	0	79
<b>Housing Sub Total</b>	<b>19,515</b>	<b>(573)</b>	<b>2,525</b>	<b>(2,010)</b>	<b>0</b>	<b>19,457</b>
Civic Centre & Major Projects	2,191	731	0	(810)	0	2,112
Directorate & Business Support	1,750	(1,142)	0	0	0	608
Planning & Building Control	1,215	(546)	0	(25)	0	644
Policy & Regeneration	478	0	0	0	0	478
Property & Asset Management	8,128	(915)	0	(25)	0	7,188
<b>Non Housing Sub Total</b>	<b>13,762</b>	<b>(1,872)</b>	<b>0</b>	<b>(860)</b>	<b>0</b>	<b>11,030</b>
<b>REGENERATION &amp; MAJOR PROJECTS TOTAL</b>	<b>33,277</b>	<b>(2,445)</b>	<b>2,525</b>	<b>(2,870)</b>	<b>0</b>	<b>30,487</b>

**Notes:**

1. 2013/2014 Budget = Column 1 + 2 + 3 + 4 + 5

**SERVICE AREA: Central Services**

ITEM	YEAR 1	YEAR 2				
	2012/2013 Approved Budget £'000 (1)	Budget Virements & Technical Adjustments £'000 (2)	Cost Pressures £'000 (3)	Savings £'000 (4)	Inflation £'000 (5)	2013/2014 Budget Forecast £'000 (6)
Chief Executive	479	(152)	0	0	0	327
Legal & Procurement	1,223	9,582	0	0	0	10,805
Customer and Community Engagement	3,873	(380)	0	(750)	0	2,743
Strategy, Partnerships and Improvement	4,719	1,533	0	(450)	0	5,802
Finance & Corporate Services	22,256	(82)	753	(756)	0	22,171
<b>TOTAL</b>	<b>32,550</b>	<b>10,501</b>	<b>753</b>	<b>(1,956)</b>	<b>0</b>	<b>41,848</b>

**Notes:**

1. 2013/2014 Budget = Column 1 + 2 + 3 + 4 + 5

## SERVICE COST PRESSURES - 2013/14 - 2016/17

Service	Item	2013/14	2014/15	2015/16	2016/17	Comments
		£'000	£'000	£'000	£'000	
<b>Demand led pressures</b>						
Adults Social Services	Transitions	600	500	500	400	Children with disabilities accessing social care services transfer into adult social care at age 18 (or later, if in full time education). The costs of providing social care services to children in transition become a service cost pressure for adult social care. The number of children in transition and the cost of their care vary from year to year. As they often transfer part way through the financial year, the full year effect of their costs is felt in the year following their transfer.
Adults Social Services	Transitions	1,015	0	0	0	There is an underlying overspend of £1.015m in 2012/13. Given recent transitions we would expect a full year effect of £1.2m. So for 2012/13 we would expect the additional £500k growth put into the budget to meet only part of these costs. Thus increasing pressures to £1.3m. Our current assumptions predict that pressures can be limited to £600k per annum for 2013/14 onwards. Much depends on the ability to limit the costs of transitions.
Adults Social Services	Learning Disabilities	0	300	300	300	Transitional clients living longer into Adult age. In 2012/13, the highest spending category of care was Learning Disability residential care, and this category of care will continue to see growth across the period.
Adults Social Services	Demand for Services across Adults	0	801	936	970	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. In addition, the department has seen a significant increase in dementia service users in the last two years. In 2012/13, the highest spending category of care was Learning Disability residential care, and this category of care will continue to see growth.
C&F	Placements & Purchasing	500	0	0	0	Additional demand in the children's social care placements budget
E&NS	Waste & Recycling - Waste Treatment Uplift / Replacement Bins	1,325	0	0	0	Combination of budget pressures from 2012/13 and 2013/14 relating to the annual waste disposal and treatment price increases levied by the WLWA and the £60k cost of providing free recycling and composting bins.
R&MP	Housing - Temporary Accommodation	2,450	1,103	(1,621)	0	Changes to the Local Housing Allowance regime have already resulted in an increase in homeless demand and changes in the housing benefit subsidy for temporary accommodation in July 2013 will in turn have a significant impact.
<b>Total demand led growth</b>		<b>5,890</b>	<b>2,704</b>	<b>115</b>	<b>1,670</b>	
<b>Price led pressures</b>						
Adults Social Services	Inflation across Adults	0	2,297	1,949	2,021	The departments historic 'price point' approach to reducing unit costs has largely been exhausted. This impacts the viability of holding the current levels of unit costs.
E&NS	Contractual inflation across Environment & Neighbourhoods Services	625	0	0	0	This covers contractual inflation relating to the Streetlighting PFI and Streetlighting electricity costs, Willesden Sport Centre PFI, Vale Farm Leisure Centre, Street Trees, Parking contract and the Waste & Recycling contract
F&CS	Benefits Deficit	266	200	0	0	There are two main factors that are contributing to the forecast deficit for 2013/14 of £396k which is nonetheless an improvement to the position previously reported. The level of overpayment recovery for 2012/13 has just been adjusted to £4.875M based on in year performance and this is very unlikely to be increased in 2013/14. The figure for 2011/12 was approximately £350k more, but as the level of overpayments is now decreasing and customers ability to repay overpayments is also declining, recovering overpayments at the present level becomes increasingly more difficult. The second factor is the abolishment of the Council Tax Benefit scheme; this leads to a direct loss of subsidy of overpaid benefits, most of which had previously claimed at 40%. The loss of subsidy in respect of the CTB change increases the deficit by £200k in both 2013/14 and 2014/15.
F&CS	Capita Revenues Contract	157	0	0	0	Additional contract costs resulting from changes to the Council Tax Scheme.
F&CS	Benefit Caseload	35	0	0	0	Caseload increase arising from the recession now estimated at additional 1200 for 2013/14
F&CS	Capita Contract - Revenues & IT	0	100	0	0	Contract with Capita for Revenues and IT requires the Council to pay an annual RPI increment from 1 May every year.
<b>Total price led pressures</b>		<b>1,083</b>	<b>2,597</b>	<b>1,949</b>	<b>2,021</b>	
<b>Loss of income</b>						
E&NS	Parks - Allotments	50	0	0	0	The current budget of £96k income from allotments is unachievable and current projections are for £46k in 2012/13.
R&MP	HRA/General Fund Recharges	75	47	50	0	Impact of stock transfers from South Kilburn and other sites

## SERVICE COST PRESSURES - 2013/14 - 2016/17

Service	Item	2013/14	2014/15	2015/16	2016/17	Comments
		£'000	£'000	£'000	£'000	
F&CS	HB Admin Grant Reduction	295	250	0	0	Local authorities receive a grant from the DWP for the costs of administering Housing Benefit and Council Tax Benefit. In 2010/11 Brent received £4.029m, which the Government indicated it wished to reduce by 28% by 2014/15. In 2012/13, the grant is £3.65m (including £166k to Audit). This includes £3.32M main administration grant and £329K of additional grant related to the economic downturn. In 2013/14 DWP have announced they will reduce the main administration grant to £3.197M (4% reduction) and the additional "recession" grant to £158K (50% reduction). Based on these reductions, Brent will receive £3.355M, representing a cut of £295K. Further reductions in 2014/15 are still estimated to be a further £250K (assuming further reductions of 5% and 50% in the two grants respectively).
	<b>Total pressures due to loss of income</b>	<b>420</b>	<b>297</b>	<b>50</b>	<b>0</b>	
	<b>New Burdens</b>					
Adults Social Services	Learning Disability & Community Voices	82	9	0	0	Funding for DOLS/Mental Health Advocacy and veterans income
C&F	Youth Offending Services LASPO Act - New burdens to meet cost of remands	750	0	0	0	The likely maximum cost pressure is £1,529k, if remand numbers reduce to the average of the last 3 years instead of the 2011/12 level the cost pressure would reduce to £978k. This average cost pressure is £1,256k which less the indicative grant figure of £506k gives an average pressure of £750k.
E&NS	Lead Flood Authority	83	0	0	0	Additional Grant monies to deal with local flood risks
Centrally Held	Healthwatch	85	0	0	0	Every local authority will be responsible for having a Local Healthwatch in their area and for funding it from April 2013. Local authorities need to work in partnership with their existing Local Involvement Networks (LINKS), voluntary groups and community groups in setting up these Local Healthwatches. Their aim is to give citizens and the community a stronger voice to influence and challenge how health and social care services are provided in their locality
Centrally Held	Complaints Advocacy	79	0	0	0	Local authorities will be responsible for providing an advocacy service to people who wish to make a complaint about their experience of the NHS. Local authorities will be responsible for commissioning this from any provider including Health watch.
	<b>Total pressures due to New Burdens</b>	<b>1,079</b>	<b>9</b>	<b>0</b>	<b>0</b>	
	<b>Other Growth</b>					
	<b>Total Other Growth</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>GRAND TOTAL</b>	<b>8,472</b>	<b>5,607</b>	<b>2,114</b>	<b>3,691</b>	
	<b>CUMULATIVE GRAND TOTAL</b>	<b>8,472</b>	<b>14,079</b>	<b>16,193</b>	<b>19,884</b>	



## SERVICE AREA: ADULT SOCIAL SERVICES

## ANALYSIS OF SAVINGS

Unit	Item	2013/2014 £'000	2014/2015 £'000	2015/2016 £'000	2016/2017 £'000
Integrated Health	Potential integration of Brent Council adult social care services with NHS Brent & Harrow. (Any costs resulting are currently not known). However, intergration is very unlikely, therefore the department has looked at other options to make these savings such as: a) Independent arm of the council to delivering the service or b) Outsourcing the remaining providers servces that the council still has and teams such as the review team.	0	2,200	0	0
Continuing Health Care	The department has started to look at the lack of Health funded placements - Continuing Health Care within Brent.	200	590	0	0
Transitions	There are efficiencies to be had from better planning of services for children with disabilities transiting into adult social care. It is anticipated that collaboration between key stakeholders in the early planning of transition processes could yield financial efficiencies (estimated at 5%) for health & social care and better outcome for service users and carers.	30	0	0	0
	<b>TOTAL ADULT SOCIAL SERVICES</b>	<b>230</b>	<b>2,790</b>	<b>0</b>	<b>0</b>

ANALYSIS OF SAVINGS

Unit	Item	2013/2014 £'000	2014/2015 £'000	2015/2016 £'000	2016/2017 £'000
Children and Families - General	Reduction on supplies and services expenditure	50	50	0	0
SEN Transport	Savings due to efficiencies in routing and other transport costs	100	100	0	0
School Improvement Services	Reshaping of the service in line with changing relationship with schools. Increase in Academies and more general growing independence of schools requires a new model for the service that is sustainable and affordable.	550	150	0	0
Childrens Social Care	Through the Working with Families Project and working with families on the edge of care and intervening earlier than before reductions in more expensive placements can be avoided.	385	327	140	0
<b>TOTAL CHILDREN &amp; FAMILIES</b>		<b>1,085</b>	<b>627</b>	<b>140</b>	<b>0</b>

## ANALYSIS OF SAVINGS

Unit	Item	2013/2014 £'000	2014/2015 £'000	2015/2016 £'000	2016/2017 £'000
Highways Licensing	Incremental of charges for Crane Licenses and review of other highways licensing fees (for skips, scaffolding and building materials on the public highway) as agreed in the 2012/13 budget process.	15	20	0	0
Sports, Parks and Cemeteries Income	To increase fees and charges for sports, cemeteries and parks as agreed in the 2012/13 budget process	40	44	0	0
Trading Standards - Proceeds of Crime	Part of the three year agreed in the 2012/13 budget process for any incentivisation money received from Proceeds of Crime investigations to be used to fund the Accredited Financial Investigators (AFI) post.	25	25	0	0
Highways Maintenance	Savings resulting from the One Council Programme from the retendering of the London Highways Alliance LOHAC framework contract. This is the product of a collaborate borough procurement exercise	84	0	0	0
School Crossing Patrol (SCP)	Continue with the agreed SCP policy where any vacancies in non-priority sites will not be filled and vacancies at any of the priority sites will be filled by transferring staff from a low priority site.	40	40	0	0
Parking Contract	The One Council project on parking has a number of opportunities for cost saving. Specific details are being developed as sub-projects and are estimated to be able to deliver £300k per annum saving before retendering the contracts. Collaborative retendering with other boroughs should secure additional savings. This includes an additional £11k as part of the Brent Customer Services Review	311	0	0	0
Parking	Parking Permit increases for 2012/13 and 2013/14	84	0	0	0
Regulatory Services	Collaborative opportunities are being explored with other boroughs to achieve savings. Some changes to the working arrangements within the regulatory services will also contribute to this saving.	50	50	0	0

ANALYSIS OF SAVINGS

Unit	Item	2013/2014 £'000	2014/2015 £'000	2015/2016 £'000	2016/2017 £'000
Waste & Recycling/Grounds Maintenance	The Council has commenced a procurement and service delivery exercise covering the following services as part of the Public Realm contract: <ul style="list-style-type: none"> <li>• Waste collection and recycling services including how recycled material is managed</li> <li>• Street cleansing and litter picking across Brent's highways, parks, open spaces and housing estates managed and/or owned by BHP</li> <li>• Grounds maintenance across all Brent parks, cemeteries, open spaces and housing estates managed and/or owned by BHP</li> <li>• Burial services</li> <li>• Winter services</li> </ul>	0	1,315	0	0
	<b>TOTAL ENVIRONMENT &amp; NEIGHBOURHOOD SERVICES</b>	<b>649</b>	<b>1,494</b>	<b>0</b>	<b>0</b>

## ANALYSIS OF SAVINGS

Unit	Item	2013/2014 £'000	2014/2015 £'000	2015/2016 £'000	2016/2017 £'000
Supporting People	The Supporting People budget for 2013/14 includes a £900k reduction agreed as part of the 2012/13 budget process. A further £700k saving has been delivered through a further review of contracts and services in 2013/14. This brings the overall budget reduction to £1.6m in 2013/14.	1,600	0	0	0
Housing	Travellers site - increase in annual pitch fee	10	10	0	0
Housing	Introduce some joint services with West London around Private Housing	50	0	0	0
Housing	One Council Housing Needs Transformation Project.	350	0	0	0
<b>Sub Total Housing</b>		<b>2,010</b>	<b>10</b>	<b>0</b>	<b>0</b>
Planning and Development	Use of Proceeds of Crime Act to generate income to the Council following successful convictions as part of Planning Enforcement process	25	0	0	0
Major Projects	Capitalise the cost of staff involved in capital projects.	50	0	0	0
Major Projects	From October 2012, there will be a reduced need to monitor the Housing PFI contracts as most of the activity will have been handed back to housing. The proposal is to reduce the existing role to a part-time role – working 3 days a week.	10	14	0	0
Major Projects	A budget of £1.5m is included for schools refurbishment. It is proposed to reduce this budget from 2013/14	750	0	0	0
Property and Asset Management	A review of Facilities Management to generate 50k of savings annually from September 2012. This is the full year effect	25	0	0	0
<b>Sub Total Non Housing</b>		<b>860</b>	<b>14</b>	<b>0</b>	<b>0</b>
<b>TOTAL REGENERATION &amp; MAJOR PROJECTS</b>		<b>2,870</b>	<b>24</b>	<b>0</b>	<b>0</b>

## ANALYSIS OF SAVINGS

Unit	Item	2013/2014 £'000	2014/2015 £'000	2015/2016 £'000	2016/2017 £'000
F&CS	Future Customer Services - savings include full year savings of £27k for pay protection and £33k for general enquiries	60	0	0	0
F&CS	One Council Saving through the realignment of corporate and business support project - IT Services	500	0	0	0
F&CS	One Council Saving through the realignment of corporate and business support project - People and Development	135	0	0	0
F&CS	One Print Project	61	0	0	0
L&P	Council-wide realignment of business support	750	250	0	0
SP&I	One Council Saving through the realignment of corporate and business support project - Policy Teams	450	0	0	0
	<b>TOTAL CENTRAL SERVICES</b>	<b>1,956</b>	<b>250</b>	<b>0</b>	<b>0</b>

## ANALYSIS OF SAVINGS

Unit	Item	2013/2014 £'000	2014/2015 £'000	2015/2016 £'000	2016/2017 £'000
One Council Programme	Targeted savings in individual contracts to reduce contract prices/ increased contract compliance	500	1,500	1,000	0
One Council Programme	Net Savings to be achieved through the move to the new Civic Centre	0	500	500	0
One Council Programme	One Print Project	0	208	0	0
	<b>TOTAL CENTRAL ITEMS</b>	<b>500</b>	<b>2,208</b>	<b>1,500</b>	<b>0</b>

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## Adjustments and Transfers to and from Service Area Budgets 2013/14

Service Area	Adjustment	£'000
Adult Social Services	Salaries budget transfer - Housing	42
Adult Social Services	Framework i Recharge - Children's Services	150
Adult Social Services	Voluntary Sector Grants Transfer	(1,554)
Adult Social Services	Adults Contact Team to Revenue & Benefits	(227)
Adult Social Services	Commensura - Agency Staff	(71)
Adult Social Services	Legal Recharges Consolidation	(274)
Adult Social Services	Remote access arrangements (Connecta)	(27)
Adult Social Services	Health & Safety Consolidation	(22)
Adult Social Services	Adults - Learning & Development	256
Adult Social Services	Deprivation of Liberty Safeguards (DOLS) - additional grant	7
Adult Social Services	Transitions transfer from Children & Families	2,755
Adult Social Services	Employer's Pension Contribution Allocation	162
Adult Social Services	Employee Benefits - 2012/13 One Council	(12)
Adult Social Services	Customer Services - Transfer CSDP	(123)
Adult Social Services	Concessionary Fares 2013/14	573
Adult Social Services	NI Contributions Allocation	6
Adult Social Services	Emergency Duty Team Transfer - Children & Families	264
Adult Social Services	Business Support - Transfer	(1,067)
Adult Social Services	Senior Practitioners Transfer	(13)
Adult Social Services	Finance Service Centre - Transfer of 2 posts	(64)
Adult Social Services	Public Health - New Grant	17,235
<b>TOTAL</b>		<b>17,996</b>
Children and Families	Framework i Recharge - adults	(150)
Children and Families	Commensura - Agency Staff	(54)
Children and Families	Legal Recharges Consolidation	(2,346)
Children and Families	Remote access arrangements (Connecta)	(59)
Children and Families	Health & Safety Consolidation	(108)
Children and Families	C&F Learning & Development	281
Children and Families	Transitions transfer to Adults	(2,755)
Children and Families	One Print Transfer	162
Children and Families	Employer's Pension Contribution	284
Children and Families	Employee Benefits - 2012/13 One Council	(11)
Children and Families	NI Contributions	7
Children and Families	Digital Post Room - Transfer to customer Services	(25)
Children and Families	Emergency Duty Team Transfer - Adults	(264)
Children and Families	Business Support	(2,324)
<b>TOTAL</b>		<b>(7,362)</b>
Environment and Neighbourhood Services	Bridge Park - Business Units	152
Environment and Neighbourhood Services	E&NS Contact Team to Revenue & Benefits	(404)
Environment and Neighbourhood Services	Commensura - Agency Staff	(74)
Environment and Neighbourhood Services	Legal Recharges Consolidation	(280)
Environment and Neighbourhood Services	Remote access arrangements (Connecta)	(33)
Environment and Neighbourhood Services	Health & Safety Consolidation	399
Environment and Neighbourhood Services	Neasden Library - Leasing	(51)
Environment and Neighbourhood Services	Employer's Pension Contribution	216
Environment and Neighbourhood Services	Employee Benefits - 2012/13 One Council	36
Environment and Neighbourhood Services	NI Contributions	6
Environment and Neighbourhood Services	Prudential borrowing - Harlesden Library	(41)
Environment and Neighbourhood Services	Prudential borrowing - Parks & Cemeteries	(47)
Environment and Neighbourhood Services	Business Support	(684)
Environment and Neighbourhood Services	Public Health - New Grant	1,100
<b>TOTAL</b>		<b>295</b>
Regeneration and Major Projects - Housing	Housing Advance Grants	(10)
Regeneration and Major Projects - Housing	Salaries budget transfer - Adults	(42)
Regeneration and Major Projects - Housing	Customer Services Transfer	(60)
Regeneration and Major Projects - Housing	Commensura - Agency Staff	(21)
Regeneration and Major Projects - Housing	Legal Recharges Consolidation	(208)
Regeneration and Major Projects - Housing	Remote access arrangements (Connecta)	(5)

## Adjustments and Transfers to and from Service Area Budgets 2013/14

Service Area	Adjustment	£'000
Regeneration and Major Projects - Housing	Health & Safety Consolidation	(13)
Regeneration and Major Projects - Housing	Employer's Pension Contribution	64
Regeneration and Major Projects - Housing	NI Contributions	3
Regeneration and Major Projects - Housing	Housing CSOs to transfer to Customer Services	(77)
Regeneration and Major Projects - Housing	Business Support	(204)
<b>TOTAL</b>		<b>(573)</b>
Regeneration and Major Projects - Non Housing	Capita - Accommodation 8/9th Floor Brent House (Contract Amendment)	129
Regeneration and Major Projects - Non Housing	Bridge Park - Business Units	(152)
Regeneration and Major Projects - Non Housing	Commensura - Agency Staff	(14)
Regeneration and Major Projects - Non Housing	Legal Recharges Consolidation	(332)
Regeneration and Major Projects - Non Housing	Remote access arrangements (Connecta)	(7)
Regeneration and Major Projects - Non Housing	Health & Safety Consolidation	(5)
Regeneration and Major Projects - Non Housing	Library Rents	(229)
Regeneration and Major Projects - Non Housing	Neasden Library - Leasing	51
Regeneration and Major Projects - Non Housing	Affordable Housing PFI	1,317
Regeneration and Major Projects - Non Housing	Employer's Pension Contribution	89
Regeneration and Major Projects - Non Housing	NI Contributions	7
Regeneration and Major Projects - Non Housing	Digital Post Room - transfer to Customer Services	(300)
Regeneration and Major Projects - Non Housing	Property - Capital Financing	(800)
Regeneration and Major Projects - Non Housing	Brent House - Prudential Borrowing	(1,031)
Regeneration and Major Projects - Non Housing	SRB - Capital Financing	(63)
Regeneration and Major Projects - Non Housing	Employee Benefits - 2012/13 One Council	5
Regeneration and Major Projects - Non Housing	Business Support	(537)
<b>TOTAL</b>		<b>(1,872)</b>
Chief Executive	Employer's Pension Contribution	2
Chief Executive	Business Support	(154)
<b>TOTAL</b>		<b>(152)</b>
Customer & Community Engagement	Customer Services Adjustment	58
Customer & Community Engagement	Web Team Transfer	(170)
Customer & Community Engagement	Legal Recharges Consolidation	(3)
Customer & Community Engagement	Remote access arrangements (Connecta)	(3)
Customer & Community Engagement	Health & Safety Consolidation	(3)
Customer & Community Engagement	Employer's Pension Contribution	27
Customer & Community Engagement	Employee Benefits - 2012/13 One Council	(1)
Customer & Community Engagement	NI Contributions	(2)
Customer & Community Engagement	Business Support	(283)
<b>TOTAL</b>		<b>(380)</b>
Legal & Procurement	Commensura - Agency Staff	(6)
Legal & Procurement	Legal Recharges Consolidation	3,768
Legal & Procurement	Remote access arrangements (Connecta)	(3)
Legal & Procurement	Health & Safety Consolidation	(4)
Legal & Procurement	Employer's Pension Contribution	44
Legal & Procurement	NI Contributions	3
Legal & Procurement	Employee Benefits - 2012/13 One Council	(6)
Legal & Procurement	Business Support	5,536
Legal & Procurement	Family Justice Review	250
<b>TOTAL</b>		<b>9,582</b>
Strategy, Partnerships and Improvement	Housing Advance Grants	10
Strategy, Partnerships and Improvement	Voluntary Sector Grants Transfer	1,554
Strategy, Partnerships and Improvement	Commensura - Agency Staff	(6)
Strategy, Partnerships and Improvement	Legal Recharges Consolidation	(29)
Strategy, Partnerships and Improvement	Remote access arrangements (Connecta)	(6)
Strategy, Partnerships and Improvement	Health & Safety Consolidation	(5)
Strategy, Partnerships and Improvement	Employer's Pension Contribution	50
Strategy, Partnerships and Improvement	Health Watch - Additional Grant	7
Strategy, Partnerships and Improvement	NI Contributions	4
Strategy, Partnerships and Improvement	Business Support	(46)

## Adjustments and Transfers to and from Service Area Budgets 2013/14

Service Area	Adjustment	£'000
<b>TOTAL</b>		<b>1,533</b>
Finance & Corporate Services	Capita - Accommodation 8/9th Floor Brent House (Contract Amendment)	(129)
Finance & Corporate Services	Customer Services Adjustment	(58)
Finance & Corporate Services	Web Team Transfer	170
Finance & Corporate Services	Customer Services transfer	60
Finance & Corporate Services	Adults Contact Team to Revenue & Benefits	227
Finance & Corporate Services	E&NS Contact Team to Revenue & Benefits	404
Finance & Corporate Services	Commensura - Agency Staff	(42)
Finance & Corporate Services	Legal Recharges Consolidation	(296)
Finance & Corporate Services	Remote access arrangements (Connecta)	143
Finance & Corporate Services	Health & Safety Consolidation	(239)
Finance & Corporate Services	Adults - Learning & Development	(256)
Finance & Corporate Services	C&F Learning & Development	(281)
Finance & Corporate Services	Customer Services - Schools Budget Recharge	(95)
Finance & Corporate Services	OnePrint Project	(473)
Finance & Corporate Services	Employer's Pension Contribution	240
Finance & Corporate Services	NI Contributions	15
Finance & Corporate Services	Digital Post Room Transfer	325
Finance & Corporate Services	IT Data Centres - Property IP Telephony - Prudential Borrowing	(585)
Finance & Corporate Services	Desktop Project - Prudential Borrowing	(24)
Finance & Corporate Services	Brent Customer Services - Prudential Borrowing	(122)
Finance & Corporate Services	Housing CSOs to transfer to Customer Services	77
Finance & Corporate Services	FSC Postage, Scanning & bank charges	90
Finance & Corporate Services	FSC Debt Monitoring	200
Finance & Corporate Services	Debt Management Recharge	89
Finance & Corporate Services	Oracle Licensing	250
Finance & Corporate Services	Graduate Trainees	200
Finance & Corporate Services	Assistant Director Adults	120
Finance & Corporate Services	Secretarial Support	40
Finance & Corporate Services	Employee Benefits - 2012/13 One Council	5
Finance & Corporate Services	Business Support	(237)
Finance & Corporate Services	One Print Transfer - C&F	(122)
Finance & Corporate Services	Upgrade of Senior Practitioners Post	13
Finance & Corporate Services	Blue Badge Enforcement - New Grant	22
Finance & Corporate Services	FSC - 2 Posts Adults	64
Finance & Corporate Services	Customer Services Transfer	123
<b>TOTAL</b>		<b>(82)</b>
<b>GRAND TOTAL</b>		<b>18,985</b>

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**Specific Grants 2012/13  
- 2013/14**

**Appendix D (iv)**

	<b>2012/13 Grant</b>	<b>2013/14 Grant</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	
<b>Learning Disability and Health Reform Allocation</b>	7,615	0	Grant has been rolled into Formula Grant in 2013/14
<b>Early Intervention Grant</b>	15,114	0	Grant has been rolled into Formula Grant in 2013/14
<b>Community Rights to Bid</b>	0	8	New Grant
<b>Community Rights to Challenge</b>	0	9	New Grant
<b>Central Education Spend</b>	0	3,930	This replaces the LACSEG monies included in formula grant in 2012/13
<b>Public Health</b>	0	18,335	New Grant
<b>Public Health Recharge</b>	0	500	Recharge to services
<b><u>Local Services Support Grant</u></b>			
<b>Preventing Homelessness</b>	1,675	0	Grant is rolled into Formula Grant in 2013/14
<b>Lead Flood Authority</b>	216	83	Part of this grant has been rolled into Formula Grant in 2013/14
<b>Extended Rights - Sustainable Travel</b>	18	18	
	1,909	101	
<b>Sub Total</b>	<b>24,638</b>	<b>22,883</b>	
<b>Council Tax Freeze</b>	2,575	0	The 2012/13 Council Tax Freeze Grant is a one off grant
<b>Grand Total</b>	<b>27,213</b>	<b>22,883</b>	

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## ONE COUNCIL PROGRAMME OPERATIONAL SAVINGS - 2013/14 BUDGET

ONE COUNCIL PROGRAMME OPERATIONAL BENEFITS - AGAINST THE 2010/11 PROGRAMME BASELINE						
(NET OPERATIONAL BENEFITS)	Saving/ cost avoidance	2010/11 Actual £'000	2011/12 Actual £'000	2012/13 Forecast £'000	2013/14 Budget £'000	2014/15 Budget £'000
<b>Cross-cutting projects</b>						
Structure and Staffing	Saving	6,591	13,770	14,468	14,468	14,468
Review of employee benefits	Saving	1,000	2,035	2,860	2,997	2,997
Future Customer Services	Saving	0	686	1,441	1,501	1,501
Finance Modernisation	Saving	400	1,505	1,505	1,505	1,505
Realignment of Corporate and Business Support	Saving	0	0	0	1,913	2,170
One print project	Saving	0	0	433	494	702
Strategic Property Review - 2011/12	Saving	496	681	1,211	1,211	1,211
Strategic Procurement - savings	Saving	1,249	2,147	2,147	2,647	4,147
Strategic Procurement - cost avoidance	Cost avoid	0	3,000	6,000	9,000	12,000
Income Maximisation	Saving	213	4,355	4,355	4,355	4,355
Recruitment advertising	Saving	150	150	150	150	150
<b>Cross-cutting projects total benefits</b>		<b>10,099</b>	<b>28,329</b>	<b>34,570</b>	<b>40,241</b>	<b>45,206</b>
<b>Service projects</b>						
Benefits	Saving	560	708	708	708	708
Revenues	Saving	0	1,200	1,200	1,200	1,200
Housing Needs Transformation - process	Saving	0	18	950	1,300	1,300
Housing Needs Transformation - policy	Cost avoid	0	0	500	1,000	1,500
Waste and street cleansing - budget savings	Saving	42	1,595	2,838	2,952	2,952
Public realm - contract in 2014	Saving	0	0	200	200	1,515
Libraries	Saving	0	317	816	816	816
Parking contract	Saving	0	11	277	588	588
Highways operations	Saving	0	0	300	384	384
Environment Regulatory Services	Saving	0	0	50	100	150
Adults Customer Journey	Saving	988	1,165	1,165	1,165	1,165
Adults Direct Services	Saving	0	635	1,068	1,068	1,068
Adults Commissioning	Saving	0	4,941	5,866	5,866	5,866
Supporting People	Saving	0	1,200	1,800	3,400	3,400
Health and Social Care Integration	Saving	0	0	0	0	2,200
Transitions to Adult Life	Cost avoid	0	0	0	500	1,000
Children with Disabilities	Saving	0	0	60	60	60
Children's Social Care transformation	Cost avoid	0	1,035	1,050	1,050	1,050
Working with Families -placement costs	Saving	0	0	0	385	712
Working with Families - aligned services	Saving	0	0	0	0	300
SEN and adults transport	Saving	0	0	380	480	580
School Improvement Service	Saving	0	0	700	1,250	1,400
Traded Services to Schools	Saving	0	0	150	150	150
<b>Service projects total benefits</b>		<b>1,590</b>	<b>12,825</b>	<b>20,078</b>	<b>24,622</b>	<b>30,064</b>
<b>Cross-cutting project total benefits</b>		<b>10,099</b>	<b>28,329</b>	<b>34,570</b>	<b>40,241</b>	<b>45,206</b>
<b>TOTAL PROGRAMME BENEFITS</b>		<b>11,689</b>	<b>41,154</b>	<b>54,648</b>	<b>64,863</b>	<b>75,270</b>

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## Proposed fees and charges for 2013/14

## Appendix D(vi)

<b>ENVIRONMENT AND CULTURE - PARKS &amp; CEMETERIES</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge £</b>	<b>Charge from April 2013 £</b>	<b>Percentage Change In Fees</b>
Allotments	Allotment type site 126m2 (5 pole)	Subsidised	79.00	81.40	3.04%
Allotments	Allotment type site 253m2 (10 pole)	Subsidised	158.00	162.80	3.04%
Allotments	Allotment cost per pole	Subsidised	15.80	16.28	3.04%
Parks	Soccer [13]	Subsidised	800.00	840.00	5.00%
Parks	Soccer [17]	Subsidised	1045.00	1100.00	5.26%
Parks	Soccer Single (VAT to be added)	Subsidised	68.25	71.70	5.05%
Parks	Soccer junior	Subsidised	455.00	490.00	7.69%
Parks	Soccer junior single (VAT to be added)	Subsidised	42.00	44.00	4.76%
Parks	Rugby	Subsidised	830.00	875.00	5.42%
Parks	Rugby single (VAT to be added)	Subsidised	73.50	77.50	5.44%
Parks	Rugby junior	Subsidised	455.00	480.00	5.49%
Parks	Rugby junior single (VAT to be added)	Subsidised	42.00	45.00	7.14%
Parks	Soccer/Rugby Training (VAT to be added)	Fair Charging	50.00	53.00	6.00%
Parks	Gaelic	Subsidised	680.00	748.00	10.00%
Parks	Gaelic single (VAT to be added)	Subsidised	89.25	93.75	5.04%
Parks	Gaelic junior	Subsidised	355.00	375.00	5.63%
Parks	Gaelic junior single (VAT to be added)	Subsidised	47.25	50.00	5.82%
Parks	Cricket [11]	Subsidised	995.00	1095.00	10.05%
Parks	Cricket single (VAT to be added)	Subsidised	94.50	100.00	5.82%
Parks	Cricket junior	Subsidised	520.00	520.00	0.00%
Parks	Cricket junior single (VAT to be added)	Subsidised	55.00	60.00	9.09%
Parks	Unmarked ground school/sports use (VAT to be added)	Subsidised	64.00	66.70	4.22%
Parks	Tennis Court - adult, per hour (VAT to be added)	Subsidised	5.00	5.41	8.20%
Parks	Tennis court - junior, per hour	Subsidised	Free	Free	Free
Parks	Multi use Games Areas	Subsidised	Free	Free	Free
Parks	Bowls- per green	Subsidised	2235.00	2300.00	2.91%
Parks	Bowls - per rink per season	Subsidised	451.00	465.00	3.10%
Parks	Circus - per day	Full Commercial	440.00	550.00	25.00%

## Proposed fees and charges for 2013/14

## Appendix D(vi)

<b>ENVIRONMENT AND CULTURE - PARKS &amp; CEMETERIES</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge £</b>	<b>Charge from April 2013 £</b>	<b>Percentage Change In Fees</b>
Parks	Power Driven Model Aircraft Flying Licence	Full commercial	31.00	35.00	12.90%
Parks	Hire of Barham Park Lounge	Full commercial	45.00	45.00	0.00%
Parks	Hire of Barham Park Lounge after 8pm in Winter, after 10pm in summer.	Full commercial	60.00	60.00	0.00%
Cemeteries - Brent Residents	Person 16yrs + (earth)	Full Commercial	2550.00	2675.00	4.9%
Cemeteries - Brent Residents	Child full plot	Full Commercial	2160.00	2270.00	5.1%
Cemeteries - Brent Residents	Child half plot	Full Commercial	825.00	865.00	4.8%
Cemeteries - Brent Residents	Path side graves (earth)	Full Commercial	3535.00	3710.00	5.0%
Cemeteries - Brent Residents	Person 16yrs + [re-open grave]	Full Commercial	605.00	635.00	5.0%
Cemeteries - Brent Residents	Child full plot [re-open grave]	Full Commercial	215.00	225.00	4.7%
Cemeteries - Brent Residents	Child half plot [re-open grave]	Full Commercial	165.00	175.00	6.1%
Cemeteries - Brent Residents	Person 16yrs + [common grave]	Full Commercial	860.00	905.00	5.2%
Cemeteries - Brent Residents	Child full plot [common grave]	Full Commercial	535.00	560.00	4.7%
Cemeteries - Brent Residents	Child half plot [common grave]	Full Commercial	265.00	280.00	5.7%
Cemeteries - Brent Residents	Cremated remains in new half grave space	Full Commercial	925.00	970.00	4.9%
Cemeteries - Brent Residents	Cremated remains in existing graves spaces	Full Commercial	190.00	200.00	5.3%
Cemeteries - Brent Residents	Person 16+ [Classic vault for 2]	Full Commercial	5595.00	5875.00	5.0%
Cemeteries - Brent Residents	Person 16+ [Premier vault for 2]	Full Commercial	7925.00	8320.00	5.0%

Proposed fees and charges for 2013/14

Appendix D(vi)

<b>ENVIRONMENT AND CULTURE - PARKS &amp; CEMETERIES</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge £</b>	<b>Charge from April 2013 £</b>	<b>Percentage Change In Fees</b>
Cemeteries - Brent Residents	Person 16+ Vault (reopen)	Full Commercial	300.00	315.00	5.0%
Cemeteries - Brent Residents	Cremated remains in new vault	Full Commercial	470.00	495.00	5.3%
Cemeteries - Brent Residents	Cremated remains in existing vault	Full Commercial	115.00	120.00	4.3%
Cemeteries - Non Residents	Person 16yrs + (earth)	Full Commercial	3825.00	4050.00	5.9%
Cemeteries - Non Residents	Child full plot	Full Commercial	3240.00	3425.00	5.7%
Cemeteries - Non Residents	Child half plot	Full Commercial	1240.00	1300.00	4.8%
Cemeteries - Non Residents	Path side graves (earth)	Full Commercial	5300.00	5600.00	5.7%
Cemeteries - Non Residents	Person 16yrs + [re-open grave]	Full Commercial	910.00	960.00	5.5%
Cemeteries - Non Residents	Child full plot [re-open grave]	Full Commercial	320.00	335.00	4.7%
Cemeteries - Non Residents	Child half plot [re-open grave]	Full Commercial	245.00	260.00	6.1%
Cemeteries - Non Residents	Person 16yrs + [common grave]	Full Commercial	1295.00	1360.00	5.0%
Cemeteries - Non Residents	Child full plot [common grave]	Full Commercial	805.00	850.00	5.6%
Cemeteries - Non Residents	Child half plot [common grave]	Full Commercial	405.00	425.00	4.9%
Cemeteries - Non Residents	Cremated remains in new half grave space	Full Commercial	1390.00	1460.00	5.0%
Cemeteries - Non Residents	Cremated remains in existing graves spaces	Full Commercial	290.00	305.00	5.2%
Cemeteries - Non Residents	Person 16+ [Classic vault for 2]	Full Commercial	8390.00	8800.00	4.9%
Cemeteries - Non Residents	Person 16+ [Premier vault for 2]	Full Commercial	11890.00	12500.00	5.1%

Proposed fees and charges for 2013/14

Appendix D(vi)

<b>ENVIRONMENT AND CULTURE - PARKS &amp; CEMETERIES</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge £</b>	<b>Charge from April 2013 £</b>	<b>Percentage Change In Fees</b>
Cemeteries - Non Residents	Person 16+ Vault (reopen)	Full Commercial	455.00	480.00	5.5%
Cemeteries - Non Residents	Cremated remains new vault	Full Commercial	700.00	735.00	5.0%
Cemeteries - Non Residents	Cremated remains in existing vault	Full Commercial	175.00	185.00	5.7%
Cemeteries - Other	Coffin/casket 7' long or 28" wide in earth grave	Full Commercial	355.00	375.00	5.6%
Cemeteries - Other	Coffin/casket 7' long or 30+" wide in earth grave	Full Commercial	475.00	500.00	5.3%
Cemeteries - Other	Earth grave for 3	Full Commercial	485.00	510.00	5.2%
Cemeteries - Other	Shroud timbers & slats	Full Commercial	100.00	105.00	5.0%
Cemeteries - Other	Probate register	Full Commercial	28.50	30.00	5.3%
Cemeteries - Other	Transfer burial rights	Full Commercial	61.00	65.00	6.6%
Cemeteries - Other	Burial Register search fee	Full Commercial	23.00	25.00	8.7%
Cemeteries - Other	Chapel hire	Full Commercial	65.00	65.00	0.0%
Cemeteries - Other	Memorial [full with Landing]	Full Commercial	225.00	235.00	4.4%
Cemeteries - Other	Headstone / plaque	Full Commercial	225.00	235.00	4.4%
Cemeteries - Other	Inscriptions / works	Full Commercial	75.00	80.00	6.7%
Cemeteries - Other	Memorial removal for interment	Full Commercial	120.00	125.00	4.2%
Cemeteries - Other	Memorial replacement after interment	Full Commercial	120.00	125.00	4.2%
Cemeteries - Other	Saturday burials at Alperton, Paddington and Willesden	Full Commercial	575.00	575.00	0.0%

<b>ENVIRONMENT AND CULTURE - PARKS &amp; CEMETERIES</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge £</b>	<b>Charge from April 2013 £</b>	<b>Percentage Change In Fees</b>
Cemeteries - Other	Cancellation or late arrival of more than 20 mins	Full Commercial	165.00	170.00	3.0%

ENVIRONMENT AND CULTURE - SPORTS					
Service Unit	Service Provided	Charging Policy	Existing Charge £	Charge from April 2013 £	Percentage Change In Fees
Sports	Subsidised	B.Active card (Resident standard card)	40.00	41.00	2.50%
Sports	Subsidised	B.Active card (Non resident standard card)	72.00	72.00	0.00%
Sports	Subsidised	B.Active card (60+ or disabled resident Concession )	6.50	6.75	3.85%
Sports	Subsidised	B.Active card (Resident Concession - 6 months)	3.50	3.50	0.00%
Willesden & Vale farm Sports Centres	Subsidised	Core prices	The core prices at Vale Farm and Willesden sports centres will increase in line with the two leisure management contracts, by RPIX. Exact costs are rounded up or down to 5 or 10pence. Details of charges are included on the Council's website.	The core prices at Vale Farm and Willesden sports centres will increase in line with the two leisure management contracts, by RPIX. Exact costs are rounded up or down to 5 or 10pence. Details of charges are included on the Council's website.	N/A
Bridge Park Sports Centre	Subsidised	Sports Hall Hire - Peak	52.00	54.00	3.85%
Bridge Park Sports Centre	Subsidised	Sports Hall Hire - Juniors Peak	39.00	40.50	3.85%

## Proposed fees and charges for 2013/14

## Appendix D(vi)

<b>ENVIRONMENT AND CULTURE - SPORTS</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge £</b>	<b>Charge from April 2013 £</b>	<b>Percentage Change In Fees</b>
Bridge Park Sports Centre	Subsidised	Sports Hall Hire Off Peak	26.00	27.00	3.85%
Bridge Park Sports Centre	Subsidised	Sports Hall Hire - Juniors Off Peak	19.50	20.25	3.85%
Bridge Park Sports Centre	Subsidised	Dance Studio Peak	33.00	34.50	4.55%
Bridge Park Sports Centre	Subsidised	Dance Studio Off Peak	23.00	23.50	2.17%
Bridge Park Sports Centre	Subsidised	Badminton Court Peak	8.50	9.00	5.88%
Bridge Park Sports Centre	Subsidised	Badminton Court Off Peak	5.10	5.20	1.96%
Bridge Park Sports Centre	Subsidised	Table Tennis Peak	5.10	5.20	1.96%
Bridge Park Sports Centre	Subsidised	Table Tennis Off Peak	4.00	4.00	0.00%
Bridge Park Sports Centre	Subsidised	Gym Membership	35.60	36.00	1.12%
Bridge Park Sports Centre	Subsidised	Gym Membership - Joint	61.95	61.20	-1.21%
Bridge Park Sports Centre	Subsidised	Gym Membership - concessions	30.60	31.00	1.31%
Bridge Park Sports Centre	Subsidised	Gym Membership - off peak use	28.60	29.00	1.40%
Bridge Park Sports Centre	Subsidised	Gym Membership - corporate	29.60	30.00	1.35%

Proposed fees and charges for 2013/14

Appendix D(vi)

<b>ENVIRONMENT AND CULTURE - SPORTS</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge £</b>	<b>Charge from April 2013 £</b>	<b>Percentage Change In Fees</b>
Bridge Park Sports Centre	Subsidised	Gym Membership - Annual	325.00	330.00	1.54%
Bridge Park Sports Centre	Subsidised	Gym Induction - adults	18.25	19.00	4.11%
Bridge Park Sports Centre	Subsidised	Gym Induction - Youth 14-16	5.90	6.00	1.69%
Bridge Park Sports Centre	Subsidised	Gym casual use - adults Peak	5.80	6.00	3.45%
Bridge Park Sports Centre	Subsidised	Gym casual use - adults Off Peak	4.50	4.60	2.22%
Bridge Park Sports Centre	Subsidised	Gym casual use - Youth 14-16	3.00	3.10	3.33%
Bridge Park Sports Centre	Subsidised	Sauna and Steam Peak	5.40	5.60	3.70%
Bridge Park Sports Centre	Subsidised	Sauna and Steam Off Peak	4.40	4.50	2.27%
Bridge Park Sports Centre	Subsidised	Sauna and Steam - Membership	32.60	33.00	1.23%
Bridge Park Sports Centre	Subsidised	Various adult fitness and multi activity classes and courses	Variable subject to activity offered	Variable subject to activity offered	N/A
Bridge Park Sports Centre	Subsidised	Various junior sports and multi activity sessions and courses.	Variable subject to activity offered	Variable subject to activity offered	N/A



## Proposed fees and charges for 2013/14

## Appendix D(vi)

<b>ENVIRONMENT AND CULTURE - SPORTS</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge £</b>	<b>Charge from April 2013 £</b>	<b>Percentage Change In Fees</b>
Bridge Park Sports Centre	Subsidised	Active Brent - (60+)	3.40	3.50	2.94%
Bridge Park Sports Centre	Subsidised	Holiday Scheme	Variable subject to activity offered	Variable subject to activity offered	N/A
Bridge Park Sports Centre	Subsidised	Junior Crs/session	Variable subject to activity offered	Variable subject to activity offered	N/A
Bridge Park Sports Centre	Subsidised	Parties	90.00	95.00	5.56%
Bridge Park Sports Centre	Subsidised	Coach for parties	28.00	28.00	0.00%
Bridge Park Room Hire	Full commercial	Boardroom	67.00	67.00	0.00%
Bridge Park Room Hire	Full commercial	Community Suite	132.00	132.00	0.00%
Bridge Park Room Hire	Full commercial	Tropics Suite	199.00	199.00	0.00%
Bridge Park Room Hire	Full commercial	Syndicate Room	245.00	245.00	0.00%
Bridge Park Room Hire	Full commercial	Conference Room	377.00	377.00	0.00%
Bridge Park Room Hire	Full commercial	Function Hall	787.00	787.00	0.00%
Bridge Park Room Hire	Full commercial	Sports hall	1600.00	1600.00	0.00%
Bridge Park Room Hire	Full commercial	Kitchen	420.00	No available for hire	N/A
Bridge Park Room Hire	Full commercial	Servery	262.00	262.00	0.00%

## Proposed fees and charges for 2013/14

## Appendix D(vi)

<b>ENVIRONMENT AND CULTURE - SAFER STREETS</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge</b> £	<b>Charge from April 2013</b> £	<b>Percentage Change In Fees</b>
Safer Streets	Pest treatment, Bedbugs	Fair Charging	195.00	199.00	2%
Safer Streets	Pest treatment, Beetles, silverfish, garden ants	Fair Charging	95.00	98.00	3%
Safer Streets	Pest treatment, Cockroaches	Fair Charging	95.00	98.00	3%
Safer Streets	Pest treatment, Fleas	Fair Charging	95.00	98.00	3%
Safer Streets	Pest treatment, Mice	Fair Charging	95.00	98.00	3%
Safer Streets	Pest treatment, Pharoah Ants	Fair Charging	195.00	199.00	2%
Safer Streets	Pest treatment, Clothes Moths	Fair Charging	160.00	165.00	3%
Safer Streets	Pest treatment, Rats	Fair Charging	95.00	98.00	3%
Safer Streets	Pest treatment, Squirrels	Fair Charging	160.00	165.00	3%
Safer Streets	Pest treatment, Wasps	Fair Charging	55.00	57.00	4%
Safer Streets	Pest treatment - appointment missed/treatment not carried out	Fair Charging	25.00	28.00	12%
Safer Streets	Pest Control price differential - paying by card instead of cheque	Fair Charging	25.00	25.00	0%
Safer Streets	Licensing Fees - Various (excluding those that are statutory)	Cost Recovery	Range of charges	Range of charges	N/A
Safer Streets	Animal Boarding Establishment Licence	Fair Charging	223.00	229.00	3%
Safer Streets	Breeding of Dogs Licence	Fair Charging	223.00	229.00	3%
Safer Streets	Dangerous Wild Animal Licence	Fair Charging	302.00	309.00	2%
Safer Streets	Leaflet Distribution Licence	Fair Charging	66.00	66.00	0%
Safer Streets	Occasional Sales Licence	Fair Charging	59.00	75.00	27%
Safer Streets	Motor Salvage Operators Certification	Fair Charging	114.00	117.00	3%
Safer Streets	Motor Salvage Operators Certified copy of register	Fair Charging	13.00	13.00	0%
Safer Streets	Performing Animals Registration	Fair Charging	226.00	233.00	3%
Safer Streets	Performing Animals Registration copy certificate	Fair Charging	13.00	13.00	0%
Safer Streets	Pet Animal s Licence	Fair Charging	176.00	181.00	3%
Safer Streets	Poisons Act Licence	Fair Charging	67.00	95.00	42%
Safer Streets	Street Traders grant of new licence (existing trader)	Fair Charging	72.00	80.00	11%
Safer Streets	Street Traders grant of new licence new trader)	Fair Charging	36.00	40.00	11%
Safer Streets	Street Traders alterations to licence	Fair Charging	48.00	49.00	2%
Safer Streets	Street traders daily fee	Fair Charging	2.76	2.76	0%
Safer Streets	Street traders shop front licence	Fair Charging	85.80	85.80	0%

## Proposed fees and charges for 2013/14

## Appendix D(vi)

**ENVIRONMENT AND CULTURE - SAFER STREETS**

Service Unit	Service Provided	Charging Policy	Existing Charge £	Charge from April 2013 £	Percentage Change In Fees
Safer Streets	Sunday Loading Consent	Fair Charging	240.00	247.00	3%
Safer Streets	Scaffold Licence Fee	Full Commercial	75.00	77.00	3%
Safer Streets	Scaffold Deposits	Full Commercial	35.00	50.00	43%
Safer Streets	Hoarding Licence Fee	Full Commercial	75.00	75.00	0%
Safer Streets	Hoarding Deposit	Full Commercial	35.00	35.00	0%
Safer Streets	Skip Licence Fee	Full Commercial	40.00	40.00	0%
Safer Streets	Repairs to footway carriageway caused by skips	Full Commercial	0.00	Contractor's charge plus 25%	N/A
Safer Streets	Unlicensed Skips	Full Commercial	70.00	72.00	3%
Safer Streets	Builders Materials Licence Fee	Full Commercial	75.00	77.00	3%
Safer Streets	Illegal Deposit Charge - Pick Up	Full Commercial	75.00	77.00	3%
Safer Streets	Illegal Deposit Charge - Transport	Full Commercial	105.00	108.00	3%
Safer Streets	Illegal Deposit Charge - Storage	Full Commercial	35.00	36.00	3%
Safer Streets	Crane Indemnity Licence	Full Commercial	0.00	200.00	N/A
Safer Streets	Contaminated Land short standard enquiry	Fair Charging	61.00	61.00	0%
Safer Streets	Contaminated Land detailed exclusively residential	Fair Charging	121.00	121.00	0%
Safer Streets	Contaminated land detailed other than exclusively residential	Fair Charging	242.00	242.00	0%
Safer Streets	Return of stray dog (first day)	Fair Charging	28.00	29.00	4%
Safer Streets	Return of stray dog (maximum)	Fair Charging	165.00	168.00	2%
Safer Streets	Dog Fouling Fixed Penalty		75	50	-33%
Safer Streets	Works in default - Single property	Fair Charging	Contractors fee plus 30% or £94 (whichever is greater)	Contractors fee plus 30% or £97 (whichever is greater)	N/A
Safer Streets	Works in default - shared dwellings	Fair Charging	Contractors fee plus 30% or £33 (whichever is greater)	Contractors fee plus 30% or £34 (whichever is greater)	N/A
Safer Streets	Parking Dispensations - single yellow line for 4 hours	Fair Charging	10	25	150%
Safer Streets	Parking Dispensations - double yellow line for 4 hours	Fair Charging	20	50	150%

**ADULT SOCIAL SERVICES**

<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge £</b>	<b>Charge from April 2013 £</b>	<b>Percentage Change In Fees</b>
Adult Social Services	Residential & Nursing Care	Charging for Residential Care	Means tested on individual basis	Means tested on individual basis	2.0%
Adult Social Services	Community Care	Fair Charging	Means tested on individual basis	Means tested on individual basis	2.0%
Adult Social Services	Meals On Wheels	Subsidised	£3.50 per meal	£3.50 per meal	0.0%

Proposed fees and charges for 2013/14

Appendix D(vi)

<b>CENTRAL SERVICES</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge £</b>	<b>Charge from April 2013 £</b>	<b>Percentage Change In Fees</b>
Registration & Nationality	Nationality Checking Mon - Sat Single Application - Adult	Cost Recovery	50.00	50.00	0.0%
Registration & Nationality	Nationality Checking Mon - Sat - Minor	Cost Recovery	30.00	30.00	0.0%
Registration & Nationality	Approved Premises Weddings Town Hall Monday - Thursday	Cost Recovery	120.00	125.00	4.00%
Registration & Nationality	Approved Premises Weddings Town Hall Friday	Cost Recovery	150.00	150.00	0.0%
Registration & Nationality	Approved Premises Weddings Town Hall Saturday	Cost Recovery	220.00	220.00	0.0%
Registration & Nationality	Approved Premises Weddings Town Hall - Sunday	Cost Recovery	255.00	275.00	7.0%
Registration & Nationality	Approved Premises Weddings External Venues Monday - Friday	Cost Recovery	320.00	320.00	0.0%
Registration & Nationality	Approved Premises Weddings External Venues Saturday	Cost Recovery	350.00	350.00	0.0%
Registration & Nationality	Approved Premises Weddings External Venues - Sunday/Bank Holidays	Cost Recovery	400.00	400.00	0.0%
Registration & Nationality	Citizenship Individual Private Ceremony Mon - Friday	Cost Recovery	105.00	105.00	0.0%
Registration & Nationality	Citizenship Private Ceremony-weekend	Cost Recovery	150.00	150.00	0.0%
Registration & Nationality	Settlement Checking Service 1 single adult Mon- Sat	Cost Recovery	80.00	90.00	12.5%
Registration & Nationality	Settlement Checking Service per child Mon- Sat	Cost Recovery	25.00	30.00	2.0%
Registration & Nationality	Statutory Fees		Remain unaltered until advised	Remain unaltered until advised	N/A
Customer and Community Engagement - Language Shop	Interpreting 9-5	Full Commercial	35.00	No change	0.0%

**CENTRAL SERVICES**

<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge £</b>	<b>Charge from April 2013 £</b>	<b>Percentage Change In Fees</b>
Customer and Community Engagement - Language Shop	Interpreting out of office hours	Full Commercial	52.50	No change	0.0%
Customer and Community Engagement - Language Shop	Interpreting weekends	Full Commercial	70.00	No change	0.0%
Customer and Community Engagement - Language Shop	Translations	Full Commercial	£175 per 1000 words (minimum charge £60)	No change	0.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
<b>Youth Service</b>					
Youth Service-Summer University AJ43	This studio based practical unit is designed to develop the student's street dancing skills at intermediate level. The student will participate in a range of developmental street dance activities.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this unit the student will learn to perform a devised piece to the public. He/she will learn lines and stage directions will take part in regular acting scenes and will give and receive feedback to and from other cast members. The student will learn through teacher and peer guidance, practical activity and discussion	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this unit the student will learn through discussion and activity the necessary skills needed to apply for a job. She/he will consider the importance of appropriate dress and body language for an interview, and participate in a simulated interview.	Subsidised	Free	Free	2.0%
Youth Service-Summer University AJ43	The student will learn how to set up a business	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will, through a variety of oral and practical activities, understand what a gang is, and the implications of belonging to one.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will experiment with mark-making techniques and screen-printing. S/he will prepare different surfaces to print on using a variety of media. The student will record all experimentation in a sketchbook and produce a final piece of work.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will research a variety of approaches to self portraiture as evidenced by one or more recognised artists who have used painting and drawing techniques. Following this research the student will produce a series of self-portraits which reflect different technical and/or compositional approaches (price including materials).	Subsidised	£12.50	£12.75	2.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
Youth Service-Summer University AJ43	The student will learn a given short street dance routine to practise and perfect to public performance level. S/he will follow given instructions, apply appropriate techniques and demonstrate good practice in putting together his/her street dance piece.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	The student will explore and investigate magazine and/or catalogue fashion photographs and the design work of modern fashion designers. Using the research, the student will produce his/her own designs of clothing for two separate occasions along with samples of suitable fabrics. <b>(costs include materials).</b>	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	In this practical unit the student will write lyrics to a piece of music. The student will perform this song in front of an audience and record the song onto a CD.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	This classroom-based component unit aims to develop the student's understanding and use of number. The student will learn about place value within whole numbers and will undertake calculations, using mental arithmetic and using a calculator, involving addition, subtraction, multiplication and division. S/he will understand the terms odd and even, and will begin to estimate answers to calculations. The student will learn by teacher instruction and practical activity. This unit is associated with AQA's Entry Level Certificate in Mathematics.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will learn how to deal with his/ her anger in a more appropriate manner. S/ he will work through a series of sessions either in a group or one to one setting. The student will have the opportunity to explore what anger is, how to recognise angry feelings and strategies to help her/ him control his/ her anger better.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will learn the dance steps for street dancing and understand the importance of warming up and cooling down. The student will learn through group practical training sessions as well as by group discussion.	Subsidised	£15.00	£15.30	2.0%



<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
Youth Service-Summer University AJ43	In this classroom-based unit the student will learn through teacher instruction and practical activity to design and make a decorative range of co-ordinating jewellery. The student will experiment with a variety of different mediums and techniques. (Costs include materials).	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this unit the student will be working with Level 1 material. S/he will learn to use correct grammar; including the correct use of verb tenses and subject-verb agreement. S/he will learn through discussion, examples and completion of worksheets.	Subsidised	£10.00	£10.20	2.0%
Youth Service-Summer University AJ43	In this unit the student will be working with Level 1 material. S/he will learn to use correct grammar; including the correct use of verb tenses and subject-verb agreement. S/he will learn through discussion, examples and completion of worksheets.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The unit is designed to introduce the student to food handling, preparation and the storage of food. The student will learn about food spoilage and storage. The student will identify the steps necessary for the safe handling of food, showing the correct storage of perishable and dry food. S/he will select a food dish suitable for freezing, and will state the operating temperature of a refrigerator and where to store foods in the refrigerator. The student will learn by discussion, teacher guidance and practical activities. This unit is associated with AQA's Entry Level Certificate in Design and Technology. (Cooking 101 offers young people the opportunity to study the process of preparing foods. Samples of free materials are supplied for this purpose. Including materials).	Subsidised	£20.00	£20.40	2.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
Youth Service-Summer University AJ43	This kitchen based unit is designed to develop the student's ability to follow a written recipe to cook a main meal whilst demonstrating competency in the safe and hygienic preparation and cooking of vegetables. (Vegetarian cooking offers young people the opportunity to study the process of preparing foods. Samples of free materials are supplied for this purpose. Cost include materials).	Subsidised	£20.00	£20.40	2.0%
Youth Service-Summer University AJ43	This practical unit introduces the student to developing new programmes with the aid of the staff and fitness instructors, participating and supporting others in challenges, using specific pieces of equipment, logging progress and comparing achievement to others.	Subsidised	£20.00	£20.40	2.0%
Youth Service-Summer University AJ43	The student will learn the practical and planning skills involved in organising a community event. S/he will understand the importance of thorough planning, maintaining deadlines and managing the event by means of meetings and practical experience.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	The student will follow a hairdressing salon based, six week programme. He/she will undertake theoretical and practical tasks to introduce him/her to training in hairdressing. (costs include materials).	Subsidised	£20.00	£20.40	2.0%
Youth Service-Summer University AJ43	The student will follow a hairdressing salon based, six week programme. He/she will undertake theoretical and practical tasks to introduce him/her to training in hairdressing. (costs include materials).	Subsidised	£20.00	£20.40	2.0%
Youth Service-Summer University AJ43	In this unit the student will take part in a dance workshop, will learn a series of Salsa Dance steps and some principles of warming up and warming down. The student will also be required to assess her/his peers' performances within the workshop and have her/his own performance assessed in turn. The student will learn though teacher guidance and practical activity.	Subsidised	£12.50	£12.75	2.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
Youth Service-Summer University AJ43	In this unit the student will take part in a dance workshop, will learn a series of contemporary dance steps and some principles of warming up and warming down. The student will also be required to assess her/his peers' performances within the workshop and have her/his own performance assessed in turn. The student will learn through teacher guidance and practical activity.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will gain knowledge of the various basic skills required to play the guitar. The student will learn through instruction, demonstration and practical work.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	This classroom-based component unit aims to develop the student's understanding and use of number. The student will learn about place value within whole numbers and will undertake calculations, using mental arithmetic and using a calculator, involving addition, subtraction, multiplication and division. S/he will understand the terms odd and even, and will begin to estimate answers to calculations. The student will learn by teacher instruction and practical activity.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	In this practical unit the student will write lyrics to a piece of music. The student will perform this song in front of an audience and record the song onto a CD.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will, through practical and written activities find out about fitness and how the human body moves and responds to exercise. S/he will also examine items of sports equipment and investigate how sports and science are linked.	Subsidised	£12.50	£12.75	2.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
Youth Service-Summer University AJ43	In this class based unit the student will examine the knowledge and skills required, through focusing on skills, interests and making choices, in deciding upon an appropriate career option and in meeting the expectations of the world of work. In this unit the student will learn through discussion and activity the necessary skills needed to apply for a job. She/he will consider the importance of appropriate dress and body language for an interview, and participate in a simulated interview.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	This course covers word, excel and database skills and will outline the key IT skills needed to increase your core fundamental knowledge in essential office software. The course can also help you with curriculum based school/ college studies and give you necessary transferable skills to make you more employable.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	The student will learn a given short street dance routine to practise and perfect to public performance level. S/he will follow given instructions, apply appropriate techniques and demonstrate good practice in putting together his/her street dance piece.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will learn, through practical and written activities, about some human systems in relation to the life processes they serve - the digestive system, the circulation system, the nervous system.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this classroom based unit the student will learn through teacher instruction and written activities the skills needed to answer questions in English examination papers. These skills include understanding the difference between fact and opinion, writing an argumentative response, composing an informal persuasive letter, giving examples of emotive language, labelling the front of a newspaper and identifying intended audiences for media texts.	Subsidised	£15.00	£15.30	2.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
Youth Service-Summer University AJ43	The student will develop his/her knowledge of photography using digital cameras and editing software e.g. Photoshop, to plan, photograph and edit a portfolio of work, through tutor guidance and practical activities.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	The student will develop his/her knowledge of photography using digital cameras and editing software e.g. Photoshop, to plan, photograph and edit a portfolio of work, through tutor guidance and practical activities.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this unit the student will learn the ancient art of body painting. S/he will learn how to apply natural henna in different patterns using different pressures and produce basic designs and simple patterns. The student will learn through teacher/tutor guidance, student drawn/produced design, discussion and practical sessions.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The unit is designed to introduce the student to food handling, preparation and the storage of food. The student will learn about food spoilage and storage. The student will identify the steps necessary for the safe handling of food, showing the correct storage of perishable and dry food. S/he will select a food dish suitable for freezing, and will state the operating temperature of a refrigerator and where to store foods in the refrigerator. The student will learn by discussion, teacher guidance and practical activities.	Subsidised	£20.00	£20.40	2.0%
Youth Service-Summer University AJ43	In this classroom based unit the student will explore the use of line, dot and colour in aboriginal art with assistants. The student will learn by looking at samples and trying to copy patterns.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this unit the student will decide upon an event to video. S/he will script and cast the video, decide which special effects to use, make a detailed storyboard, rehearse the cast and record the video. S/he will then evaluate the video and suggest improvements.	Subsidised	£12.50	£12.75	2.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
Youth Service-Summer University AJ43	In this unit the student will take part in a dance workshop, will learn a series of African Dance steps and some principles of warming up and warming down. The student will also be required to assess her/his peers' performances within the workshop and have her/his own performance assessed in turn. The student will learn through teacher guidance and practical activity.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this unit the student will take part in a dance workshop, will learn a series of African Dance steps and some principles of warming up and warming down. The student will also be required to assess her/his peers' performances within the workshop and have her/his own performance assessed in turn. The student will learn through teacher guidance and practical activity.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will learn through tutor/trainer instruction and practical activities how to construct a basic carnival costume accessory like a collar, cuff, belt or neckwear using a variety of materials and techniques.	Subsidised	£25.00	£25.50	2.0%
Youth Service-Summer University AJ43	The student will learn through tutor/trainer instruction and practical activities how to construct a basic carnival costume accessory like a collar, cuff, belt or neckwear using a variety of materials and techniques.	Subsidised	£25.00	£25.50	2.0%
Youth Service-Summer University AJ43	In this youth centre-based unit, the student will develop his/her knowledge of youth worker led discussion and written and practical activities. This unit is an introduction to basic youth work processes.	Subsidised	£25.00	£25.50	2.0%
Youth Service-Summer University AJ43	The student will research a variety of approaches to self portraiture as evidenced by one or more recognised artists who have used painting and drawing techniques. Following this research the student will produce a series of self-portraits which reflect different technical and/or compositional approaches.	Subsidised	£12.50	£12.75	2.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
Youth Service-Summer University AJ43	The student will experiment with mark-making techniques and screen-printing. S/he will prepare different surfaces to print on using a variety of media. The student will record all experimentation in a sketchbook and produce a final piece of work.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this practical unit the student will learn to develop new creative and expressive art and craft skills as part of a fashion design project. S/he will learn through planning, carrying out and completing individual and original creative arts projects within a discussion forum.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this classroom based unit the student will learn through teacher instruction and written activities the skills needed to answer questions in English examination papers. These skills include understanding the difference between fact and opinion, writing an argumentative response, composing an informal persuasive letter, giving examples of emotive language, labelling the front of a newspaper and identifying intended audiences for media texts.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will develop a variety of practical skills relating to watercolour painting which must be carried out in a specific sequence and which will result in a piece of personal creative work. The student will demonstrate methods showing the processes of watercolour painting.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will develop a variety of practical skills relating to watercolour painting which must be carried out in a specific sequence and which will result in a piece of personal creative work. The student will demonstrate methods showing the processes of watercolour painting.	Subsidised	£12.50	£12.75	2.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
Youth Service-Summer University AJ43	In this unit the student will take part in a dance workshop, will learn a series of Indian Dance steps and some principles of warming up and warming down. The student will also be required to assess her/his peers' performances within the workshop and have her/his own performance assessed in turn. The student will learn through teacher guidance and practical activity.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this unit the student will learn about how to design and customise her/his own sneakers. The student will learn through guidance from a youth worker, discussion and practical activity.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	The student will develop the skills necessary to learn an original street dance piece under professional instruction and deliver that piece to a given group of peer students.	Subsidised	£25.00	£25.50	2.0%
Youth Service-Summer University AJ43	In this unit the student will learn about how to design and customise her/his own sneakers. The student will learn through guidance from a youth worker, discussion and practical activity.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	The student will develop his/her knowledge of hand and nail care through practical activity. He/she will gain an understanding of good hygiene and use of equipment.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	This unit is designed to introduce the student to working with electronic components. The student will learn about basic components and their symbols. S/he will design and construct a circuit using a non-solder method, and be aware of the function of components. The student will solder components together in a further circuit and understand safety precautions when soldering. The student will learn by discussion, teacher guidance and practical tasks.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this practical unit the student will learn to develop new creative and expressive art and craft skills as part of a fashion design project. S/he will learn through planning, carrying out and completing individual and original creative arts projects within a discussion forum.	Subsidised	£15.00	£15.30	2.0%



<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
Youth Service-Summer University AJ43	The student will explore the potential of Adobe Photoshop to manipulate and enhance images. The student will be given group demonstration and individual tuition on the workings of Adobe Photoshop software. The student will be guided by a written worksheet on main points required. The student will practise and experiment with filters and colours, and be expected to print and display his/her own work. During this unit the student will learn about the colour wheel, hue, saturation and contrast.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	Lindsay's dynamic inspirational and motivational "anti MTV Base" talks and workshop are consciously aimed at raising the academic achievements, literacy and boarding the cultural horizons of young people (especially BME) beyond the limited and stultifying inner-city mindset, plus also helping them to develop a fully functioning moral compass. For those embarking on GCSE & A Level English.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	The student will learn the dance steps for street dancing and understand the importance of warming up and cooling down. The student will learn through group practical training sessions as well as by group discussion.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will learn the dance steps for street dancing and understand the importance of warming up and cooling down. The student will learn through group practical training sessions as well as by group discussion.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will be introduced to the career of hairdressing and provided with an insight into the industry. The student will take part in talks, demonstrations, practical and video sessions and a visit to a hair salon and or show.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	The student will be introduced to the career of hairdressing and provided with an insight into the industry. The student will take part in talks, demonstrations, practical and video sessions and a visit to a hair salon and or show.	Subsidised	£12.50	£12.75	2.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
Youth Service-Summer University AJ43	The student will develop an appreciation of poetry or song lyrics through teacher guidance, research and discussion. S/he will compose their own poem or song lyric and then annotate it to show the use of language, imagery, and tone.	Subsidised	£12.50	£12.75	2.0%
Youth Service-Summer University AJ43	In this practical unit the student will write lyrics to a piece of music. The student will perform this song in front of an audience and record the song onto a CD.	Subsidised	£15.00	£15.30	2.0%
Youth Service-Summer University AJ43	In this unit the student will be introduced to basic linguistic skills and Spanish vocabulary. S/he will learn greetings, introductions and numbers 0-20. The student will learn through teacher guidance and prepared worksheets.	Subsidised	£15.00	£15.30	2.0%
Youth Service - DoE AJ28	DoFE annual subscriptio for young people to participate expeditions-Bronze.	Cost Recovery with Discounts	£25	£25.50	2.0%
Youth Service - DoE AJ28	DoFE annual subscriptio for young people to participate expeditions-Silver.	Cost Recovery with Discounts	£30	£30.60	2.0%
Youth Service - DoE AJ28	DoFE annual subscriptio for young people to participate expeditions-Gold.	Cost Recovery with Discounts	£35	£35.70	2.0%
Youth Service - DoE AJ28	Bronze Expedition training Programme (includes Young people going on camping trips/expeditions using navigational skills, life skills etc-Bronze programme.	Cost Recovery with Discounts	£225	£230	2.0%
Youth Service - DoE AJ28	Bronze Expedition training Programme (includes Young people going on camping trips/expeditions using navigational skills, life skills etc-Silver programme.	Cost Recovery with Discounts	£330	£337	2.0%
Youth Service - DoE AJ28	Bronze Expedition training Programme (includes Young people going on camping trips/expeditions using navigational skills, life skills etc-Gold programme.	Cost Recovery with Discounts	£550	£561	2.0%
<b>BACES</b>					
BACES	Learning and skills - Accredited courses	Subsidised	£3	£3	0.0%
BACES	Learning and skills - Accredited courses, concessions	Subsidised	£0	£0	0.0%
BACES	Learning and Skills - Family learning	Subsidised	£0	£0	0.0%
BACES	Learning and Skills - Personal and community development learning	Subsidised	£5	£4	-19.0%
BACES	Learning and Skills - Personal and community development learning - concessions (A)	Subsidised	£3	£2	-26.6%
BACES	Learning and Skills - Personal and community development learning - concessions (B)	Subsidised	£2	£1	-33.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
BACES	Learning and Skills - targeted community development courses	Subsidised	£3	£3	0.0%
BACES	Learning and Skills - targeted community development courses - concessions (A)	Subsidised	£2	£2	0.0%
BACES	Learning and Skills - targeted community development courses - concessions (B)	Subsidised	£0	£0	0.0%
BACES	Full cost recovery courses	Cost Recovery	£6-£10	£12	20.0%
BACES	Room hire	Cost Recovery with Discounts	£10.65 - £20	£12 - £23	12.67%- 15%
BACES	Creche fees	Subsidised	£10 per term per child	£10 per term per child	0.0%
<b>Early Years &amp; Family Support</b>					
Early Years & Family Support	Childcare Nursery places	Nominal	£200	£200	None
Early Years & Family Support	Childcare Nursery places	Nominal	£150	£150	None
Early Years & Family Support	Childcare Nursery places	Nominal	£250	£250	None
Early Years & Family Support	Childcare Nursery places	Nominal	£175	£175	None
Early Years & Family Support	Childcare Nursery places	Nominal	£150	£150	None
Early Years & Family Support	Childcare Nursery places	Nominal	£225	£225	None
Early Years & Family Support	Childcare Nursery places	Nominal	£175	£175	None
Early Years & Family Support	Childcare Nursery places	Nominal	£135	£135	None
Early Years & Family Support	Childcare Nursery places	Nominal	£200	£200	None
<b>SIS (StS)</b>					
SIS (StS)	School Workforce Development - Annual Central Training and Development Programme Nursery/Special schools	Cost Recovery	£400	£400	0.0%
SIS (StS)	School Workforce Development - Annual Central Training and Development Programme Small primary schools	Cost Recovery	£3,000	£3,000	0.0%
SIS (StS)	School Workforce Development - Annual Central Training and Development Programme Medium primary schools	Cost Recovery	£4,500	£4,500	0.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
SIS (StS)	School Workforce Development - Annual Central Training and Development Programme Large primary schools	Cost Recovery	£6,000	£6,000	0.0%
SIS (StS)	School Workforce Development - Annual Central Training and Development Programme Small Secondary School	Cost Recovery	£2,000	£2,000	0.0%
SIS (StS)	School Workforce Development - Annual Central Training and Development Programme Medium secondary schools	Cost Recovery	£3,000	£3,000	0.0%
SIS (StS)	School Workforce Development - Annual Central Training and Development Programme Large secondary school	Cost Recovery	£3,500	£3,500	0.0%
SIS (StS)	School Workforce Development - Additional Support (page 6) - The service contact will discuss your requirements in detail following this initial indication of the number of days required Standard Rate - maintained schools	Cost Recovery	£450	£450	0.0%
SIS (StS)	Newly Qualified Teachers - Acting as Appropriate Body for NQT Induction Standard Rate - maintained schools	Cost Recovery	£100	£100	0.0%
SIS (StS)	Newly Qualified Teachers - Acting as Appropriate Body for NQT Induction Advance purchase discounted rates - maintained schools	Cost Recovery	£450	£450	0.0%
SIS (StS)	Primary Teaching and Learning - Additional Support Senior officer/Link advisor standard rate	Cost Recovery		£550	
SIS (StS)	Primary Teaching and Learning - Additional Support Senior officer/Link advisor standard rate	Cost Recovery		£275	
SIS (StS)	Primary Teaching and Learning - Additional Support Senior officer/Link advisor standard rate	Cost Recovery		£110	
SIS (StS)	Primary Teaching and Learning - Additional Support Senior officer/Link advisor advance purchase on discounted rates	Cost Recovery		£1,045	

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
SIS (StS)	Primary Teaching and Learning - Additional Support Senior officer/Link advisor advance purchase on discounted rates	Cost Recovery		£1,485	
SIS (StS)	Primary Teaching and Learning - Additional Support Senior officer/Link advisor advance purchase on discounted rates	Cost Recovery		£1,870	
SIS (StS)	Primary Teaching and Learning - Additional Support Senior officer/Link advisor advance purchase on discounted rates	Cost Recovery		£2,200	
SIS (StS)	Primary Teaching and Learning - Additional Support Senior officer/Link advisor advance purchase on discounted rates	Cost Recovery	20% discount on standard daily rate		
SIS (StS)	Primary Teaching and Learning - Additional Support Consultant / Curriculum advisor standard rate	Cost Recovery		£450	
SIS (StS)	Primary Teaching and Learning - Additional Support Consultant / Curriculum advisor standard rate	Cost Recovery		£225	
SIS (StS)	Primary Teaching and Learning - Additional Support Consultant / Curriculum advisor standard rate	Cost Recovery		£90	
SIS (StS)	Primary Teaching and Learning - Additional Support Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery		£855	
SIS (StS)	Primary Teaching and Learning - Additional Support Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery		£1,215.00	
SIS (StS)	Primary Teaching and Learning - Additional Support Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery		£1,530	

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
SIS (StS)	Primary Teaching and Learning - Additional Support Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery		£1,800	
SIS (StS)	Primary Teaching and Learning - Additional Support Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	20% discount on standard daily rate		
SIS (StS)	School Leadership - Link Adviser Visits Nursery/Special schools	Cost Recovery	£1,500		
SIS (StS)	School Leadership - Link Adviser Visits Small primary schools	Cost Recovery	£1,500		
SIS (StS)	School Leadership - Link Adviser Visits Medium primary schools	Cost Recovery	£2,000		
SIS (StS)	School Leadership - Link Adviser Visits Large primary schools	Cost Recovery	£2,250		
SIS (StS)	School Leadership - Link Adviser Visits Small secondary schools	Cost Recovery	£2,250		
SIS (StS)	School Leadership - Link Adviser Visits Medium secondary schools	Cost Recovery	£2,500		
SIS (StS)	School Leadership - Link Adviser Visits Large secondary schools	Cost Recovery	£3,000		
SIS (StS)	School Leadership - Additional Support for school Leadership	Cost Recovery		£550	
SIS (StS)	School Leadership - Additional Support for school Leadership	Cost Recovery		£275	
SIS (StS)	School Leadership - Additional Support for school Leadership	Cost Recovery		£110	
SIS (StS)	School Leadership - Additional Support for school Leadership	Cost Recovery		£1,045	
SIS (StS)	School Leadership - Additional Support for school Leadership	Cost Recovery		£1,485	
SIS (StS)	School Leadership - Additional Support for school Leadership	Cost Recovery		£1,870	
SIS (StS)	School Leadership - Additional Support for school Leadership	Cost Recovery		£2,200	
SIS (StS)	School Leadership - Additional Support for school Leadership	Cost Recovery	20% discount on standard daily rate		
SIS (StS)	Governor Services Nursery/Special school	Cost Recovery	£400	£400	0.0%

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
SIS (StS)	Governor Services Small primary school	Cost Recovery	£500	£700	40.0%
SIS (StS)	Governor Services Medium primary school	Cost Recovery	£600	£800	33.3%
SIS (StS)	Governor Services Large primary school	Cost Recovery	£700	£900	28.6%
SIS (StS)	Governor Services Secondary School	Cost Recovery	£850	£950	11.8%
SIS (StS)	Brent Music Service Instrumental/vocal tuition	Cost Recovery	£36	£36	0.0%
SIS (StS)	Brent Music Service Large group tuition	Cost Recovery	£40	£36	-10.0%
SIS (StS)	Brent Music Service Music'sCool' where class teacher remains with BMS teacher	Cost Recovery	£1,320	£1,452	10.0%
SIS (StS)	Brent Music Service Music'sCool' where BMS teacher provides PPA cover	Cost Recovery	£1,848	£1,968	6.5%
SIS (StS)	Education Welfare Service Attached EWO for one year (Secondary School)	Cost Recovery	£2,750	£3,250	18.2%
SIS (StS)	Education Welfare Service Attached EWO for one year (Primary School)	Cost Recovery	£950	£1,100	15.8%
SIS (StS)	Education Welfare Service Daily Rate for Stage 1 Meetings	Cost Recovery	£300	£300	0.0%
SIS (StS)	Education Welfare Service Half Daily Rate for Stage 1 Meetings	Cost Recovery	£150	£150	0.0%
SIS (StS)	Education Welfare Service Hourly Rate for Stage 1 Meetings	Cost Recovery	£60	£60	0.0%
SIS (StS)	Behaviour Support Support from the Behaviour Support Service	Cost Recovery	£2,000	£2,250	12.5%
SIS (StS)	Behaviour Support 5 Days support to individual pupils	Cost Recovery	£1,000	£1,125	12.5%
SIS (StS)	Behaviour Support 2 Days whole school support	Cost Recovery	£855	£855	0.0%
SIS (StS)	Pre-Exclusion Support Attached pre-exclusion officer (Secondary School)	Cost Recovery	£2,750		
SIS (StS)	Pre-Exclusion Support Attached pre-exclusion officer (Primary School)	Cost Recovery	£950		
SIS (StS)	Pre-Exclusion Support Daily Rate for Stage 1 Meetings	Cost Recovery	£300		
SIS (StS)	Pre-Exclusion Support Half Daily Rate for Stage 1 Meetings	Cost Recovery	£150		

<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
SIS (StS)	Pre-Exclusion Support Hourly Rate for Stage 1 Meetings	Cost Recovery	£60		
SIS (StS)	ICT Consultant / Curriculum advisor standard rate	Cost Recovery	£450	£450	0.0%
SIS (StS)	ICT Consultant / Curriculum advisor standard rate	Cost Recovery	£225	£225	0.0%
SIS (StS)	ICT Consultant / Curriculum advisor standard rate	Cost Recovery	£90	£90	0.0%
SIS (StS)	ICT Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£855	£855	0.0%
SIS (StS)	ICT Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£1,215	£1,215	0.0%
SIS (StS)	ICT Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£1,530	£1,530	0.0%
SIS (StS)	ICT Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£1,800	£1,800	0.0%
SIS (StS)	ICT Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	20% discount on standard daily rate		
SIS (StS)	Physical Education and School Sport Consultant / Curriculum advisor standard rate	Cost Recovery	£450	£450	0.0%
SIS (StS)	Physical Education and School Sport Consultant / Curriculum advisor standard rate	Cost Recovery	£225	£225	0.0%
SIS (StS)	Physical Education and School Sport Consultant / Curriculum advisor standard rate	Cost Recovery	£90	£90	0.0%
SIS (StS)	Physical Education and School Sport Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£855	£855	0.0%
SIS (StS)	Physical Education and School Sport Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£1,215	£1,215	0.0%
SIS (StS)	Physical Education and School Sport Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£1,530	£1,530	0.0%
SIS (StS)	Physical Education and School Sport Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£1,800	£1,800	0.0%



<b>CHILDREN &amp; FAMILIES</b>					
<b>Service unit</b>	<b>Service provided</b>	<b>Charging policy</b>	<b>Existing Charge</b>	<b>Charge from April 2013</b>	<b>Percentage change in fees</b>
SIS (StS)	Physical Education and School Sport Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	20% discount on standard daily rate		
SIS (StS)	Special Education Needs and Disabilities Senior officer/Link advisor standard rate	Cost Recovery	£550	£550	0.0%
SIS (StS)	Special Education Needs and Disabilities Senior officer/Link advisor standard rate	Cost Recovery	£275	£275	0.0%
SIS (StS)	Special Education Needs and Disabilities Senior officer/Link advisor standard rate	Cost Recovery	£110	£110	0.0%
SIS (StS)	Special Education Needs and Disabilities Senior officer/Link advisor advance purchase on discounted rates	Cost Recovery	£1,045	£1,045	0.0%
SIS (StS)	Special Education Needs and Disabilities Senior officer/Link advisor advance purchase on discounted rates	Cost Recovery	£1,485	£1,485	0.0%
SIS (StS)	Special Education Needs and Disabilities Senior officer/Link advisor advance purchase on discounted rates	Cost Recovery	£1,870	£1,870	0.0%
SIS (StS)	Special Education Needs and Disabilities Senior officer/Link advisor advance purchase on discounted rates	Cost Recovery	£2,200	£2,200	0.0%
SIS (StS)	Special Education Needs and Disabilities Senior officer/Link advisor advance purchase on discounted rates	Cost Recovery	20% discount on standard daily rate		
SIS (StS)	Special Education Needs and Disabilities Consultant / Curriculum advisor standard rate	Cost Recovery	£450	£450	0.0%
SIS (StS)	Special Education Needs and Disabilities Consultant / Curriculum advisor standard rate	Cost Recovery	£225	£225	0.0%
SIS (StS)	Special Education Needs and Disabilities Consultant / Curriculum advisor standard rate	Cost Recovery	£90	£90	0.0%
SIS (StS)	Special Education Needs and Disabilities Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£855	£855	0.0%
SIS (StS)	Special Education Needs and Disabilities Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£1,215	£1,215	0.0%

<b>CHILDREN &amp; FAMILIES</b>					
Service unit	Service provided	Charging policy	Existing Charge	Charge from April 2013	Percentage change in fees
SIS (StS)	Special Education Needs and Disabilities Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£1,530	£1,530	0.0%
SIS (StS)	Special Education Needs and Disabilities Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	£1,800	£1,800	0.0%
SIS (StS)	Special Education Needs and Disabilities Consultant / Curriculum advisor advance purchase on discounted rates	Cost Recovery	20% discount on standard daily rate		
SIS (StS)	The Learning Zone at Wembley Stadium Six week course (Including transport and goody bags)	Cost Recovery	£1,000	£1,000	0.0%
SIS (StS)	The Learning Zone at Wembley Stadium Single sessions	Cost Recovery	£150	£150	0.0%
SIS (StS)	The Learning Zone at Wembley Stadium Venue hire - per hour	Cost Recovery	£75	£75	0.0%
SIS (StS)	Every Child a Reader (initial training) Teachers will attend 24 1/2 day training sessions	Cost Recovery	£2,500	£2,500	0.0%
SIS (StS)	Every Child a Reader (continuing Contact) Six half day sessions across the year	Cost Recovery	£300	£300	0.0%
<b>Gordon Brown OEC</b>					
Gordon Brown OEC	Residential stays for Brent Schools	Cost Recovery	£2,809	£2,740	-2.5%
Gordon Brown OEC	Residential stays for non Brent Schools	Cost Recovery	£3,188	£3,098	-2.8%

Proposed fees and charges for 2013/14

Appendix D(vi)

<b>REGENERATION &amp; MAJOR PROJECTS</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge</b> £	<b>Charge from April 2013</b> £	<b>Percentage Change In Fees</b>
Planning	Pre application advice (all Major applications)	Cost Recovery	1500.00	see below	N/A
Planning	Pre application advice - Strategic (150 units + /5,000sm+)	Cost Recovery		7500.00	N/A
Planning	Pre application advice - Large Major (25 - 149 units/2,000-4,999sm)	Cost Recovery		5000.00	N/A
Planning	Pre application advice - Major (10 -24 units/1,000-1,999sm)	Cost Recovery		2500.00	N/A
Planning	Pre application advice - Minor (4+ units/500-999sm)	Cost Recovery		1000.00	N/A
Planning	Planning/development briefs/ frameworks/ masterplans	Cost Recovery	5000.00	7500.00	N/A
Building Control	Building Regulations Table A (newbuild housing - small domestic buildings)	Cost Recovery	Schedule	Schedule	8.0%
Building Control	Building Regulations Table B (Standard Charges for extensions, loft conversions etc)	Cost Recovery	Schedule	Schedule	4.0%
Building Control	Building Regulations Table C (Standard Charges for Domestic Alteration work)	Cost Recovery	Schedule	Schedule	10.0%
Building Control	Building Regulations Table D (Charges for Other Works)	Cost Recovery	Schedule	Schedule	3.0%
Building Control	Demolition Notices	Cost Recovery	Schedule	Schedule	N/A
Building Control	Dangerous Structures	Cost Recovery	Schedule	Schedule	N/A
Building Control	Copy of Decision Notice	Cost Recovery	20.00	Schedule	N/A
Building Control	Copy of Section 25 PHA certificate/notice	Cost Recovery	20.00	Schedule	N/A
Building Control	Street Naming & Numbering (house/property name change)	Cost Recovery	50.00	Schedule	20.0%
Building Control	Street Naming & Numbering (Rename of street)	Cost Recovery	£200 + £50 per property	Schedule	20.0%
Building Control	Street Naming & Numbering (New property 1-5 plots)	Cost Recovery	100.00	Schedule	20.0%

Proposed fees and charges for 2013/14

Appendix D(vi)

<b>REGENERATION &amp; MAJOR PROJECTS</b>					
<b>Service Unit</b>	<b>Service Provided</b>	<b>Charging Policy</b>	<b>Existing Charge</b> £	<b>Charge from April 2013</b> £	<b>Percentage Change In Fees</b>
Building Control	Street Naming & Numbering (New property 6-10 plots)	Cost Recovery	150.00	Schedule	20.0%
Building Control	Street Naming & Numbering (New property 11-20 plots)	Cost Recovery	230.00	Schedule	11.0%
Building Control	Street Naming & Numbering (New property 21-50 plots)	Cost Recovery	470.00	Schedule	6.0%
Building Control	Street Naming & Numbering (New property 51-100 plots)	Cost Recovery	720.00	Schedule	5.0%
Building Control	Street Naming & Numbering (New property 100+ plots plots)	Cost Recovery	£720 + £3 per plot	Schedule	5.0%
Building Control	Street Naming & Numbering (New property additional charge where this includes naming a street)	Cost Recovery	100.00	Schedule	20.0%
Private Housing Services	Houses in Multiple Occupation registrations	Full Commercial	No increase is planned (as landlords fully aware that no salary increases have occurred). Details of the licence fee, which depends on number of habitable rooms and length of licence, are on the council's website.		0.0%
Private Housing Services	Admin charge for Work in Default	Full Commercial	30% or £75 minimum	30% or £75 minimum	0.0%
Private Housing Services	Notices	Full Commercial	300.00	300.00	0.0%
Private Housing Services	Specifications for Empty Property Grant	Full Commercial	550.00	550.00	0.0%
Private Housing Services	DFG and SWG Agency Service	Full Commercial	16.5% of cost of works or minimum of £66	16.5% of cost of works or minimum of £66	0.0%
Housing Needs	Furniture Storage and Removals	Full Commercial	£28 per container, up to a maximum of £56; Non Working Customers	£28 per container, up to a maximum of £56; Non Working Customers	0.0%
Travellers Site	Weekly charge to travellers using the site	Full Commercial	£237.85	£240.23	1.0%

**The Building Regulations 2000 (as amended).****The Building (Local Authority Charges) Regulations 2010.****LB Brent Charges Scheme No 10. 2010. - Effective from 1<sup>st</sup> April 2013 (20% VAT).**

The Building (Local Authority Charges) Regulations 2010, authorise local authorities to set charges in respect of their Building Regulations service. These charges are set out in Brent Charges Scheme No 10 & Tables A to E. They replace the Building (Prescribed Fees) Regulations 1994 and 1998 and also previous charging schemes Nos. 1-6, 6A, 7, 7A, 8, 9 and 9A. Charging Scheme No 10 is applicable where applications are received on or after 1<sup>st</sup> April 2013. Before you build, extend or alter your premises, you should make application to the local authority either by submitting a Full Plans or Building Notice application. **It may also be necessary to obtain Planning Permission or other approvals.**

**TYPES OF CHARGES PAYABLE:**

The Council are authorised to make the following charges:

- a) A **Plan charge** for the passing or rejection of plans in accordance with section 16 of the Building Act (Full Plans).
- b) An **Inspection charge** for the inspection of building work for which plans have been deposited (Full Plans).
- c) A **Building Notice charge** for the consideration of a Building Notice (Combined charge).
- d) A **Reversion charge** for the consideration of building work reverting to LA control from Approved Inspectors (As RG charge)
- e) A **Regularisation charge** for the consideration of an application under Regulation 21 & the inspection of building work to which that application relates (Combined Charge). No refunds will be considered in respect of Regularisation applications.
- f) **Chargeable Advice** in relation to Building Regulation (pre-application) advice (first hour of advice excluded).

**Plan, Building Notice, Reversion & Regularisation charges are payable when the application is submitted to Brent Building Control. Unless the required fee is paid, it cannot be accepted as a valid application.** Inspection Charges are payable on demand and will be invoiced (to the applicant) immediately following the first inspection of the work on site. Where Building Regulation charges are assessed, written notification of the charge and how this has been derived will be provided.

**GENERAL NOTES.**

1. Charges cover reasonably anticipated inspections carried out by Building Control Surveyors. Where the amount of work required by Building Control is more than anticipated, Building Control may issue an additional charge. Where the amount of work required by Building Control is less than originally anticipated, Building Control will (where substantiated and on request) make a refund in relation to the proportion of the charge relating to excess payment. In calculating any additional charge or refund the local authority will discount one hour of an officers time from the calculation of additional charge or refund.
2. Charges are not payable where we are satisfied that proposed work is **solely** for the purpose of providing accommodation or facilities designed to provide means of access for disabled persons to or within a building, or for providing facilities designed to secure their greater health, safety, welfare or convenience including the adaptation or extension of existing accommodation to carry out medical treatment or store medical equipment or to provide sleeping accommodation for a 24 hour carer. Evidence will be required to substantiate this exemption of charges. This work must be carried out in relation to a building to which members of the public are admitted or is a dwelling occupied by a disabled person (**refer to Reg. 4**). **“Disabled Person”** means a person who is within any of the descriptions of persons to whom s.29(1) of the National Assistance Act 1948, as extended by s.8(2) of the Mental Health Act 1959, applies. **In some cases only partial exemption may apply. Please refer to Brent Building Control before assuming exemption.**
3. These Notes are for guidance only. For full details refer to The Building (Local Authority Charges) Regulations 2010 - Statutory Instrument 2010. No.404. Brent Charges Scheme No 10. 2013 is available for reference at Brent House, 349 High Road, Wembley, Middlesex. HA9 6BZ. **If you have any difficulties determining or calculating the charges please consult Building Control (Tel: 020 8937 5210 or email: padsupport@brent.gov.uk)**

**THE FOLLOWING CHARGE SCALES ARE APPLICABLE:**

**TABLE A** relates to the erection of one or more new dwelling units i.e. houses & flats (up to 20 units) where the internal floor area does not exceed 300m<sup>2</sup>. (NOTE: Where the number of units exceeds 20 (or units are >300m<sup>2</sup>) Building Regulation charges are to be individually assessed – refer to TABLE E and Brent Building Control); (Code: DOM)

**TABLE B** relates to the erection of certain domestic buildings (i.e. detached garages & carports), domestic and commercial extensions and loft conversions not exceeding 100m<sup>2</sup>. Extensions and loft conversions are to be considered separately and individual charges apply. Brent has determined standard charges for certain works taking into account allowable factors within the Charges Regulations. TABLE B also includes certain domestic alterations which are often undertaken in conjunction with (and carried out at the same time as) extensions and / or loft conversions. Where work is included within the same application reduced charges apply. Otherwise Tables C and D apply. Charges assume that electrical works (under Part P) in relation to extensions and / or loft conversions are to be undertaken by a competent person and notified via a competent person scheme (e.g. NICEIC, etc). Where this is not the case additional charges apply (Table C). If works exceed the maximum sizes given in Table B (generally 100m<sup>2</sup>) then an estimated cost of the works **must be provided** and charges paid in accordance with Table D. Minimum Charges are applicable. (Codes: DEX / DGA)

**TABLE C** relates to common domestic alteration work where the local authority has determined standard charges. (Code: DAW)

**Table D** relates to **all other works** which do not fall within TABLES A, B or C and where the local authority have not determined a standard charge. Table D is restricted to works estimated to cost up to £150,000 (excluding VAT, professional / design fees, etc). Where the estimated cost exceeds £150,000 Building Regulation charges are to be individually assessed – refer TABLE E and Brent Building Control. (Code: OTH)

**TABLE E** relates to works which fall outside of TABLES A, B, C and D and where the estimated cost of works exceeds £150,000. In these cases, Building Regulation Charges are to be individually assessed – refer to Brent Building Control.

**Table A - Charges for the erection of one or more new dwelling units (<300m<sup>2</sup>)**

- A1 Dwellings relate to the erection of houses and flats none of which has a floor area exceeding 300m<sup>2</sup> (excluding any garage or carport). There is no restriction on the number of floors.
- A2 The floor area of any dwelling is the total floor area of ALL the storeys in the dwelling. Floor area is calculated by reference to the finished internal faces of the walls enclosing the area.
- A3 The charges in this Table includes for works of drainage and associated works in connection with the erection of the building(s).
- A4 Please ensure that you submit the correct payment otherwise the application may not be considered valid.
- A5 Building Regulation Charges relating to dwellings in excess of 300m<sup>2</sup> in floor area or relating to developments in excess of 20 units are to be calculated as individually assessed charges in accordance with Table D. Information and plans must be submitted to enable accurate assessment of charges – refer to Brent Building Control.

20.0% VAT	FULL PLANS						BUILDING NOTICE			REGULARIS ATION
	PLAN CHARGE			INSPECTION CHARGE			COMBINED CHARGE			COMBINED CHARGE
	CHARGE (40%)	VAT (20%)	TOTAL PAYABLE	CHARGE (60%)	VAT (20%)	TOTAL PAYABLE	CHARGE	VAT (20%)	TOTAL PAYABLE	TOTAL PAYABLE
1	£320.00	£64.00	£384.00	£480.00	£96.00	£576.00	£800.00	£160.00	£960.00	£1,040.00
2	£400.00	£80.00	£480.00	£600.00	£120.00	£720.00	£1,000.00	£200.00	£1,200.00	£1,300.00
3	£480.00	£96.00	£576.00	£720.00	£144.00	£864.00	£1,200.00	£240.00	£1,440.00	£1,560.00
4	£560.00	£112.00	£672.00	£840.00	£168.00	£1,008.00	£1,400.00	£280.00	£1,680.00	£1,820.00
5	£640.00	£128.00	£768.00	£960.00	£192.00	£1,152.00	£1,600.00	£320.00	£1,920.00	£2,080.00
6	£704.00	£140.80	£844.80	£1,056.00	£211.20	£1,267.20	£1,760.00	£352.00	£2,112.00	£2,288.00
7	£768.00	£153.60	£921.60	£1,152.00	£230.40	£1,382.40	£1,920.00	£384.00	£2,304.00	£2,496.00
8	£832.00	£166.40	£998.40	£1,248.00	£249.60	£1,497.60	£2,080.00	£416.00	£2,496.00	£2,704.00
9	£896.00	£179.20	£1,075.20	£1,344.00	£268.80	£1,612.80	£2,240.00	£448.00	£2,688.00	£2,912.00
10	£960.00	£192.00	£1,152.00	£1,440.00	£288.00	£1,728.00	£2,400.00	£480.00	£2,880.00	£3,120.00
11	£1,024.00	£204.80	£1,228.80	£1,536.00	£307.20	£1,843.20	£2,560.00	£512.00	£3,072.00	£3,328.00
12	£1,088.00	£217.60	£1,305.60	£1,632.00	£326.40	£1,958.40	£2,720.00	£544.00	£3,264.00	£3,536.00
13	£1,152.00	£230.40	£1,382.40	£1,728.00	£345.60	£2,073.60	£2,880.00	£576.00	£3,456.00	£3,744.00
14	£1,216.00	£243.20	£1,459.20	£1,824.00	£364.80	£2,188.80	£3,040.00	£608.00	£3,648.00	£3,952.00
15	£1,280.00	£256.00	£1,536.00	£1,920.00	£384.00	£2,304.00	£3,200.00	£640.00	£3,840.00	£4,160.00
16	£1,344.00	£268.80	£1,612.80	£2,016.00	£403.20	£2,419.20	£3,360.00	£672.00	£4,032.00	£4,368.00
17	£1,408.00	£281.60	£1,689.60	£2,112.00	£422.40	£2,534.40	£3,520.00	£704.00	£4,224.00	£4,576.00
18	£1,472.00	£294.40	£1,766.40	£2,208.00	£441.60	£2,649.60	£3,680.00	£736.00	£4,416.00	£4,784.00
19	£1,536.00	£307.20	£1,843.20	£2,304.00	£460.80	£2,764.80	£3,840.00	£768.00	£4,608.00	£4,992.00
20	£1,600.00	£320.00	£1,920.00	£2,400.00	£480.00	£2,880.00	£4,000.00	£800.00	£4,800.00	£5,200.00

Where > 20 units or units >300m<sup>2</sup> - Charges are individually assessed. (Refer TABLE E and Building Control)

**Table B – Standard Charges for Detached Garages/Carports, extensions, loft conversions, etc.**

- B1 Detached Garages (for housing a car/motor vehicle) not exceeding 30m<sup>2</sup> are "exempt" buildings (under Building Regulations), providing that it is sited at least 1m away from the boundary or is constructed substantially of non combustible materials [refer to Regulation 9 and Schedule 2]. A carport extension not exceeding 30m<sup>2</sup> is exempt if fully open on 2 sides. Electrical works will require an application unless carried out under a Competent Person scheme. Heated and/or thermally insulated building will require approval under Building Regulations.
- B2 Where the floor areas for proposed garages/carports, extensions and/or loft conversions exceed those given in TABLE B provide estimated cost and use TABLE D. Minimum charges apply. If estimated cost > £150,000 Building Regulation Charges are to be individually assessed – refer to TABLE E and Brent Building Control.
- B3 Loft Conversions are treated separate to extensions and floor areas cannot be combined. A new dormer window which does not increase the useable floor area (eg in an existing loft conversion previously subject to Building Regulation control) would be considered as an alteration so use Table D and provide an estimate of cost of works.
- B4 Charges assume that any related domestic electrical works are to be undertaken and self-certified by a suitably qualified person and notified to the local authority through a competent person scheme (such as NICEIC Domestic Installer). Where such work is NOT going through a competent persons scheme provider an additional charge applies (refer Table C).
- B5 NOTE: More than one type of BR Fee may be applicable [e.g. Loft Conversion (Table B) + Domestic extension (Table B) + Alterations (Table B, C or D)]. Please ensure that you submit the correct payment or the application may not be invalid.).

**B6 NOTE: Where multiple works are being undertaken ON A SINGLE FAMILY DWELLING (e.g. extension + loft conversion + alterations, etc) the Building Control Charges will be CAPPED at £1500.00 + VAT. (Charge for Electrical work NOT dealt with under CPS Scheme is chargeable in addition (refer Table C)**

TABLE B - STANDARD CHARGES FOR EXTENSIONS, LOFT CONVERSIONS, ETC

TYPE OF WORK	FULL PLANS						BUILDING NOTICE			REGULARISATION
	PLAN CHARGE			INSPECTION CHARGE			COMBINED CHARGE			COMBINED CHARGE
VAT = 20%	Charge	VAT	Total	Charge	VAT	Total	Charge	VAT	Total	No VAT
<b>GARAGES / CARPORTS / STORE (typically half-brick and unheated - no sanitary facilities).</b>										
Garage/ Carport / store < 40m <sup>2</sup>	£300.00	£60.00	£360.00	Included in Plan Charge			£300.00	£60.00	£360.00	£390.00
Garage / Carport / store < 60m <sup>2</sup>	£400.00	£80.00	£480.00	Included in Plan Charge			£400.00	£80.00	£480.00	£520.00
<b>DOMESTIC / RESIDENTIAL EXTENSIONS (and outbuildings containing Gym, Playroom, Home Office, etc)</b>										
Extension <40m <sup>2</sup>	£525.00	£105.00	£630.00	Included in Plan Charge			£525.00	£105.00	£630.00	£682.50
Extension <60m <sup>2</sup>	£272.00	£54.40	£326.40	£408.00	£81.60	£489.60	£680.00	£136.00	£816.00	£884.00
Extension <100m <sup>2</sup>	£308.00	£61.60	£369.60	£462.00	£92.40	£554.40	£770.00	£154.00	£924.00	£1,001.00
BASEMENTS (as above) PLUS	£100.00	£20.00	£120.00	£150.00	£30.00	£180.00	£250.00	£50.00	£300.00	£325.00
<b>Domestic Extension &gt;100m<sup>2</sup> - Individually assessed charge - estimate required - Refer to BC- minimum charge of &lt;100m<sup>2</sup></b>										
<b>DOMESTIC / RESIDENTIAL LOFT CONVERSIONS</b>										
Loft Conversion < 60m <sup>2</sup>	£525.00	£105.00	£630.00	Included in Plan Charge			£525.00	£105.00	£630.00	£682.50
Loft Conversion < 100m <sup>2</sup>	£272.00	£54.40	£326.40	£408.00	£81.60	£489.60	£680.00	£136.00	£816.00	£884.00
<b>Domestic Loft Conversion &gt;100m<sup>2</sup> - Individually assessed charge - estimate required - Refer to BC- minimum charge of &lt;100m<sup>2</sup></b>										
<b>DOMESTIC / RESIDENTIAL GARAGE CONVERSION</b>										
Conversion of domestic garage to form habitable room	£300.00	£60.00	£360.00	Included in Plan Charge			£300.00	£60.00	£360.00	£390.00
<b>DOMESTIC ALTERATIONS CARRIED OUT AT SAME TIME AS EXTENSION / LOFT CONVERSION</b>										
<b>Works carried out at same time and ancillary to / within an extension and/or loft conversion (e.g opening between existing dwelling and extension or form kitchen / bathroom within extension / loftroom) NO ADDITIONAL CHARGE.</b>										
Domestic alterations undertaken at the same time as extensions, loft, etc where estimated cost < £10k	£230.00	£46.00	£276.00	Included in Plan Charge			£230.00	£46.00	£276.00	£299.00
Domestic alterations undertaken at the same time as extensions, loft, etc where estimated cost is £10k to £20k	£300.00	£60.00	£360.00	Included in Plan Charge			£300.00	£60.00	£360.00	£390.00
Conversion of garage to habitable room at the same time as work chargeable under extensions, etc.	£260.00	£52.00	£312.00	Included in Plan Charge			£260.00	£52.00	£312.00	£338.00
<b>MULTIPLE WORKS TO SINGLE FAMILY DWELLING ON SAME APPLICATION AND UNDERTAKEN AT SAME TIME (excl. Electrical or gas installation works - refer Table C) - BC Charges CAPPED AT</b>	£640	£128	£768	£960	£192	£1,152	£1,600	£320	£1,920	£2,080
<b>COMMERCIAL EXTENSIONS or LOFT CONVERSIONS TO OFFICES, SHOPS, INDUSTRIAL, ETC (separately charged)</b>										
Commercial Extension <40m <sup>2</sup>	£240.00	£48.00	£288.00	£360.00	£72.00	£432.00	£600.00	£120.00	£720.00	£780.00
Commercial Extension <60m <sup>2</sup>	£300.00	£60.00	£360.00	£450.00	£90.00	£540.00	£750.00	£150.00	£900.00	£975.00
Commercial Extension <100m <sup>2</sup>	£360.00	£72.00	£432.00	£540.00	£108.00	£648.00	£900.00	£180.00	£1,080.00	£1,170.00
<b>Commercial Extension &gt;100m<sup>2</sup> - Individually assessed charge - estimate required - Refer to Building Control - minimum charge of &lt;100m<sup>2</sup> extension.</b>										
<b>FLAT CONVERSIONS - up to 6 flats (NB: Extension / Loft Conversion Charges may also apply):</b>										
Conversion to form two flats:	£200.00	£40.00	£240.00	£300.00	£60.00	£360.00	£500.00	£100.00	£600.00	£650.00
Plus for each additional flat	£72.00	£14.40	£86.40	£108.00	£21.60	£129.60	£180.00	£36.00	£216.00	£234.00
<b>NOTE: This charge relates to formation of up to 6 No self-contained units. Other charges may apply if undertaking an extension or loft conversion. Where &gt; 6 units - refer to BC for individual assessment. Minimum Charge £1400 + VAT</b>										



**TABLE C – Standard Charges for Domestic Alteration work.**

TYPE OF WORK	FULL PLANS						BUILDING NOTICE			REGULARISATION
	PLAN CHARGE			INSPECTION CHARGE			COMBINED CHARGE			COMBINED CHARGE
(NB: VAT = 20%)	Charge	VAT	Total	Charge	VAT	Total	Charge	VAT	Total	No VAT
<b>UNDERPINNING:</b>										
Underpinning < 10m length	£300.00	£60.00	£360.00	Included in Plan Charge			£300.00	£60.00	£360.00	£390.00
Underpinning (each additional 10m)	£175.00	£35.00	£210.00	Included in Plan Charge			£175.00	£35.00	£210.00	£227.50
<b>RECOVERING OF ROOF STRUCTURE (INCLUDING UPGRADING OF INSULATION, VENTILATION, ETC)</b>										
Recovering existing roof (terraced / semi)	£265.00	£53.00	£318.00	Included in Plan Charge			£265.00	£53.00	£318.00	£344.50
Recovering existing roof (detached)	£345.00	£69.00	£414.00	Included in Plan Charge			£345.00	£69.00	£414.00	£448.50
<b>REPLACEMENT WINDOWS / DOORS (NOT UNDERTAKEN THROUGH COMPETENT PERSONS SCHEME E.G. FENSA / CERTASS)</b>										
Up to 5 windows / doors (Not CPS)	£130.00	£26.00	£156.00	Included in Plan Charge			£130.00	£26.00	£156.00	£169.00
Up to 20 windows / doors (Not CPS)	£225.00	£45.00	£270.00	Included in Plan Charge			£225.00	£45.00	£270.00	£292.50
Where number of windows / doors in excess of 20 - please refer to Building Control for individual assessment										
<b>DOMESTIC ELECTRICAL WORKS / Gas Installations NOT under CPS Scheme.</b>										
Domestic Electrical works. Not carried out under Competent Person Scheme.	£260.00	£52.00	£312.00	Included in Plan Charge			£260.00	£52.00	£312.00	£325.00
Gas Boiler Installation, UVHW systems or similar NOT under CPS.	£160.00	£32.00	£192.00	Included in Plan Charge			£160.00	£32.00	£192.00	£200.00

**TABLE D - Charges for Building Work other than work to which Tables A, B and C apply.**

- D1 This Table relates to all work not described in Tables A, B, C. Typically, other work include alterations to all buildings, domestic extensions / loft conversions exceeding 100m<sup>2</sup>, new-build residential buildings over 300m<sup>2</sup>, commercial / industrial buildings, etc.
- D2 The "estimate" in relation to the cost of carrying out building work is an estimate, accepted by the local authority, of such reasonable amount as would be charged for the carrying out of that building work by a person in business to carry out such building work (excluding the amount of VAT chargeable) and references to "estimated cost" shall be construed accordingly.
- D3 VAT is payable on ALL Building Regulation (Plan, Inspection and Building Notice) charges with the exception of Regularisation Charges.
- D4 More than one type of charge may be applicable [e.g Loft Conversion (Table B) + Domestic extension (Table B) + Alterations (Table B/D)]
- D5 MINIMUM CHARGES apply for Domestic Garages/Carports, loft conversions and extensions where these exceed 100m<sup>2</sup> and Table B does not apply. Acceptable estimates must be supplied which result in a combined Plan Charge and Inspection Charge or Building Notice Charge greater than the standard charge under Table B for extension > 100m<sup>2</sup>.
- D6 Please ensure that you submit the correct payment otherwise the application may not be considered valid.
- D7 Where works exceed £150k the Building Regulation charges will be individually assessed – refer table E and Brent Building Control.

ESTIMATED COST OF WORKS		FULL PLANS						BUILDING NOTICE			REGULAR ISATION
		PLAN CHARGE			INSPECTION CHARGE			COMBINED CHARGE			Combined Charge. No VAT.
From	To	Charge	20% VAT	Total	Charge	20% VAT	Total	Charge	20% VAT	Total	
£0.01	£5,000.00	£230.00	£46.00	<b>£276.00</b>	Included in Plan Charge			£230.00	£46.00	<b>£276.00</b>	<b>£299.00</b>
£5,000.01	£10,000.00	£265.00	£53.00	<b>£318.00</b>	Included in Plan Charge			£265.00	£53.00	<b>£318.00</b>	<b>£344.50</b>
£10,000.01	£20,000.00	£345.00	£69.00	<b>£414.00</b>	Included in Plan Charge			£345.00	£69.00	<b>£414.00</b>	<b>£448.50</b>
£20,000.01	£30,000.00	£440.00	£88.00	<b>£528.00</b>	Included in Plan Charge			£440.00	£88.00	<b>£528.00</b>	<b>£572.00</b>
£30,000.01	£40,000.00	£212.00	£42.40	<b>£254.40</b>	£318.00	£63.60	<b>£381.60</b>	£530.00	£106.00	<b>£636.00</b>	<b>£689.00</b>
£40,000.01	£50,000.00	£250.00	£50.00	<b>£300.00</b>	£375.00	£75.00	<b>£450.00</b>	£625.00	£125.00	<b>£750.00</b>	<b>£812.50</b>
£50,000.01	£60,000.00	£288.00	£57.60	<b>£345.60</b>	£432.00	£86.40	<b>£518.40</b>	£720.00	£144.00	<b>£864.00</b>	<b>£936.00</b>
£60,000.01	£70,000.00	£326.00	£65.20	<b>£391.20</b>	£489.00	£97.80	<b>£586.80</b>	£815.00	£163.00	<b>£978.00</b>	<b>£1,059.50</b>
£70,000.01	£80,000.00	£364.00	£72.80	<b>£436.80</b>	£546.00	£109.20	<b>£655.20</b>	£910.00	£182.00	<b>£1,092.00</b>	<b>£1,183.00</b>
£80,000.01	£90,000.00	£402.00	£80.40	<b>£482.40</b>	£603.00	£120.60	<b>£723.60</b>	£1,005.00	£201.00	<b>£1,206.00</b>	<b>£1,306.50</b>
£90,000.01	£100,000.00	£440.00	£88.00	<b>£528.00</b>	£660.00	£132.00	<b>£792.00</b>	£1,100.00	£220.00	<b>£1,320.00</b>	<b>£1,430.00</b>
£100,000.01	£110,000.00	£458.00	£91.60	<b>£549.60</b>	£687.00	£137.40	<b>£824.40</b>	£1,145.00	£229.00	<b>£1,374.00</b>	<b>£1,488.50</b>
£110,000.01	£120,000.00	£476.00	£95.20	<b>£571.20</b>	£714.00	£142.80	<b>£856.80</b>	£1,190.00	£238.00	<b>£1,428.00</b>	<b>£1,547.00</b>
£120,000.01	£130,000.00	£494.00	£98.80	<b>£592.80</b>	£741.00	£148.20	<b>£889.20</b>	£1,235.00	£247.00	<b>£1,482.00</b>	<b>£1,605.50</b>
£130,000.01	£140,000.00	£512.00	£102.40	<b>£614.40</b>	£768.00	£153.60	<b>£921.60</b>	£1,280.00	£256.00	<b>£1,536.00</b>	<b>£1,664.00</b>
£140,000.01	£150,000.00	£530.00	£106.00	<b>£636.00</b>	£795.00	£159.00	<b>£954.00</b>	£1,325.00	£265.00	<b>£1,590.00</b>	<b>£1,722.50</b>

**TABLE E - ASSESSED CHARGES for estimated cost of work in excess of £150,000**

Individual assessment of Building Regulation charges, on a project by project basis, will be made when projects fall outside of “standard” charge limits, where multiple standard charges apply and / or where the estimated cost of controllable building work exceeds £150,000. Assessed charges are to be determined following submission of full plans, inspections, building notices, reversion applications, and regularisation applications as applicable or, alternatively, on submission of sufficient detail to assess the charge. In general, you should supply sufficient detail and plans for Building Control to assess the charge. The charges determined will be specified and confirmed in writing taking into account the factors listed below. The charges may be increased or decreased depending on the assessment, which will be specified and confirmed in writing.

1. the existing use of a building, or the proposed use of the building after completion of the building work;
2. the different kinds of building work described in regulation 3(1)(a) to (i) of the Building Regulations 2010 (as amended).
3. the floor area of the building or extension;
4. the estimated duration of the building work and the anticipated number of inspections to be carried out;
5. the estimated cost of the controllable building work;
6. the nature of the design of the building work and whether innovative or less conventional construction techniques are to be used; and
7. whether the person who intends to carry out part of the building work is a person named in a self-certification scheme or list of exemptions under schedule 3 of the Building Regulations 2010 (as amended); or is carrying out the descriptions of work where no building notice or deposit of full plans is required under schedule 4 of the Building Regulations 2010 (as amended) both as mentioned in building regulation 12(6), or is a person who is registered by the British Institute of Non-destructive Testing under regulation 43 of the Building Regulations 2010 (as amended);
8. whether in respect of the building work a notification has been made that design details approved by Robust Details Limited are to be used as outlined in regulation 41 of the Building Regulations 2010 (as amended);

9. whether an application or building notice is in respect of two or more buildings, building works are substantially the same as each other and in close proximity;
10. whether an application or building notice is in respect of building work which is virtually identical to building work in respect of which plans have previously been deposited or building works inspected by the London Borough of Brent
11. whether chargeable advice has been given which is likely to result in less time being taken by the London Borough of Brent to perform the chargeable function; and
12. whether it is necessary to engage and to incur the costs of a consultant to provide specialist advice or services in relation to a particular aspect of the building work.

The charges may be increased or decreased depending on the assessment, which will be specified and confirmed in writing. Costs will be assessed taking account of the published hourly rate within the Charges Scheme.

Notes: Where the London Borough of Brent has determined a Building Regulation charge and the actual amount of work required of the Council is more than that which was originally anticipated and for which payment has been made, the London Borough of Brent may raise a supplementary charge in respect of any additional work carried out. The request for any supplementary charge will be accompanied by a statement setting out the reason for the assessment and the calculation of the supplementary charge necessary. Where the amount of work required of the Council is significantly less than that which was estimated, payment of Building Regulation charges has been made in full and a completion or regularisation certificate issued, the Council will refund in legitimate cases, upon request, an amount equal to the charge attributable to the work that they agree was not required. In either case, one hour of an officer's time will be disregarded.

VAT values in Annex A are for guidance only. The total charge is calculated initially and then VAT applied at the appropriate rate to determine the total charge payable.

**IF YOU REQUIRE A LARGE PRINT COPY OF BUILDING REGULATION CHARGES GUIDE – PLEASE CONTACT Brent Building Control on 020 8937 5210.**

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# **Budget & Finance Overview & Scrutiny Committee**

## **Final Report**

February 2013

### **Membership**

**Councillor Hopkins (Chair)**  
**Councillor A Choudry(Vice Chair)**  
**Councillor D Brown**  
**Councillor S Choudhary**  
**Councillor Naheerathan**  
**Councillor HB Patel**  
**Councillor Ketan Sheth**  
**Councillor Van Kalwala**

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## Chair's Foreword

It is with great pleasure that I introduce the final report of Brent Council's Budget & Finance Overview & Scrutiny Committee.



This is my first year as Chair of this committee and the committee's third year of operation. I, and my colleagues, many of whom are still relatively new to the council have continued to collectively develop our understanding of the complex issues involved and the budget setting process. We have focussed on the administration's priorities, the medium term financial context within which we expect to operate and changes to national priorities and policies that need to be considered when developing a robust budget. We have continued to challenge where needed, and to question robustly, whilst always endeavouring to be both objective and constructive.

The committee took evidence from a wide range of witnesses in the course of our enquiries. On behalf of my colleagues I would like to thank those officers and Executive members who took the time to prepare reports and presentations and to attend our meetings.

Executive Members:

- Councillor Butt, Leader of the Council
- Councillor Ruth Moher, Deputy Leader of the Council and Lead Member for Finance & Resources
- Councillor Powney, Lead Member for Environment & Neighbourhoods

Officers:

- Phil Newby, Director Strategy, Partnership & Improvement
- Peter Stachniewski, Head of the Programme Management Office
- Andy Donald Director of Regeneration & Major Projects
- Alison Elliott, Director of Adult Social Care
- Elizabeth Jones, Assistant Director of Finance (ASC)
- Krutika Pau, Director of Children & Families
- Mustafa Salih, Assistant Director Strategic Finance (C & F)
- Sue Harper Director of Environment and Neighbourhood Services
- Michael Read, Assistant Director Policy & Regulation (ENS)
- Jenny Isacc, Assistant Director Environment & Neighbourhoods
- Bharat Jashapara, Assistant Director Strategic Finance (ENS)

I would also like to take this opportunity to thank members of the committee for their efforts during the course of our deliberations. Their proactive approach and dedication have ensured a lively and productive overview & scrutiny process.

Finally thanks must go to Mick Bowden, Deputy Director of Finance, Jacqueline Casson, Acting Corporate Policy Manager, Strategy, Partnerships and Improvement, and Lisa Weaver, Democratic Services Officer for their support to the committee.

**Councillor Hopkins**

**Chair of the Budget & Finance Overview & Scrutiny Committee**

## 1. Introduction

The Budget and Finance Overview & Scrutiny Committee undertakes an in-depth review of the council's financial performance, medium term financial strategy, budget proposals and measures being taken to deliver a robust budget capable of delivering the administration's priorities as outlined in the Borough Plan. This includes examining the main issues, risks and pressures facing the council and the actions being taken to militate against them. In addition, the committee's report aims to be a source of easily understandable information for all non-executive councillors, thus enabling robust challenge and debate on the administration's budget proposals.

The national economic outlook is gloomy with predictions about economic growth being consistently and universally revised downwards. The forecast provided by the Office of Budget Responsibility (OBR) has changed from +0.75% announced with the budget in March 2012 to -0.1% announced with the Autumn Statement in early December 2012. The coalition government has made clear that it will continue with its deficit reduction strategy extending government spending cuts beyond the timescales envisaged at the time of the 2010 Comprehensive Spending Review. The context within which the council is setting the 2013/14 budget is therefore difficult, unlikely to improve in the near future and presents an on going challenge. Brent Council will continue to face some difficult decisions about the services that are delivered and the size and shape of the organisation well beyond the life of the current parliament. One of the Budget & Finance Overview & Scrutiny Committee's main areas of investigation has been to review how the administration proposes to achieve a balanced realistic budget and deliver on its priorities, whilst taking advantage of any opportunities that arise.

The One Council Programme, which was launched in 2009, aims to ensure a planned approach to budget reduction and organisational transformation and continues to be the main driver within the council's medium term financial strategy delivering £54.6 million of savings from existing and completed projects by the end of the financial year 2012/13. It is the transformation of services that continues to provide the bulk of the required savings. This committee's main interest in this programme is concentrated on its ability to generate those savings.

The committee's remit includes:

- Participating in the budget setting process
- Assisting in the setting of the council's budget within the context of the Borough Plan.
- Supporting the longer term service planning of the council by focusing its discussions on the Medium Term Financial Strategy, the principles for budget setting, the robustness of the budget and the ability to deliver savings, key revenue budget outputs and decisions, and key capital budget outputs and decisions.

The Committee has three opportunities to make its views known to the administration and to the council as a whole. These are:

- **First interim report** prior to the draft budget
- **Second interim report**, which builds on the first report and includes recommendations on the draft budget prior to it being agreed by the Executive



- **Final report**, which builds on the second report and includes recommendations on:
  - the Executive's budget prior to it being debated at Full Council;
  - the budget process; and
  - the budget scrutiny process.

This report is the final report of the Budget & Finance Overview & Scrutiny Committee and contains the committee's recommendations to the Executive.

## 2. Recommendations

1. That a clear and detailed set of priorities be developed to help ensure the successful delivery of the council's budget and to report to the Budget & Finance Overview & Scrutiny Committee on how savings are being made in the context of the priorities.
2. When setting the councils budget for 2013/14 the Administration should take into account the level of funding that will be available for the 2014/15 budget and endeavour to allow for forecast future reductions.
3. Continue to recall any Department that overspends its quarterly budget by 2.5% to the Budget and Finance O&S Committee paying particular attention to the main areas of overspend:
  - Adult Social Care
  - Children's Social Care and related legal costs
  - Temporary Accommodation
  - Environment and Neighbourhoods
4. That special attention be paid to the Children and Families budgets in future to align these more realistically with true spend.
5. That the council continues an aggressive policy towards maximising and realising Community Infrastructure Levy wherever possible.
6. That the council examines the use of outside consultants and temporary staff on an on going basis in order to ensure that such resource is only used where absolutely necessary and that best value procurement practice is always followed, with tight controls on costs
7. That the committee continue to receive regular reports on the One-Council programme to ensure it is achieving its savings targets In line with the overall project plan.
8. That the One Council programme become a standard and continuing workstream which seeks to constantly asses, monitor, measure and improve service and performance whilst reducing costs.
9. That the council develops a clear and coherent policy in regards to dealing with the business rates retention scheme which will be introduced in April 2013 including providing financial information on the levels of tariff/top-up payments.
10. That outline strategies are developed on how the council will provide a strong financial incentive to promote economic growth, particularly as local authorities will be able to keep a proportion of the business rates revenue that is generated in their area under the government's new business retention scheme
11. That the council continues with the current medium budget strategy to achieve reserves of £12m by 2013/2014.

12. That a financial review of the impact of population figures in the 2011 Census takes place, including the extent to which the government will increase grant to fund the increase in Brent's population to the actual figure of 312,000.
13. That an update on the council's Capital Programme is provided, which includes highlighting any slippages from previous financial years, sources of funding, developer contributions and the on-going need to provide additional school places.
14. That the Administration provides guidance to Members on the council's position on setting the council tax levels for 2013/2014.
15. That the Administration undertake initiatives to facilitate economic growth and support local businesses

### 3. Methodology

The budget scrutiny process mirrors that of the budget setting process and started in July 2012. At the committee's first meeting the Deputy Director of Finance provided an overview of the budget strategy 2013/14 to 2015/16 and the main factors that would influence the budget setting process. This included details about resource assumptions, updated budget gap, the capital programme and the One Council Programme. The resulting discussion helped to inform the development of the committee's work programme and highlighted areas of investigation. So far the committee has taken the following evidence:

- The then Director of Finance & Corporate Services attended the committee in September 2012 to provide a budget update.
- The Deputy Director of Finance provided regular updates on the budget process, budget gap, budget pressures and the future financial prospects for the council.
- The Deputy Director of Finance informed us about the proposed changes to Local Government Finance
- The Director of Regeneration & Major Project provided information about the current budget position, budget pressures and risks, future saving and the capital programme.
- The Director of Environment & Neighbourhoods, the Assistant Director of Strategic Finance, the Assistant Director of Environment & Protection and Assistant Director of Neighbourhood Services provided information about the role of the department since it's restructure in 2010, the current budget position, budget pressures and the department's One Council projects.
- The Director of Adult Social Care and the Assistant Director of Finance provided information on the Adult Social Care budget for 2012/13, service pressures including unit cost trends and the transformation projects aimed at producing savings.

- The Director of Children & Families and Assistant Director of Strategic Finance informed the committee about the department's current budget position, actions being taken to control the overspend and transformation projects that were aimed at making savings and efficiencies.
- The Director of Strategy, Partnership & Improvement and the Head of the Programme Management Office provided an overview of the One Council Programme and projected savings.
- Councillor Muhammed Butt, Leader of the Council and Councillor Ruth Moher, Lead Member for Finance and Resources and Deputy Leader of the Council attended every meeting to answer questions, discuss the First Reading Debate Papers and set out the administration's approach to setting a robust budget.
- Councillor Ruth Moher, Lead Member for Finance and Resources presented the administration's draft budget
- The committee requested and is now receiving monthly reports on all services summarising budget, spend, forecast and variances to date, with reasons and exceptions noted.

## 4. Discussion

### 4.0 *Budget Gap and Budget Risks*

- 4.1 In July 2012 we received a report and presentation which set out the context within which the budget for 2013/14 was being developed. This included information on the economic conditions, projected spending, resources, pressures and opportunities. Assumption for spending included pay inflation of 1%, although no general inflation for 2013/14 and future years was assumed, an additional pension fund contribution and provision for additional demand pressures. Resources included formula grant, council tax base and collection and a proposed council tax increase for 2013/14 of 3.5%. After taking resources and spending into account we heard that budget gap would be bridged for 2013/4. The predicted gap for 2014/15 was £2.5m and for 2015/2016 it was £7.5m.
- 4.2 By the time of our November meeting the economic situation had worsened and the government had made a number of announcements that would impact on the development of budget proposals. These included: a council tax freeze grant, which would provide one off funding while limiting any council tax rise that council's could make if they decided not to take the grant and the top slicing of £4m from the Early Intervention Grant. On a more positive note we heard that the new census population figures could result in around £4m extra in grant funding, a council tax surplus would provide an additional one off £1.8m and a small underspend of £0.1m was predicted for the current financial year.
- 4.3 A number of risks and uncertainties were highlighted in both July and November. These were:
- The overall economic position
  - Council tax benefits – a budget gap of around £5.2m if a new scheme was not agreed

- Further announcements by central government
- Housing Benefit subsidy regime / increase in Temporary Accommodation
- Level and complexity of One Council Savings
- Lack of growth to council tax base
- Delay in the Autumn Statement and local government settlement – not expected until 20<sup>th</sup> December
- Localisation of business rates

- 4.4 We heard that the lack of growth in the council tax base as a result of short term council tax freeze grant funding would result in forgone income, over the three years the council tax freeze grant scheme had been in place, of around £7m. In the autumn the government announced that it would lower the local authority council tax referendum threshold to 2% and that the council tax freeze grant would provide the equivalent of a 1% council tax increase. This would make any decision to increase council tax this year very difficult.
- 4.5 The committee explored the risks associated with the localisation of council tax benefits. We were informed that the government's proposals would see the existing demand led subsidy scheme replaced by a fixed grant that will be at least 10% lower in value than the current 100% subsidy scheme. The council's options for dealing with the deficit included: financing the deficit which could cost up to £6m or developing a new Council Tax Benefit Scheme for Brent by modifying the existing scheme within the parameters set out by government. Any new scheme would need to be agreed and published by 31<sup>st</sup> January 2013 to ensure that the council would not be forced to continue with the current government scheme which would result in the council needing to find savings from elsewhere. Developing a new scheme would necessitate some complex modelling and difficult decisions. At our December meeting we heard that following consultation a proposed new scheme was due to be discussed and agreed at a special Full Council meeting later in December.
- 4.6 The government's new mechanism for funding local government, the localisation of business rates, will be introduced from 2013/14 and will replace the Formula Grant mechanism of funding. We were informed that the proposals had changed since it was first announced. Although it was due to start in 1<sup>st</sup> April 2013 the legislation was not due to receive royal assent until November / December 2012. A number of specific grants would be included in the totals including:
- Early Intervention Grant
  - Council tax support grant
  - GLA general grant
  - Bus service operators grant – London bus element
- 4.7 In changing the proposals from those originally announced the scheme had become more complex with an increased level of uncertainty around future funds. It was explained that the baseline would be set from April 2013. Out of the total of business rates collected, a 50% share would be returned to central government, which would be redistributed across local government to form the baseline. The GLA would receive 40% of the remaining 50% and Brent would be a top up authority.
- 4.8 In January 2013 the Deputy Director of Finance set out details of the provisional Local Government Finance Settlement for 2013/14. We were told that the settlement incorporates changes to the mechanism for funding as set out above and it was difficult

to compare funding between 2012/13 and 2013/14 because many of the funding streams had changed, moved or had ceased.

- 4.9 Using the government's spending power figures Brent would see a reduction of -0.5% in spending power as compared to national average of -1.7% in 2013/14. This was consistent with the report we received in July and reflected the significant rise in Brent's population published with the new Census data. However in 2014/15 the council will see a reduction of -5.1% in spending power as compared to a national average of -3.8%. The committee is concerned about this and would like to ensure that in developing budget plans for 2013/14 the Administration bears in mind the level of funding that will be available in 2014/15.
- 4.10 We heard that the council tax freeze grant for 2013/14 will be 'rolled in' to the base to become permanent funding. This equates to a council tax increase of 1.3%. Given that the government has set the level of council tax increase that will trigger a referendum at 2% the committee is keen that the Administration sets out clear guidance in relation to the council's position on setting council tax levels for 2013/14.

## 5.0 ***The One Council Programme***

- 5.1 The One Council Programme is one of the key planks of the council's medium term financial strategy. Launched in 2009, it is designed to fundamentally change the way that the council carries out its business by significantly improving the way it delivers services, whilst limiting the impact of budget reductions on residents.
- 5.2 The Head of the One Council Programme informed us that over the first four years the programme was tasked with delivering savings of between £90m and £100m. We were informed that the Programme has so far delivered £41.2m by the end of 2011/12. It is anticipated that in 2012/13 it will deliver £13.4m, bringing the cumulative total to £54.6m. By 2014/15 the cumulative financial benefits are budgeted to reach £77.9m.
- 5.3 In 2012/13 the anticipated cumulative total of £54.6m is £1.1m short of the budgeted benefits of £55.7m. We were informed that actions were being taken within the individual departments to address this shortfall and as a result the 2012/13 budget was projected to come in on target.
- 5.4 One Council financial benefits built into the medium term financial strategy are £10.337m in 2013/14 and £22.095m in 2014/15. These were being delivered through:
- Realignment of Corporate and Business Support in advance of the move to the Civic Centre;
  - Significant procurement activity tied in with service remodelling: Parking, Highways Operations, Public Realm, Supporting People;
  - Managing down cost of supplies across the organisation through improved procurement systems and capacity;
  - Managing down demand through the Waste Management project, the on-going impact of the changes to the Transitions Service, and policy responses to welfare reform;
  - Fundamental change to service provision working in partnership with others – integration of Health and Social Care and Working with Families.

- 5.5 We were informed that officers had recently reviewed the One Council Programme financial assumptions and have identified a forecast shortfall of £1.029m in 2013/14 rising to £2.371m in 2014/15. Measures were being taken to address this gap. These include identifying new projects and reviewing existing projects to see whether they could deliver additional savings.
- 5.6 The committee discussed some of the individual projects and the savings they were projected to make. One of our main areas of concern was how achievable and realistic some the challenging targets were. We heard that different projects had differing level and types of risk associated with them. However it was appropriate to set challenging targets while managing the risks within the individual project and within the council's budget as a whole. The approach has successfully delivered the high level of savings achieved to date.
- 5.7 Members of the committee asked about the costs associated with the Programme and when the Programme was expected to end. We were advised that the programme had to date accumulated one off cost amounting to £12.7m, the majority of this related to new technology and equipment. The council had successfully developed in-house skills for delivering the programme and only involved consultants when their particular expertise was not available in-house and only for as long as that expertise was required. It had been envisaged that the programme would last until the end of the government's comprehensive spending review period 2011/12-2014/15. It was now expected that local government would need to continue to achieve savings beyond this date.
- 5.8 Overall the committee felt that the One Council Programme was working well and delivering on its main objectives. Whilst there was a level of risk associated with delivering the programme members agreed that targets needed to be challenging in order to make the required transformational changes and maximise savings. We were satisfied that within the overall context of the level of savings the Programme was delivering, the budget gaps were manageable and that suitable actions were being taken to address these. The committee would like to express its support for the Programme and recommend that the administration continues to use the One Council Programme as the council's main way of delivering the required savings for as long as necessary.

## **6.0 Budget Pressures**

- 6.1 The committee spent some time exploring the main pressures the council faces when setting its budget. We were interested in exploring the short term pressures, the longer term pressures, the impact they would have on the council and the actions being taken to address them. To do this we focussed on the four largest spending departments.
- Regeneration & Major Projects
  - Environment & Neighbourhoods
  - Children & Families
  - Adults Social Care
- 6.2 The Director of Regeneration & Major Projects (RMP) informed us that the department's gross budget for 2102/13 was:
- General Fund £72m of which approximately £50m is spent on housing and £22m spent on property, planning and a raft of other projects

- Housing Revenue account £56m
  - Capital projects £220m which included the Civic Centre
- 6.3 We heard that the temporary accommodation budget was the department's and the council's single biggest budget pressure. There were a number of reasons for this including the Local Housing Allowance (LHA) caps introduced in April 2011 and further welfare reform that is due to be introduced in 2013/14, which included Universal Credit and the 'bedroom tax'. Homeless applications and acceptances were likely to increase with an estimated three to three and a half thousand people being worse off by up to £100 per week, though the Director felt that scale of the change had not yet been fully grasped by those affected. We explored what actions were being taken to militate against the risk associated with these changes. We were told actions included preventing people becoming homeless, rehousing out of the borough and helping people get into work, though the high level of rents in the borough and the current economic conditions provided a significant challenge.
- 6.4 The department is responsible for a number of areas that could have a positive impact on the council's budget such as the New Homes Bonus which will achieve £2.8m in 2012/13 and is estimated to achieve £4.2m in 2013/14, £5.6m in 14/15 and £6.6m in 15/16. The community infrastructure levy is also estimated to bring in £5m in 2012/13, £7m in 2013/14 and £7m in 2014/15.
- 6.5 The committee spent some time discussing Section 106 money and the work that the department had recently undertaken to ensure clarity around the monies available and a mechanism to spend it. Currently £16.5m was unspent though £9.3m of this had been allocated. A further £32m was yet to be triggered. We were pleased to hear that Brent was amongst the most aggressive local authorities when it came to getting the money from developers, that this work had been undertaken and that ward based information about S106 would be made available to members upon request.
- 6.6 We were informed that the department was on track to deliver £2.594m of agreed savings for 2012/13. Furthermore BHP optimisation would produce 13.6% savings over four years, these related to efficiencies and governance. We were also told that the Housing Revenue Account has been self financing from April 2012. The government has paid off £200m which amounted to half of the debt and the council now keeps all of the rent, though this was not without risk.
- 6.7 Two items dominate the council's capital budget. The schools programme will spend £68m in 2012/13 which would provide sufficient primary provision but would not meet the projected shortfall in secondary provision. A further £119m would be needed beyond 2012/13 though £83m of this is currently unfunded. The Civic Centre will spend £58m in 2012/13 though this is projected to save £3m per year after costs. Other capital projects include:
- South Kilburn - £22m in 2012/13
  - Willesden Green Redevelopment
  - John Billam scheme £5.5m
- 6.8 The committee explored how the capital portfolio and its associated risks were managed. We heard that following a recent review a full governance process was now in place which included gateway reviews for each project and programme stage, monthly portfolio status reporting and quarterly reporting to CMT.



- 6.9 The Director of Environment and Neighbourhoods informed us that whilst the department had delivered significant savings over the last three years, £500k in 2010/11, £10.7m in 2011/12 and £3m in 2012/13, it faces significant budget pressures. The are:
- Rise in landfill tax from £93 - £101 per tonne
  - Increase in utility cost for street lighting
  - Contractual inflation
  - Achieving One Council savings targets
- 6.10 Members of the committee were concerned to hear that a shortfall in the West London Waste Authority (WLWA) budget meant that the council would be asked to contribute a further £609k in 2012/13 and an additional levy of at least £800k in 2013/14. We heard that whilst it was known that the WLWA had some problems with their 2011/12 accounts an action plan was in place to manage and recover the situation. It had not become clear until late October that this could not be delivered. We asked if the council had to pay, but we were informed that as the levy was statutory we had no option but to pay. The committee was keen to ensure that the council was clear about what had gone wrong and what mechanisms could be put in place for the future operation of the WLWA and discussed a report on this at our January meeting.
- 6.11 We were informed that while the council was recycling 43.8% (Q1) as a percentage of household waste. The amount of waste going to landfill, including waste that had been picked up as a result of fly tipping, has reduced however this had not been enough to mitigate against the increased cost. Information about the work being undertaken to reduce amount of waste going to landfill and therefore reduce cost was discussed at our January meeting.
- 6.12 The Director told us that a large proportion of the department's budget almost £50m comes from internal and external income. This level of income could become increasingly difficult to maintain if as predicted the current economic conditions continue. Members explored the levels of income derived from parking enforcement and the mechanisms in place to recover debt. We heard that a corporate policy for debt recovery had been introduced and at present the council recovered approximately 69% or PCN related charges and there was a work stream within the One Council Programme to examine this.
- 6.13 There were a number of One Council Project linked to the department which were expected to result in significant savings related to procurement activities are: the Public Realm contract, the parking contract and the Highways contract.
- 6.14 The Director of Adult Social Services informed us that out of a departmental budget of £90.75m there was currently an overspend of £500k which was due to historical pressures from children transitioning in to adulthood but that this would be dealt with from within the department's overall budget. As a result of a One Council Project a new transitions service had been put in place with the aim of preparing children from the age of 14 to transition into adult life. While this has not produced the estimated savings this year it is envisaged that savings would be made in future years.
- 6.15 Over the last three years the department had achieved £13.42m of savings, which were largely due to better commissioning and procurement, particularly from taking advantage of the greater buying power of the West London Alliance. Many of the projects undertaken by the department have resulted in service transformation which focussed on a personalised approach to enable individuals to exercise greater choice and control. The reablement project for instance aimed to enable residents to regain independence

and reduce their dependence on services thus delaying demand for more costly services.

- 6.16 Members wanted to explore how the council could make greater move towards intervening at an earlier stage to save cost in the long run. We heard that the currently the eligibility criteria for receiving a service are set at substantial and critical which means that the emphasis is on intervening at a later stage rather than on early intervention and prevention. However the transfer of responsibility for public health to the council and partnership working with the Clinical Commissioning Group offers huge opportunities to develop more early interventions. For example an enhanced reablement pilot for older people with complex needs has recently started.
- 6.17 We asked how confident the Director was about achieving future savings. We were told that there was a high level of confidence around this year's budget but there were difficult questions to consider about how we deliver services in future. The main budget pressures faced by the department in the future included: the ability to commission services at a lower rate, increase in demand from a growing population, the complexity of cases, the ability to collect income and staffing costs. Members were presented with information on trends around unit costs which illustrated how costs were currently being controlled or reduced. One area of concern however was around the average weekly cost of mental health packages which can be distorted by the high cost of a few complex cases. We were told that a One Council Project was underway to address this.
- 6.18 The Director of Children and Families informed us that the department was organised into two divisions Social Care and Early Help and Education. The department had a general fund budget of £44.944m and a schools budget of £254m funded via the Dedicated Schools Grant (DSG). The bulk of the general fund was spent on child protection and placements while the Schools Forum had increasing decision making powers around a significant proportion of the DSG. The department was on track to deliver on budget for 2012/13, however there was a projected overspend in the social care placements budget, which will be met by redirecting funds from other areas of the department's overall budget. We were concerned that the social care placements budget has overspent in all of the last three years and on all occasions this has been met from within the departments overall budget. We believe that it is important to get the basic budget position right by, in the first instance, reviewing how the departments overall budget is allocated.
- 6.19 We were told that social care placements were largely demand led due to a range of factors including: changing demographics, increased levels of deprivation and incidences of domestic violence. This had meant that there was an increase of 8.5% in the number of children supported by the department in the last two years. Costs had been reduced by 16% over the last three years through a number of One Council Projects and the department was actively working with the West London Alliance to renegotiate contracts to reduce costs further. In addition a new methodology for assessing risk had been introduced and whilst child protection thresholds remained unchanged there had been a reduction in the number of children being placed into care. In examining the benchmarking data provided members queried whether there was a correlation between the quality of the care provided and the level of expenditure per child and were told there was not. Members also suggested that benchmarking figures with statistical neighbours would provide more a robust comparison.
- 6.20 Further budget pressures faced by the department in 2012/13 and future years included their ability to meet the savings target for the Working with Families One Council Project, the high level of social work case loads, SEN transport and services to schools. We were pleased to hear about the focus on early intervention and believe that this will lead

to better outcomes for children and families. However we were keen to explore how realistic the savings targets attributed to the Working with Families project were. The Director informed us that the targets were ambitious and some targets will be difficult to meet though they would be closely monitored via the One Council Project Board.

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## **NON-SERVICE AREA BUDGETS - CENTRAL ITEMS**

### **1. SUMMARY**

- 1.1 This Appendix provides details of all other General Fund budgets that are not included within service area budgets. These come under the headings of Central Items in the summary budget at Appendix B. It should be read in conjunction with Section 4 on Brent's 2013/14 budget proposals.

### **2. DETAIL**

- 2.1 The table to this Appendix summarises the budgetary implications for the council for 2013/14 and the potential requirement for the next three financial years. The following sections of this Appendix take each of the items in turn.

### **3. AGENCY/THIRD PARTY BUDGETS**

- 3.1 Agency and third party budgets are set out below. These are generally payments over which the Council has limited control in the short term.

#### **3.2 CORONERS COMMITTEE**

- 3.2.1 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. Brent's final outturn for 2011/12 was £226k. The estimated figure for 2012/13 is in line with the budget of £235k.

- 3.2.2 The 2013/14 budget is not yet available and is not expected before the Brent budget is set. We are expecting the budget to rise partly from the effect of revised population figures following the 2011 Census and therefore estimate a budget of £238k.

#### **3.3 LOCAL AUTHORITY ASSOCIATIONS**

- 3.3.1 The council is a member of the Local Government Association (LGA) and London Councils. The objectives of both organisations 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 concentrate on issues affecting London boroughs.

- 3.3.2 Brent's 2013/14 subscription paid to The Local Government Association has been set at £43k for 2013/14. This is a reduction of £1k from the 2012/13 subscription of £44k.

- 3.3.3 The London Councils' subscription covers a number of cross London bodies. The 2013/14 subscription will be levied as follows:

	<b>2013/14</b>
	<b>£'000</b>
London Councils :	
Core	165
London Government Employers	4
Total Main Subscription	<u>169</u>
Young Peoples Education & Skills Board	<u>3</u>
<b>Total</b>	<b><u>172</u></b>

The core contribution for 2013/14 has reduced by 2.3% from £176k in 2012/13 to £172k. This is a reduction of £4k from 2012/13. The Central budget for the subscription is £172k inclusive of £4k for Local Government employers charge. The costs of the Young Peoples Education & Skills Board will be met by Children and Families directly. In addition to the above other service areas receive charges principally the London Councils grants scheme charge of £342k which is met by Strategy, Partnerships and Improvement.

### **3.4 LOCAL GOVERNMENT INFORMATION UNIT**

3.4.1 The council subscribes to the Unit. It is an independent research and information organisation supported by over 150 councils. For 2013/14 Brent's subscription will remain unchanged at £26k.

### **3.5 WEST LONDON ALLIANCE**

3.5.1 The West London Alliance is a cross-party partnership between a number of West London local authorities, which aims to provide a collaborative service and a clear single voice by lobbying on behalf of the area's residents, service providers and business communities. The subscription for 2013/14 will total £30k.

### **3.6 COPYRIGHT LICENSING**

3.6.1 The Copyright Licensing Agency licenses public and private bodies to photocopy and scan material from books, journals and periodicals. The actual spend in 2012/13 was £20k and we expect the charge for the 2013/14 subscription to remain unchanged at £20k.

### **3.7 EXTERNAL AUDIT**

3.7.1 The Department for Communities and Local Government (DCLG) announced in August 2010 of the intention to disband the Audit Commission. In July 2011 the Audit Commission announced that it had agreed to transfer the work of its in-house audit practice to the private sector, by outsourcing through a

procurement exercise. As a result of the procurement process KPMG became auditors to all North London authorities from 1<sup>st</sup> Sept 2012 for a period of 5 years. After that time, authorities will be expected to tender for their own services. The Commission is expected to reduce significantly in size by the end of 2012/13 as a consequence of the outsourcing but will remain to oversee the contracts and make auditor appointments prior to the introduction of a new audit framework.

- 3.7.2 This budget relates to the work undertaken by KPMG in relation to the statutory audit of the Council's financial statements and grant claims. For 2012/13 the budget for external audit fees was £474k and this is expected to reduce to £380k in 2013/14 reflecting the efficiencies gained from the tender process.

### **3.8 CORPORATE INSURANCE POLICIES**

- 3.8.1 This budget encompasses the policies for public liability, fidelity guarantees, employer's liability, officials' indemnity, personal accident, engineering and terrorist insurance not linked directly to specific properties. It also includes claims handling. Premiums for premises, contents and vehicles policies are charged to units and service areas. The central contribution to the cost of council-wide policies will be £380k for 2013/14 compared to £360k for 2012/13. This figure excludes the much larger contribution to the self-insurance fund (Paragraph 9 of this section)

## **4 CAPITAL FINANCING CHARGES AND INTEREST RECEIPTS**

- 4.1 These budgets are a direct result of borrowing to finance capital programme expenditure and are strongly influenced by external factors linked to the economy and the movement of interest rates. Members will be aware of significant changes in recent years and should also reference the Treasury Management Strategy included in Section 10 of the main report. They also reflect the overall level of the capital programme (see Section 9). The two budgets reviewed in this section are:
- (a) Interest receipts which the council estimates it will receive from positive cash flow and holding reserves during 2013/14.
  - (b) Capital Financing Charges, which are the principal repayments and interest on the council's borrowing.
- 4.2 In the recent past the council has underspent on this budget. This reflected successful debt restructuring exercises, new borrowing at lower than anticipated interest rates, higher than estimated interest receipts and improved cash flow. The current low level of interest rates continues to support the budget, but the capital programme will increase the budget in future years.

- 4.3 The council is estimated to have in excess of £430m of long-term debt outstanding at 31<sup>st</sup> March 2013. The average interest rate on existing loans, following debt restructuring, is around 4.7%. Opportunities for debt restructuring remain limited as the current Public Works Loan Board arrangements mean that relatively expensive historic debt held by the Council cannot be repaid early without incurring significant premia. This is reviewed on a regular basis. Investments are estimated to average £60m during 2013/14, with an estimated average return of 0.5%, reflecting very low rates on new deposits. Interest on investments is shared between the General Fund and other interest bearing accounts. The budget assumes long term borrowing will be at 4.5% although some borrowing may be taken at lower variable rates.
- 4.4 The net budget for 2013/14 for interest receipts and capital financing charges is £25.107m inclusive of civic centre costs (2012/13 £25.563m). It is forecast that interest earned on deposits in 2012/13 will amount to £260k and the estimate for 2013/14 is £200k. It is not expected that Interest rates will rise during 2013 but this is dependent on the state of the national economy and international markets in 2013/14. The position in future years will be considered as part of the Medium Term Financial Strategy.

## 5. LEVYING BODIES

- 5.1 Levying bodies are defined by statute. They have an absolute right to demand payment from the council and that payment must be met from the General Fund.
- 5.2 Levies estimated to be paid in 2013/14 are shown below.

	<b>2012/13 Actual £'000</b>	<b>2013/14 Estimate £'000</b>
Lee Valley Regional Park	282	253
London Pension Fund Authority	333	309
Environment Agency	192	181
West London Waste Authority – Fixed Cost Element	1,713	2,634
	<b>2,520</b>	<b>3,377</b>

- 5.3 A council tax base for 2013/14 of 77,191 was agreed by General Purposes Committee on 22 January 2013 (this reflects the changes in council tax support implemented as part of the 2012 Local Government Finance Act). All the levies are calculated on each authority's relative tax base. This means that changes in levies paid by Brent may not be exactly the same as increases or decreases in the budgets of the levying bodies.



#### 5.4 Lee Valley Regional Park Authority (LVRPA)

LVRPA is funded by a levy on all London Boroughs, Essex and Hertfordshire County Councils and Thurrock Unitary Authority. Its purpose is to *“regenerate, develop and manage some 10,000 acres of Lee Valley which had become largely derelict and transform it into a unique leisure and nature conservation resource for the benefit of the whole community.”* The LVRPA have announced a levy reduction of 2% which together with effects of changes to the council tax base has reduced the levy to £253k from the figure of £282k in 2012/13.

#### 5.5 London Pensions Fund Authority (LPFA)

The LPFA levy is to meet expenditure on premature retirement compensation relating to former employees of the Greater London Council (GLC). It is split between all London Boroughs but Inner London Boroughs bear significantly higher charges.

The main LPFA levy for outer London boroughs was broadly unchanged in 2012/13 and has been frozen in 2013/14 however the effects of changes to the council tax base has reduced the levy to £309k from the figure of £333k in 2012/13.

#### 5.6 Environment Agency

For 2013/14 most flood defence expenditure will again be funded directly by the Department for Food and Rural Affairs (Defra). As in previous years, a small element remains payable relating to regional schemes, many of them to improve flood defences. The Environment Agency has increased their levy by 5% however the effects of changes to the council tax base has reduced the levy to £181k from the figure of £192k in 2012/13.

#### 5.7 West London Waste Authority (WLWA)

WLWA was established by statute in 1986. It is responsible for the waste disposal of six boroughs. These boroughs are Brent, Ealing, Harrow, Hillingdon, Hounslow and Richmond-upon-Thames. The boroughs are responsible for the collection of waste in their areas.

5.8 The charges from the WLWA are split into two parts - a fixed element and a variable element. The fixed charge is apportioned according to each constituent authority's council tax bases before the start of the financial year and is included in the central levy costs. The variable element was called Pay As You Throw (PAYT) and was charged according to the tonnages delivered to WLWA. Charges varied depending on the type of waste sent for disposal such as landfill or organic waste and these costs are now paid for by Environment & Neighbourhood Services.

- 5.9 For 2013/14 the fixed charge will increase to £2.634m from £1.713m in 2012/13 subject to final confirmation. This increase in charges is due to errors by the WLWA in their budget preparation for 2012/13 and unexpected overspends in their 2011/12 accounts which led to them having to issue a supplementary levy of £3.6m over the 6 boroughs during 2012/13. These increases are now built into the 2013/14 base which accounts in part for the significant increase in the levy.

## **6. PREMATURE RETIREMENT COMPENSATION (PRC)**

- 6.1 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. The amount paid to pensioners is uplifted by the Consumer Price Index (CPI) inflation rate applicable in the previous September (2.2%). It is now estimated that a provision of £5.224m will be required in 2013/14 taking into consideration a reduction in the number of pensioners.

## **7. REMUNERATION STRATEGY**

- 7.1 The council has faced a range of significant challenges in its approach to remuneration for its staff. These included resolving a range of contractual and 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 the required skilled staff.
- 7.2 Given the one off nature of the charges against this budget it is now planned to meet any future commitments from the Authority's remuneration reserve and to delete this budget of £229k.

## **8. SOUTH KILBURN DEVELOPMENT**

- 8.1 Work on the regeneration of South Kilburn is progressing well. To date 229 new homes have been completed as part of 'Phase 1a' (*defined as Texaco Garage Site, Macdonald House, Marshall House Albert Road Zone 11a and the Carlton Vale Roundabout Site Zone 3C*) of the South Kilburn Regeneration Programme. 181 of these new homes are affordable and have been occupied by South Kilburn households.
- 8.2 A further 131 new homes will be completed at the Carlton Vale Roundabout Site Zone 3C in February 2013. This will mark the completion of Phase 1a. During February and March 2013 75 South Kilburn households, mainly from Bronte House and Fielding House, will move into the new affordable homes, thereby facilitating vacant possession of Bronte House and Fielding House for redevelopment.
- 8.3 In July 2012 Catalyst Housing Group started work on three sites comprising Phase 1b to build and manage 208 new homes. These developments are due

for completion in summer 2014. Once complete, 107 new homes will be made available to existing South Kilburn households.

- 8.4 The Council has also secured planning permission for 480 new homes as part of Phase 2. A mini competition procurement process is currently underway to appoint a South Kilburn framework partner to build and manage 229 new homes on the Bronte House and Fielding House site. Officers hope to secure Executive approval for award of contract in spring 2013. The demolition of Bronte House and Fielding House will commence thereafter. This will be a landmark achievement, removing two of the worst tower blocks in the area which have blighted the landscape for over 30 years.
- 8.5 An OJEU procurement process is also underway to dispose of Site 11b (which comprises of the former British Legion and Albert Road Day Care Centre) to a developer partner to build 144 new homes of which 28 will be affordable and made available to existing South Kilburn households.
- 8.6 The capital receipt from the disposal of both Site 11b and Bronte House and Fielding House will be recycled back into the delivery of future phases of to ensure the momentum of the programme is maintained. In particular the capital receipt from the disposal of Site 11b will provide a cash injection into the programme enabling works to commence on some of the more challenging and difficult sites.
- 8.7 Design and planning work will shortly commence on the remaining Phase 2 sites comprising Peel Precinct, Gloucester, Durham, Masefield and Wordsworth House. It is intended the redevelopment of Peel Precinct will include the provision of a new Health Living Centre.
- 8.8 Projected revenue spending in 2012/13 will be in the region of £900k. This has been used to fund work on the decanting of residents, legal costs, independent advice for residents and other consultant fees. Provision of £900k has been made in the budget for 2013/14 to meet costs associated with decant costs, negotiations with the preferred development partners, legal costs, specialist consultant advice and ongoing independent advice for residents.

## **9. INSURANCE FUND**

- 9.1 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 has insurance policies to limit the council's overall exposure to large scale catastrophic events. The authority has an excess of £309k on any particular claim and has a maximum exposure of £3.5m 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, contents and vehicles. 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 amount in the Fund needed to be reviewed closely and significant on-going contributions would be required to ensure the Fund has resources to meet current and future claims.

9.2 The main strains on the Fund are as follows:

(i) Damage to Buildings

Building losses have averaged around £50k per annum for the last 4 years.

(ii) Tree Roots

The council operates a Tree Root Fund in order to cover structural damage to third party properties. The Tree Root Fund runs on a self insurance basis though the Council has a stop loss cover of £3.5m to limit our exposure. In recent years insurers have reassessed the way they undertake and deal with subsidence claims and these matters are now being fast tracked with the previous average of some three to four years in settling a claim being brought down to closer to 12 months. The Ministry of justice have been reviewing the claims process and Brent will be looking to adopt any measures recommended with a view to improving claims handling procedures. Insurers have also been seeking 100% of the damages from local authorities. The council has adopted an amended tree maintenance policy and work continues between the Insurance Section, Environment and Neighbourhoods and the Loss Adjusters on improving the way claims are being dealt with to help reduce costs.

(iii) Third Party Claims

The vast majority of third party claims relate to accidents by members of the public on the pavements and highways. Although there has been a downward trend in recent years however, the poor weather and increased number of potholes in recent winters has seen the number of claims rise, though we still compare well with other London boroughs.

9.3 The number of claims still remains relatively high. There is also an increase in the average cost of a claim for both tree roots and third party claims which means there is still significant pressures on the fund. Over a number of years through central contributions it has been possible to improve the position of the fund such it is now possible to recommend a budget of £1.5m for 2013/14 and future years a reduction of £300k from 2012/13.

## 10. FREEDOM PASS SCHEME GROWTH

10.1 The Freedom Pass Scheme provides free off peak travel for all people in London aged 60 or over. People with disabilities are funded for 24-hour travel on almost all tube and bus services and off peak on National Rail and

independently operated bus services in Greater London. From April 2008, the government introduced free off peak bus travel for all people aged 60 or over and people with disabilities to use anywhere in the UK and provided central funding to meet the additional cost of free off peak travel for non-residents.

- 10.2 For 2013/14 the cost of concessionary fares increased to £15.344m from £14.771m an increase of £573k. Overall, the costs of concessionary fares have increased by 4.8% for London Councils and 3.9% for Brent. The largest element in the increase relates to TfL fares where the Mayor announced on 7 November an increase of 4.2% across London's transport network which is 1% above RPI (July 2012).
- 10.3 For 2014/15 a decision needs to be reached on the incorporation of London Overground and National Rail usage figures into concessionary fares. Since 2009/10 usage data has been used to apportion part of the costs of the concessionary fares. An arbitration agreement was reached in 2008 which initially phased in the use of oyster card data instead of passes issued to apportion the costs of tube and bus travel in the proportion 40% 2009/10, 70% 2010/11 and 100% 2011/12. A requirement of the arbitration is that once two year's worth of usage data is available then it has to be used as part of the apportionment process. Next year this will be the case for London Overground and National Rail. If these changes were introduced at one go in 2014/15 it would see £7.2m of distributional changes with 20 boroughs gaining from these changes and 13 losing out. Brent would gain £382k. If a similar phasing were adopted as previously then Brent would only gain £152k in 2014/15 and £267k in 2015/16. The Leaders' committee at London Councils has agreed to appoint an arbitrator to resolve this issue.
- 10.4 For future years the assumption for the budget is that a phased option will be agreed, fares will increase by 4% and that there will be 1.5% increase in the volume of journeys as more people qualify for concessionary fares. In addition due to the volatility of transport costs an additional contingency of £500k has been built into the forecast for 2014/15. For 2013/14 the increase in concessionary has been included within Adult Social Services budget.

## **11. PRIVATE FINANCE INITIATIVES - PFI**

- 11.1 This section now includes details of the Affordable Housing and the Willesden Sports Centre PFIs.
- 11.2 Funding for the Affordable Housing PFI was agreed in the 2007/08 budget. This involved a transfer from capital financing charges for unsupported borrowing – which had previously been used to fund the council's contribution to funding of affordable housing schemes - to fund the PFI. The budget increased gradually to 2011/12 as properties were delivered and then by 2.5% thereafter. Dwellings are owned by Hyde Housing and are non-HRA. Rent collection is largely a Hyde risk.
- 11.3 The PFI is governed by the single project agreement which reached financial close on 6<sup>th</sup> July 2010. This comprised the construction of 384 dwellings in

total of which 20 are supported living units split between a 15 bed and a 5 bed development. The completed scheme will also contain a further 15 supported living units in the later developments. All of the 384 dwellings have been successfully handed over as programmed. The PFI contractor BCE also provides full housing management and maintenance services for the dwellings.

- 11.4 The risk relating to the Council's ability to support the modelled rents as a result of the introduction of housing benefit changes in April 2013 are potentially very serious. We have worked closely with the Council's PFI partners BCE and have had the figures checked and modelled by BDO. This process is on-going and the PFI, Housing Benefit and Welfare Reform Team are working closely to consider impacts at an individual household level and how problems may be avoided. In April 2013, 85 units will convert from temporary to permanent tenancies with rents reducing to current LHA cap levels. There is some flexibility in size of dwellings to be converted and there is an opportunity to take advantage of the rent differentials between North and South of the Borough, which means that the potential negative effects of the benefit caps may be reduced. Other mitigation measures may also have to be introduced and there remains a significant risk from proposed changes to benefit levels, universal credit arrangements and the direct payment to tenants.
- 11.5 The Council will contribute £1,317k to this scheme in 2013/14, and this includes an increase of £29k when compared to 2012/13 to reflect the Council's agreed contribution to the scheme. The contribution for 2013/14 is included in the Regeneration and Major Projects budget.
- 11.6 Willesden Sports Centre was opened in November 2006 as part of a Private Finance Initiative (PFI). The PFI enabled the council to procure private sector partners to design, build and manage the new sports centre and therefore enable the Council to obtain PFI credits in the form of government grants. The contract between the London Borough of Brent and Willesden Community Sports Ltd spans 25 years and has a total value in excess of £50 million. The Council will contribute £76k to this scheme in 2013/14 and inflationary increases in future years.

## **12. COUNCIL ELECTIONS**

- 12.1 This is a budget to cover the costs of the 2014 local elections; a budget of £100k will be provided for each year and rolled up into a reserve which can be used to pay for the elections. It will also cover any costs of by-elections up to the time of the next local elections.

## **13. CARBON TAX**

- 13.1 The Carbon Reduction Commitment (CRC) Energy Efficiency Scheme is a mandatory UK-wide scheme that is designed to incentivise large public and private sector organisations to take up cost-effective energy efficiency opportunities through the application of reputational and financial drivers.

Organisations will be required to purchase credits to cover CO<sub>2</sub> emissions for any given year. Monies are to be retained by the government to support public finances and environmental initiatives. For 2012/13 a budget of £576k was agreed for carbon tax based on 36k tonnes at £16 per tonne with approximately 47% of these costs being met by schools leaving a net budget of £304k. However, the charge for 2011/12 which is calculated in arrears was lower than anticipated at £279k of which £212k was met by schools. In addition the expected £4k increase in the price per tonne budgeted for future years will not apply until 2014/15 and 2015/16 after which it will rise by inflation. Therefore, forecasts for 2012/13 and future years have been amended accordingly with estimate for 2013/14 being set at £279k with the general fund element of £67k.

#### **14. REDUNDANCY COSTS**

- 14.1 As part of the Authority's One Council Programme a number initiatives have been in place to rationalise and improve the Council's services and meet savings required by central government. From the end of 2009/10 and through 2010/11 and 2011/12 the Council undertook reviews of staffing and structures with a view to reducing the number of management posts, increasing managerial spans of control and improving the ratios of front line to support staff. This led to the deletion of vacant posts, reductions in the number of agency staff, a voluntary redundancy scheme and some compulsory redundancies. This process of rationalising council structures has continued during 2012/13 and will continue into 2013/14 and the Council needs to make provision for any redundancy and severance costs in the year as well as providing for the additional costs to the pension fund of any staff who have been made redundant and taken early retirement, these costs are usually spread over three years. For 2013/14 the Council has provided £2.611 to cover these costs, a reduction of £1.743m reflecting the completion of the One Council staffing and structure programme and the falling out of some of the redundancy costs that were spread over three years.

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**ANALYSIS OF CENTRAL ITEMS 2013/14 -2016/17**

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Coroners Courts	238	243	248	253
LGA	43	44	45	46
London Councils	169	169	172	175
LGIU Subscription	26	26	26	26
West London Alliance	30	30	30	30
Copyright Licensing	20	20	20	20
External Audit	380	380	380	380
Corporate Insurance	380	400	420	420
Capital Financing Charges	25,107	27,312	28,137	27,901
Levies	3,491	3,623	3,761	3,906
Premature Retirement Compensation	5,224	5,352	5,484	5,619
South Kilburn Development	900	900	900	900
Insurance Fund	1,500	1,500	1,500	1,500
Freedom Pass Scheme Growth	0	1,199	2,000	2,845
Affordable Housing PFI	76	110	145	181
Council Elections	100	100	100	100
Carbon Tax	67	89	91	93
Redundancy and Restructuring Costs	2,611	1,054	1,054	1,054
Other Items	80	80	80	80
<b>TOTAL</b>	<b>40,442</b>	<b>42,631</b>	<b>44,593</b>	<b>45,529</b>

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## COUNCIL TAX PROPERTY VALUATION BANDS

Council Tax is a property based tax on the classification of properties into 8 bands depending on the value of the property as at 1<sup>st</sup> April 1991.

		<b>Rate of Tax</b>
A	Up to £40,000	6/9
B	£40,001 to £52,000	7/9
C	£52,001 to £68,000	8/9
D	£68,001 to £88,000	9/9 or 1
E	£88,001 to £120,000	11/9
F	£120,001 to £160,000	13/9
G	£160,001 to £320,000	15/9
H	More than £320,000	18/9 or 2

Different rates of tax will apply to each band so that properties in Band A will pay 1/3 of the tax of a property in Band H. Band D is the middle band and is used to express the tax base of the authority.

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## **COUNCIL TAX AND NDR INSTALMENT DATES AND RECOVERY POLICY**

### **Introduction**

There are over 113,000 domestic properties and 8,240 non-domestic properties within Brent and the Revenues service is responsible for collecting Council Tax and Business Rates due for each of these properties. The Revenue generated from Council Tax collection forms a significant proportion of the Authority's overall Revenue budget and as such we recognise our responsibility to maximise collection to protect the overall financial health of the Authority. We also recognise the diverse nature of Brent as a Borough, with pockets of affluence and large areas of deprivation. We aim to take account of differing customer needs and circumstances and to reflect these in our policies for recovering Council Tax. In overall terms, we aim to deal robustly with those who are wilful non payers and to deal sensitively with those who are willing to pay but are experiencing difficulties in doing so and to ensure that payment arrangements are fair. All recovery action will be in line with the Revenues and Benefits Anti Poverty policy, which seeks to ensure that entitlement to benefit is identified wherever possible and those with genuine hardship have the opportunity to discuss and review their payment arrangement. In addition from 1 April 2013 the current Council Tax benefit scheme is being replaced with a less generous Council Tax support scheme which will result in 21,000 council tax accounts having more to pay or having to pay some Council tax for the first time in a number of years. This will present a challenge in having to collect these amounts from those least able to pay without detrimentally impacting on expected collection rates; the policy below includes both considerations and a strategy we will use in respect of these accounts.

### **1. COUNCIL TAX INSTALMENT DATES**

1.1 For 2013/14, changes have been introduced which will enable council taxpayers to pay their Council Tax by 12 instalments should they opt to do so. The default will continue to be 10 instalments as previous years. Instalments will be due on the following dates:

(a) Direct Debit payers

1st, 12th, 17th, or 28<sup>th</sup>; depending on the date selected by the Direct Debit payer. If no date is selected, the instalments will be due on the 1st. Instalments commence on the selected date in April 2013 and end in January 2014, unless the payer has requested 12 instalments in which case the last instalment will be due in March 2014.

(b) Non Direct Debit payers

First instalment on the 1<sup>st</sup> April 2013, then on the 1<sup>st</sup> of each month to 1<sup>st</sup> January 2014 or 1<sup>st</sup> March 2014 if the taxpayer has requested 12 instalments.

The 21,000 accounts affected by the new Council Tax Support changes will be given 12 monthly instalments automatically reducing the monthly instalment due as the cost is spread over the full year. They will not have to request or opt in to this.

## **2. NNDR INSTALMENT DATES**

2.1 For 2013/14, the instalments will be due on the 1st of each month from 1 April 2013 to 1 January 2014, a total of 10 instalments.

## **3. BRENT POLICY FOR COUNCIL TAX RECOVERY**

3.1.1 The following documents are currently used for Council Tax Recovery up to bailiff stage:

- Reminder (s)
- Pre Summons Letter
- Summons for a Liability Order Hearing
- Pre Bailiff Letter including a means enquiry form and debt leaflet giving help and advice if customers are in debt

### **3.1.2 Reminder Notices**

These are usually issued immediately after 14 days of an instalment becoming due where full payment of the instalment has not been received. Should the volume of reminders to be issued for the overdue April instalment be significantly higher than previous years, the issue of reminders will be prioritised with those not in receipt of Council Tax support having highest priority.

### **3.1.3 Pre-Summons Letter**

In order to provide support to all taxpayers and particularly those affected by the CTS changes it is proposed that for 2013/14 an additional pre summons letter will be sent before a summons is issued for non payment. This is not a statutory requirement but is being introduced to increase the taxpayers opportunities to make an arrangement before a summons is issued and additional costs incurred

### **3.1.4 Summons for a Liability Order Hearing**

This document is issued in accordance with legislation. Summonses are issued under regulation 34 (2) and 14 days must have elapsed between the Summons Service and the hearing. (SI 1998/295).

Note that the summons contains all the requirements of a legal summons. It also contains notification that summons costs of £90.00 have been incurred and that the payment must include the costs.

### **3.1.5 Inserts enclosed with a Summons**

Two inserts are included with the summons one has been designed to answer many of the questions that are often asked when summonses are received by the Taxpayer. It also incorporates a direct debit form that can be completed offering a payment arrangement. This form can be completed and returned to the Revenues and Benefit Section for a standard arrangement.

The other insert provides details of available debt advice and agencies that can assist.

### 3.2 Policy for inhibiting Summonses

3.2.1 A pre-summons vetting stage currently exists. This additional process has been established to ensure that Taxpayers are not summonsed whilst they have genuine outstanding matters with us. The vetting stage is undertaken by Capita. A pre summons list is produced containing the names and addresses of potential summons cases. The list is then cross checked against the items of work appearing in workflow including outstanding benefit claims, benefit appeals, complaints and Council Tax correspondence. Where appropriate a summons is not issued giving the Benefits Department/Capita time to resolve the enquiry.

3.2.2 This process does not mean that a summons cannot be issued to a taxpayer that has an outstanding matter with us. A summons will still be issued in the following circumstances:

- a) there has been a delay by the taxpayer in providing the necessary supporting documentation with their benefit application or information required to assess the claim
- b) the taxpayer is late in making an application and therefore all the arrears would not be cleared by an award of benefit
- c) where it appears that there will not be any or full entitlement to benefit
- d) the issue raised is frivolous with the intention of delaying the payment of Council Tax
- e) the issue raised is not connected to the Council Tax liability.

3.2.3 In accordance with the Anti Poverty strategy any accounts where the tax payer has been identified as vulnerable will usually be excluded from summons action. Where appropriate a summons will be issued to enable recovery from Income Support and Job Seekers Allowance. Summons costs will be reviewed in these cases.

Potentially vulnerable customers include:

- Customers who are 80 years or more in age
- Customers with physical disabilities that significantly impair their mobility
- Customers who may find it difficult to manage their own affairs because of mental health difficulties or substantial literacy difficulties.
- Homeless customers

- Customers with sensory impairments

### 3.3 Summons Arrangements

- 3.3.1 Once a taxpayer has been summonsed they will be offered the opportunity to contact the Council to make an arrangement. Should contact be made they will be offered any of the following arrangements.
- 3.3.2 Normally payment of the balance by three equal monthly instalments. This can be paid by cash or cheque to the Council. This arrangement must include summons and liability order costs of £120.00.
- 3.3.3 As Direct Debit is the preferred payment method arrangements by Direct Debit can have a greater number of monthly instalments. This arrangement must include total costs of £120.00, which includes those for a liability order.
- 3.3.4 Consideration will be given to extending payment arrangements and reinstating instalments where severe financial hardship is demonstrated. This extension is at the discretion of the Recovery Team.
- 3.3.5 Customers who have multiple Liability Orders will be given the opportunity to agree an affordable payment agreement, to cover all outstanding arrears. This may be subject to completion of a means enquiry form.

### 3.4 Attachment of Earnings Orders

Where employment details are available for taxpayers at any stage from a liability order being obtained to the point where bailiff action is commenced, an attachment may be applied. It may also be applied after a case has been returned by the bailiff if a debt remains outstanding. Deductions are made in accordance with current legislation, which determines the amount that can be deducted from the individual's salary based on the appropriate percentage of salary received. Employment details are always asked for before any payment arrangement is agreed so that in the event of the customer defaulting on the arrangement the balance can be collected by deductions from the customer's earnings.

### 3.5 Benefit Deductions

A Liability Order must be obtained before deductions can start.

Benefit deductions can be applied to state benefits such as Income Support, JSA and Employment Support Allowance, where the taxpayer is in receipt of those benefits a deduction from those benefits will be considered. The ability to arrange a deduction from benefit may be impacted by the ability of the DWP to deal with the likely increase in requests from authorities, as a result it may not be possible to use this recovery method for all cases.

In vulnerable cases (outlined in 3.2.3), deductions from benefit may be made. The Council Tax Office has liaison arrangements with Social Services and



other welfare agencies to help identify vulnerable individuals and ensure that their situations are taken into consideration.

### 3.6 **Pre Bailiff Notice**

- 3.6.1 This notice is a personalised notice issued within the first week following a Liability Order hearing. It is issued to all Taxpayers who have failed to pay in full or make an arrangement for payment, and where other methods of recovery are not appropriate. The notice advises the Taxpayer that the account will be passed to the bailiff within the next 14 days for collection if no arrangement is made to clear the balance or the account is not paid in full. The back of this notice gives details of charges connected with the process of the bailiff removing, or threatening to remove goods, in order to enforce a debt, known as Distress. Information is also given in relation to total costs, which includes the summons and liability order costs. An arrangement for payment can still be made at this stage. Inserts are also enclosed giving debt advice, requesting information in respect of employment or benefit entitlement. A means enquiry form is also enclosed for completion by the tax payer if they require an extended arrangement.
- 3.6.2 The Pre Bailiff notice is also issued to Taxpayers defaulting on arrangements where a liability order has previously been granted.
- 3.6.3 In practice there is a big response to this notice. Capita will deal with enquiries before bailiffs are instructed.

### 3.7 **Bailiff Action for Council Tax**

- 3.7.1 The following cases will be subject to Bailiff action following the issue of the pre-bailiff notice:
- (a) No payment arrangement made
  - (b) Taxpayers defaulting on existing arrangements
  - (c) No contact made
- 3.7.2 The Bailiff operates under the Association of Civil Enforcement Agencies Code of Conduct.

The bailiff may make charges in accordance with the Regulations.

The bailiff has discretion to make arrangements. He/she is requested to return the Liability Order back to the council within three months if he/she is unable to collect unless otherwise authorised.

- 3.7.3 The bailiff firms currently used are authorised by the London Borough of Brent for both Council Tax and NNDR are:
- (a) Newlyn Collection Services Ltd
  - (b) Equita

(c) Ross and Roberts

### **3.8 Bankruptcy, Charging Orders and Committal to prison**

In cases where all other recovery methods have failed we will seek to obtain a charging order or force of sale against a property, a bankruptcy order or to seek the Taxpayer's committal to prison. Which course of action is taken will depend upon individual circumstances, their payment history and the balance outstanding.

### **3.9 Other Methods**

Other methods have been trialled to assess their effectiveness in collecting unpaid Council Tax. This includes outbound telephoning and visits to those properties where there have been no payments for greater than 3 months with comparisons made between the various methods. It has shown that the most successful is outbound telephone calling, this method will be expanded to supplement the other recovery options detailed previously.

In addition where mobile telephone numbers are held customers are sent text messages to remind them of missed instalments.

### **3.10 Customers who are identified as experiencing financial hardship**

The Anti Poverty Policy was devised to assist customers who are experiencing financial difficulties and as a result are having problems either paying their Council Tax arrears or adhering to their current year instalments. It came into force on 1<sup>st</sup> April 2007.

If a customer contacts the Council advising they have financial difficulties, we will review their outstanding balance(s) for Council Tax. Customers will also always be encouraged to consider applying for Council Tax Support and other Discounts and Exemptions, they may qualify for. Where potential entitlement is identified payment arrangements will be made pending assessment of benefit to ensure arrears do not increase. These may need to be reviewed if Council Tax Support is awarded.

If a customer contacts the Council following a recovery notice and advises that they cannot meet the payment demanded, consideration will be given to reinstating and extending their instalments. Where a customer indicates that they will require longer than 6 months to repay arrears or they are unable to meet their in year liability by 31<sup>st</sup> March, the case will be passed to the Capita Recovery team for consideration.

### **3.11 Fast Tracking Benefit Enquiry**

Where a Taxpayer makes a late application for Council Tax Support after recovery has started or provides information enabling their claim to be assessed then the assessment will be fast tracked. This means the customer will be offered an appointment with an assessment officer within 24 hours and

informed what information they need to bring to the interview in order to have their entitlement assessed. The outcome of the benefit assessment could mean there is full or partial entitlement to Council Tax Support that reduces the balance due or the claimant is advised they have no entitlement to Council Tax Support.

#### **4.0 BRENT POLICY FOR NNDR RECOVERY**

4.1 The following documents are currently used for NNDR up to bailiff stage:

- Reminder (s)
- Summons for a Liability Order Hearing
- Pre-Bailiff Letter

#### **4.2 Summons for a Liability Order Hearing**

This document is issued in accordance with legislation. Summonses are issued under the Collection and Enforcement Regulations (SI 1989/1058) and 14 days must have elapsed between the Summons Service and the hearing.

Note that the summons contains all the requirements of a legal summons and also contains notification that summons costs of £140.00 have been incurred and that the payment must include the costs.

#### **4.3 Pre-Bailiff Letter**

4.3.1 This notice is a personalised notice issued within the first week following a Liability Order hearing. It is issued to all ratepayers who have failed to pay in full or make an arrangement for payment. The notice advises the ratepayer that the account will be passed to the bailiff within the next 14 days for collection if no arrangement is made to clear the balance or the account is not paid in full. The back of this notice gives details of charges connected with the process of the bailiff removing, or threatening to remove goods, in order to enforce a debt, known as Distress. Information is also given in relation to total costs, which includes the summons and liability order costs. An arrangement for payment can still be made at this stage.

#### **4.4 Bailiff Action for NNDR**

4.4.1 The following cases will be subject to Bailiff action

- (a) No payment arrangement made
- (b) Taxpayers defaulting on existing arrangements

4.4.2 The Bailiff operates under the Association of Civil Enforcement Agencies Code of Conduct.

The bailiff may make charges in accordance with the Regulations.

The bailiff has discretion to make arrangements. He/she is requested to return the Liability Order within three months if he/she is unable to collect unless otherwise authorised.

- 4.4.3 The bailiff firms currently used are authorised by the London Borough of Brent for both Council Tax and NNDR. They are:
- (a) Newlyn Collection Services Ltd
  - (b) Equita
  - (c) Ross and Roberts

#### **4.5 Bankruptcy, Charging Orders and Committal to prison**

In cases where all other recovery methods have failed we may seek to obtain a charging order, undertake insolvency proceedings or to seek the Taxpayer's committal to prison. Which course of action is taken will depend upon individual circumstances and their payment history.

#### **5.0 Liability Order Costs**

- 5.1.1 Summons costs are applied for when the Complaint is laid and the costs are put on the account shortly after this. Both the summons and the summons insert give details of these costs. These summons costs will only be cancelled if the summons is withdrawn or in special circumstances where the costs are waived. Summons costs for Non-Domestic Rates are £140 and for Council Tax £90.
- 5.1.2 Liability Order costs for both council tax and non-domestic rates are £30.00. They are incurred when a Liability Order is granted. These costs can be asked for at Court even where the remaining balance outstanding relates to costs only. Taxpayers who therefore pay before the hearing date without settling Summons Costs may incur a further £30.00. Liability Order Costs will be applied for all cases where a balance remains outstanding on the Court list.

#### **6.1 Policy Review**

- 6.1 This policy document reflects the current initiatives employed and is not prescriptive. It is recognised that policies and the wording of documents are subject to change to meet changing circumstances and legislation. Any review of the Anti Poverty is likely to also impact on this policy.

## BUSINESS RATES SYSTEM

### 1.1 *The business rates retention system*

From April 2013, the Government is changing the way in which local government is funded through the introduction of the business rates retention scheme. Local government will now be able to benefit directly from supporting local business growth as they will be able to keep a proportion of any increases in business rates revenue.

1.2 This year's local government finance settlement is the first under the new arrangements. It will provide each local authority with its starting position under the business rates retention scheme. This includes the following elements, which will be fixed until the first reset that the Government intends will take place in 2020:

- Individual authority start-up funding assessment
- Baseline funding level
- Individual authority business rates baseline
- Tariffs and top-ups

The system also retains elements of the existing system such as the revenue support grant (RSG) and specific grants.

1.3 Each authority has an individual start up funding assessment for 2013/14 based on 2012/13 formula grant with adjustments for various grants transferred in or out. This determines a baseline funding level which will then be split between a RSG element and a business rate element.

1.4 As part of the system the government determines the amount of business rates that it expects billing authorities to collect known as the Estimated Business Rates Aggregate (EBRA) having adjusted for volatility in forecast information and losses due to successful appeals. The Government has announced that local government will be able to retain 50% of this as its local share. For London boroughs of this local share 20% is passed over to the GLA leaving boroughs a retained element of 30% (other types of authorities have different splits). The other 50% of EBRA known as the central element is paid over to central government who then use this to fund the revenue support grant element of the system.

1.5 Each authority has a business rates baseline calculated by information taken from 2010/11 and 2011/12 which determines how much each authority is expected to collect through its business rates.

### *The individual authority start-up funding assessment*

1.6 The system of distributing Formula Grant known as the Four Block Model was used between 2006/07 and 2012/13 to allocate funding. For 2013/14 the

model has been used as the basis to determine the start-up funding assessment for each authority.

1.7 The Four Block Model consists of the following elements:

- A Relative Needs Block (RNB) calculated using Relative Needs Formulae (RNF) – unlike Formula Spending Shares which were used under the previous system, this does not provide an assessment of total need to spend. It is simply a way of equalising for differences in need;
- A Relative Resource Amount (RRA) - again, unlike the former system in which the resource adjustment was based on an Assumed National Council Tax (ANCT), this adjustment is based on relative resource need and not the amount a council might be expected to raise in council tax if it set its council tax at the ANCT;
- A Central Allocation (CA) – this is an amount that is distributed per head of population and is used to distribute the balance of Revenue Support Grant and National Non-Domestic Rate income left after the calculations of the RNB and RRA allocations;
- A Floor Damping Block (FDB) – this is a self-financing block which is used to provide a limit to the level of decrease/increase in grant for all authorities (although this varies between types of authority) by scaling back gains by authorities that have grant increases above the floor.

1.8 For 2013/14 the government has made data and technical changes to the way the model operates and has determined a revised local government spending control total for allocating monies. As part of this it has held back monies centrally for a number of items including capitalisation, the business rates safety net and the New Homes Bonus. It has also transferred out from the model the Central Education Services within the Local authority Spend Equivalent Grant (LACSEG) which will now be administered and distributed as a separate unringfenced grant to local authorities and academies. A number of grant have also been transferred into model:

- 2011/12 Council Tax Freeze Grant
- Council Tax Support Grant
- Early Intervention Grant – excluding funding for two year olds
- Homelessness Prevention Grant
- A proportion of the Lead Flood Authorities Grant
- Learning Disability and Health Reform Grant

The government has also updated a number of datasets including the 2011 Census figures in its 2011-based population projections. It has also made technical changes to the Relative Needs Formulae to take account modelled usage figures for concessionary travel and amended the sparsity indicators. In addition it has also altered the relative weightings for Relative Resource Amount and Central Allocation elements of the model.

1.9 The government has also amended the floor bands within the model. banded floors were introduced to reflect that some areas of the country are much

more reliant on central government grant than others. These tend to be more deprived communities, with more significant social challenges and less ability to raise council tax receipts and so have a greater reliance on central government for their funding. Local authorities vary considerably in the proportion of their budget requirement that is financed by formula grant or council tax. So for social services authorities and shire district councils, the government set four floors. Authorities within these groups would be divided into four bands according to the extent to which they relied on formula grant to finance their budget requirement. The highest floor – representing the smallest reduction – would apply to the most dependent band of authorities and the lowest floor to the least dependent. The table below details the bands applicable to Brent as a social services authority for 2013/14. Brent continues to be included in Band 1.

Band	
1 - Most Dependent	2.7%
2	4.7%
3	6.7%
4 – Least Dependent	8.7%

1.10 The effect of the changes on Brent's formula is detailed in Table 1.1

**Table 1.1 Make-up of Brent's Formula Funding**

	2013/14 £m
Grants Rolled In	15.210
Relative Needs Amount	124.016
Relative Resources Amount	(28.866)
Central Allocation	43.587
Damping	(2.495)
Central Education Functions within LACSEG	(6,214)
<b>Total Formula Funding</b>	<b>145.238</b>

The main change in formula funding for Brent is that the Authority has moved above the floor for damping. The main reason for this is revised population figures following the 2011 Census where Brent's population has increased by 59.1k from 252.1k to 311.2k. Brent has also gained from the changes in concessionary travel but this was offset by the sparsity changes. Overall Brent's reduction in formula funding is 2.08% which is much lower than the average of 4.12% for this class of authority.

1.11 The effect of including the rolled in grants now gives Brent's start-up funding as detailed in Table 1.2

**Table 1.2 Brent's Start-up Funding**

	2013/14 £m	2014/15 £m
<b>Total Formula Funding</b>	<b>145.238</b>	<b>151.604</b>
Council Tax Freeze Grant	2.575	2.575
Early Intervention Grant	11.678	10.933
Homelessness Grant	1.563	1.563
Lead Flood Authority Grant	.134	.134
Learning Disability & Reform Grant	7.823	8.018
Council Tax Support (rolled into formula funding for 2014/15)	24.121	
<b>Total Start-up Funding</b>	<b>193.132</b>	<b>174.827</b>

- 1.12 For 2013/14 Brent's Start-up Funding will be £193.132m of which government has determined that proportionate share funded by the Revenue Support Grant (RSG) will be £115.976m. The remaining £77.156m will be met by business rates.
- 1.13 In 2014/15 Brent's proportionate share funded by the Revenue Support Grant (RSG) will be £95.306m which is a reduction in funding of £20.672m as the impact of the cuts in the December Autumn Statement take effect.

#### *Baseline Funding Level*

- 1.14 This is the amount of local authority start-up funding which is provided through the local share of the estimated business rates aggregate (EBRA) at the outset of the scheme. It will form the baseline against which tariffs and top ups will be calculated. The government has determined based on the business rate figures for 2010/11 and 2011/12 that Brent's expected business rates baseline for 2013/14 is £102.077m. This will be split as follows in table 1.3

**Table 1.3 – Business Rates Baseline**

	£m
Retained Element – Brent (30%)	30.623
GLA Element (20%)	20.415
Central Government Element (50%)	51.039
<b>Total</b>	<b>102.077</b>

Through this process government can now determine whether Brent will receive a top up to its business rates or have to pay over a levy to central government.



- 1.15 If for an authority its start-up funding less its RSG, less its retained business rates element is greater than zero then it will receive a business rates top up otherwise it will have to pay a levy. The position for Brent is detailed in Table 1.4

**Table 1.4 – Government Funding 2013/14**

	<b>£m</b>
Revenue Support Grant	115.976
Retained Business Rates - Brent	30.623
Business Rates Top Up	46.532
<b>Start-up Funding</b>	<b>193.132</b>

For 2013/14 Brent will receive a Business Rates Top Up of £46.532m. For 2014/15 the Business Rates Top Up will increase by RPI (assumed level – 3.067%) to £47.960m and continue to be increased by RPI for future years.

- 1.16 In table 1.4 the business rates baseline has been used to determine the initial level of Business Rates Top Up Brent will receive. In practice it is up to Brent to estimate 2013/14 level of business rates and to budget for the retained business rates element.

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## **LOCAL DISCOUNTS**

### **1.0 Summary**

- 1.1 Section 13A(1)(c) of the Local Government Finance Act 1992 gives the Council a discretion to reduce the amount of Council Tax payable on any dwelling in its area in relation to particular cases or classes of case.
- 1.2 As a consequence of the Council Tax Support changes coming into effect from 1<sup>st</sup> April 2013 and in accordance with good practice, this report details the statutory provisions giving rise to this report and recommends the criteria and policy to be taken into account when considering such applications. The Council has not previously agreed a policy in respect of this provision.

### **2.0 Recommendations**

- 2.1 That applications for reducing Council Tax payable by persons of pensionable age in receipt of a war widows, war widowers or war disablement pension in accordance with section 13A(1)(c) of the Local Government Finance Act 1992 to the level as set out in paragraph 3.6 of this report be approved.
- 2.2 That decisions on other individual applications for reducing Council Tax payable in accordance with section 13A(1)(c) of the Local Government Finance Act 1992 be delegated to the Director of Finance and Corporate Services as set out within this report.

### **3.0 Details**

- 3.1 Under section 13A of the Local Government Finance Act 1992 as inserted by Section 10 of the Local Government Finance Act 2012, the Council has the discretion to reduce the amount of Council Tax payable over and above that provided for within the Council's Local Council Tax Reduction Scheme ("CTRS").
- 3.2 This discretion to award a reduction can be exercised in relation to particular cases or by determining a class of case and the reduction includes the potential to reduce an amount payable to nil.
- 3.3 From 1<sup>st</sup> April 2013 the current national Council Tax Benefit scheme will be replaced with a local CTRS. The regulations governing the new local CTRS scheme prescribe a national framework for calculating entitlement for persons of pensionable age. However, a small number of existing Council Tax Benefit claimants in receipt of a war widows, war widowers or war disablement pensions may be worse off as a consequence where they are not in receipt of Pension Credit Guarantee Credit (PCGC). This is because in these circumstances, under the existing Council Tax Benefit Regulations the Council has operated a local scheme set by resolution of the Council, which enables the income from these pensions to be disregarded in full, when

determining entitlement. Under the new CTRS arrangements for persons of pensionable age not in receipt of PCGC, only £10 of such weekly incomes would fall to be disregarded.

- 3.4 Whilst there are only currently 6 cases that are currently adversely affected by this change, their entitlement to a reduction under the CTRS rules from 1<sup>st</sup> April 2013 will be affected if the recommendations set out within this report are not agreed.
- 3.5 There are a further 5 cases that are in receipt of one of these pensions although as they are in receipt of PCGC, their income is disregarded in full anyway, and thus they will see no change in their entitlement.
- 3.6 It is therefore proposed that persons of pensionable age as defined within the Council's CTRS scheme and not in receipt of PCGC be granted a Council Tax reduction equivalent to the difference between their current entitlement to CTRS and any amount of CTRS that they would have been entitled to had their war pension been disregarded in full.
- 3.7 Additionally, Council Tax Payers may also seek to apply for a Council Tax reduction under Section 13A(1)(c) in relation to other exceptional and extenuating circumstances with each case being considered on its own merits. Examples where applications may be considered could include for example properties affected by natural disasters such as fire, flood or storm that were beyond the control of the occupier.
- 3.8 It should be noted that there is a difference between writing off a non-collectable debt and reducing the amount payable under this provision. A write-off may be processed where a Council Tax amount is uncollectable, (e.g. deceased, bankrupt, vacated and forwarding address unknown, etc.) However, a reduction under section 13A(1)(c) will normally be applicable where the taxpayer has a continuing liability for the property.
- 3.9 To enable ad hoc applications for a reduction received under 3.7 above to be considered in a timely manner, it is proposed that delegated powers for considering these be given to the Director of Finance and Corporate Services.

#### **4.0 Financial Implications**

- 4.1. The cost of any reduction granted under Section 13A(1)(c) will be funded within the CTRS budget provision with any deficit arising being borne by the general fund. The anticipated annual cost of awarding relief to those existing cases affected by the changes to war widow's, war widower's and war disablement pensions for 2013/14 is approximately £6,260.
- 4.2 Any other applications that may be received under Section 13A(1)(c) would need to be considered on their individual merits and financially accounted for as set out in paragraph 4.1 above .

#### **5.0 Staffing Implications**

- 5.1 The additional administrative work of receiving and processing applications can be contained within the existing resource within Brent Customer Services.

## **6.0 Legal Implications**

- 6.1. Section 10 of The Local Government Finance Act 2012 provides for the following:

(1)The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13)— .

(a)in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme (see subsection (2)); .

(b)in the case of a dwelling situated in the area of a billing authority in Wales, is to be reduced to the extent, if any, required by any council tax reduction scheme made under regulations under subsection (4) that applies to that dwelling; .

(c)in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.

- 6.2 The above provisions therefore give the Council a discretionary power to reduce the amount of Council Tax payable from 100% to nil for either an individual case or to a specific council defined "class".

- 6.3 If an application is refused the Council may consider any representations made where new or additional information is received in relation to a previous decision made.

- 6.4 As the recommendations in section 2 of this report are technically not part of the Council's Council Tax Support scheme under section 13A(1)(a) of the Local Government Finance Act 1992 ("LGFA 1992"), the Executive has the power to make the decisions set out in the said recommendations. Decisions under section 13A(1)(c ) of LGFA 1992 are not reserved to Full Council and this is confirmed in section 67 of the 1992 Act.

## **7.0 Diversity Implications**

- 7.1 A full Equality Impact Assessment was carried out in respect of the Council Tax Support scheme and its impact upon working age Benefit applicants. Additionally, the report to Full Council on 10<sup>th</sup> December 2012 identified a potential adverse impact to pensioners currently attracting a full income disregard of the pensions specified in paragraph 3.3 above. The Equalities Impact Assessment and details of the potential implications for pensioners are set out in respective reports to the Council's Executive meeting on 15 October

2012 and the Full Council meeting on 10 December 2012 in relation to the Council's CTRS. These proposals will ensure that this particular group of pensioners will be protected from this adverse impact, ensuring that they are no worse off and that there will be no adverse impact on this group.

- 7.2 The public sector equality duty, as set out in section 149 of the 2010 Act, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic. It is considered that this proposal if agreed, will further that objective.

## **8.0 Background Information**

- 8.1 Report to Full Council 10<sup>th</sup> December 2012 – Local council tax Reduction Scheme and associated documents

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
<b>Service Area Budgets (SABs)</b>					
Adult Social Services	91,028	109,015	109,015	109,015	109,015
Children & Families	46,253	44,205	44,205	44,205	44,205
Environment & Neighbourhood Services	34,096	35,802	35,802	35,802	35,802
Regeneration & Major Projects	33,510	30,487	30,487	30,487	30,487
Central Services	37,565	41,848	41,848	41,848	41,848
	<b>242,452</b>	<b>261,357</b>	<b>261,357</b>	<b>261,357</b>	<b>261,357</b>
<b>Savings</b>					
Service Savings	0	0	(5,185)	(5,325)	(5,325)
Centrally Held One Council Savings	(69)	(500)	(2,708)	(4,208)	(4,208)
	<b>(69)</b>	<b>(500)</b>	<b>(7,893)</b>	<b>(9,533)</b>	<b>(9,533)</b>
<b>Cost Pressures for Service Areas</b>					
Cost Pressures	0	164	5,771	7,885	11,576
Inflation Provision	1,050	3,467	5,981	9,692	13,403
	<b>1,050</b>	<b>3,631</b>	<b>11,752</b>	<b>17,577</b>	<b>24,979</b>
<b>Other Budgets</b>					
Central Items	42,466	40,442	42,631	44,593	45,529
One Council Enabling Fund	3,500	2,500	1,500	1,500	1,500
	<b>45,966</b>	<b>42,942</b>	<b>44,131</b>	<b>46,093</b>	<b>47,029</b>
<b>Grants &amp; Balances</b>					
Government Grants Unallocated	(24,638)	(22,883)	(22,383)	(21,883)	(21,383)
Council Tax Freeze Grant - 2012/13	(2,575)	0	0	0	0
Contribution to/(from) Earmarked Reserves	0	(250)	0	0	0
Contribution to/(from) Balances	1,000	0	0	0	0
	<b>(26,213)</b>	<b>(23,133)</b>	<b>(22,383)</b>	<b>(21,883)</b>	<b>(21,383)</b>
<b>Total Budget Requirement</b>	<b>263,186</b>	<b>284,297</b>	<b>286,964</b>	<b>293,611</b>	<b>302,449</b>
<b>Funding</b>					
Formula Grant	155,420				
Revenue Support Grant		115,976	95,305	81,904	69,619
Retained Business Rate		31,892	33,168	34,163	35,188
Business Rate Top up		46,532	47,960	48,919	49,898
Council Tax Freeze Grant		1,053	1,053		
New Homes Bonus	2,794	5,289	6,789	8,189	9,489
Surplus/(Deficit) on the Collection Fund	774	1,814			
Council Tax Income	104,198	81,741	82,313	82,889	83,470
<b>Total</b>	<b>263,186</b>	<b>284,297</b>	<b>266,588</b>	<b>256,065</b>	<b>247,663</b>
<b>Forecasted Budget Surplus /(Gap)</b>	<b>0</b>	<b>0</b>	<b>(20,376)</b>	<b>(37,546)</b>	<b>(54,786)</b>

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Cost Centre Code	Budget Description	2012/13 Schools Budget	2013/14 Schools Budget
		£	£
	ISB (Excluding 6th Form)	193,813,329	211,946,798
	Total Devolved Resources	193,813,329	211,946,798
AA00	SEN Developments	188,119	188,119
AC10	Educational Psychology	162,850	162,850
AC42	Children with Disabilities	182,759	182,759
AC65-AC71	Recoupment & Other SEN Placements	14,625,428	18,625,428
AC70	Recoupment Income	-814,758	-814,758
AC74	Provision for Disabled Pupils	130,925	130,925
AC75	Statemented Pupils in IB Mainstream	1,402,252	1,402,252
AC76	Educational support for children with Medical Needs	56,551	56,551
AC80	E Years - Area SENCOs for PVIs	185,305	185,305
AC81	SEN Transport	500,000	500,000
AC90	Schools Causing Concern	184,801	184,801
	Services to Schools	364,796	364,796
AE41	SEN & Inclusive Education	519,134	519,134
AF01	EMTAS	754,830	754,830
AG21	Pupil Referral Units	2,463,454	2,463,454
AG25	Intervention - Non PRU support	262,410	262,410
AG27	Day 6 Exclusion	145,960	145,960
AG30	Brent Education Tuition Service	1,689,442	1,689,442
AH03	Gordon Brown Outdoor Education Centre	50,000	50,000
BE04	FSS LAC Education Team	346,405	346,405
BG01	Educational costs of Social Care placed children	698,610	698,610
CL01	Early Years Including Childrens Centres	936,367	936,367
CB50	Early Years Payments - NEG	5,188,250	10,322,250
CC51	Speech & Language Therapy	346,107	346,107
CD30	Early Intervention Team	400,000	400,000
DK04	Maternity & Jury Service	351,224	351,224
DK06	Schools Forum	33,693	33,693
DK07	Subscriptions	105,340	105,340
DK08	Statemented Pupils Contingency	2,929,375	2,929,375
DK09	Rising Rolls Contingency etc	629,957	629,957
DK41	Out of School - Pupils Without a Place	2,997,518	3,005,563
DK45	School Admissions	637,054	637,054
	Deficit Recovery Contingency	3,200,000	3,200,000
	Total Expenditure	235,667,486	262,943,000
DM10	DSG Grant Income	-235,667,486	-262,943,000
	Net Budget	0	0
<b>NOTES:</b>			
The Early Years budget has increased due to additional funding to support the extension of free nursery education to 2 year olds.			
Sixth Form funding is excluded from the above figures. The amount of sixth Form funding provided by the Education Funding Agency is passed on directly to schools with no adjustments and will be added to the ISB line shown above.			

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<b>HRA Probable Budget 2012-13 and Draft Budget 2013-14</b>				
<b>Description</b>	<b>(1) Original Budget 2012-13 £000's</b>	<b>(2) Revised Budget 2012-13 £000's</b>	<b>(3) Probable Budget 2012-13 £000's</b>	<b>(4) Budget 2013-14 £000's</b>
Provision For Bad Debts	658	658	658	1,158
Rent & Rates	1,638	1,759	1,759	1,744
Services	590	590	590	590
Capital Financing	11,456	11,456	11,456	10,536
Depreciation (Major Repairs Allowance (MRA))	13,720	13,720	13,261	14,052
Leaseholder Service Charges Income	-3,120	-3,120	-3,120	-3,120
Rent Income	-50,518	-50,518	-49,511	-50,399
Non Dwelling Rent	-379	-379	-379	-379
Other Income	-142	-59	-59	-59
General Management	11,813	11,805	11,497	11,490
Special Management	4,942	4,807	4,567	4,557
Housing Repairs	11,528	11,467	11,467	11,402
<b>Net Expenditure</b>	<b>2,186</b>	<b>2,186</b>	<b>2,186</b>	<b>1,572</b>
Surplus B/Fwd	-696	-696	-2,268	-1,972
To/(from) Earmarked Reserve	-1,890	-1,890	-1,890	0
Surplus C/Fwd	400	400	1,972	400
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Nb. The revised budget 2012-13 results from a reclassification exercise and is neutral on the HRA

<b>HRA Probable Budget 2012-13 and Budget 2013-14</b>			
<b><u>Subjective Analysis</u></b>			
<b>Description</b>	<b>(1) Approved Budget 2012-13 £000</b>	<b>(3) Probable Budget 2012-13 £000</b>	<b>(4) Budget 2013-14 £000</b>
Employees	1,369	1,456	1,452
Premises	16,883	16,973	16,868
Transport	29	30	29
Supplies and Services	3,528	3,429	4,091
Third Party Payments	8,561	8,240	8,079
Tfr Payments/Capital Financing	25,033	24,658	24,497
Support Services	1,394	1,443	1,427
<b>Total Expenditure</b>	<b>56,797</b>	<b>56,229</b>	<b>56,443</b>
Direct Income	-54,378	-53,544	-54,373
Recharged Income	-233	-499	-498
<b>Total Income</b>	<b>-54,611</b>	<b>-54,043</b>	<b>-54,871</b>
Deficit (Surplus) for the Year	2,186	2,186	1,572
Surplus B/Fwd	-696	-2,268	-1,972
To/(From) Earmarked Reserve	-1,890	-1,890	0
Surplus C/Fwd	400	1,972	400
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Capital Programme 2012-13 Expenditure

	2012/13 Quarter 2 Capital Programme £000	2012/13 Quarter 3 Capital Programme £000	Variance £000
<b>General Fund</b>			
<b>Adult Social Care</b>			
Campus Reprovision Programme (PCT Grant Funded)	450	450	0
Framework-I Implementation (Social Care/Mental Care SCP(C)) - St Gabriels/Walm Lane	450	450	0
Surplus Capital Grant not yet Allocated to Schemes	652	0	(652)
Supported Living to Extra Care	0	632	632
<b>Total</b>	<b>1,552</b>	<b>1,532</b>	<b>(20)</b>
<b>Children &amp; Families</b>			
Increasing PVI nursery provision provision for two year olds	0	883	883
<b>Total</b>	<b>0</b>	<b>883</b>	<b>883</b>
<b>Environment &amp; Neighbourhood Services</b>			
Civic Centre CCTV	600	600	0
Libraries RFID	100	100	0
Parks	902	902	0
Public Realm depot purchase	6,200	6,200	0
Cemetery and Mortuary Service	10	10	0
Delivering the Sports Strategy	1,247	1,247	0
Air Quality Works	2	2	0
Pavements, Roads and Streetscene/Street Trees	4,206	4,206	0
Transport for London Funded Schemes	4,222	4,222	0
<b>Total</b>	<b>17,488</b>	<b>17,488</b>	<b>0</b>
<b>Central</b>			
Carbon Trust Works	183	183	0
Civic Centre Data Centre	1,219	1,219	0
Combined Property and ICT Initiatives	400	400	0
Grange Road Acquisition	140	140	0
Oracle Costs - Capitalisation	1,313	1,313	0
Provision for Liabilities	683	683	0
<b>Total</b>	<b>3,938</b>	<b>3,938</b>	<b>0</b>
<b>Housing</b>			
Private Sector Renewal Support Grant and Disabled Facilities Grant council	7,830	6,030	(1,800)
HCA Empty Homes Grant Programme	0	289	289
Chalkhill	527	527	0
<b>Total</b>	<b>8,357</b>	<b>6,846</b>	<b>(1,511)</b>
<b>Regeneration and Major Projects</b>			
<b>Business Transformation Schemes</b>			
Civic Centre	56,033	56,033	0
<b>Subtotal</b>	<b>56,033</b>	<b>56,033</b>	<b>0</b>
<b>Children and Families Schemes</b>			
Access Initiatives	552	559	7
Ark Academy	1,098	1,098	0
Asset Management Plan Works	3,500	3,388	(112)
Co-Location Capital Grant	123	123	0
Contingency for final accounts	0	167	167
Cooking in the Curriculum	69	69	0

## Capital Programme 2012-13 Expenditure

	2012/13 Quarter 2 Capital Programme £000	2012/13 Quarter 3 Capital Programme £000	Variance £000
Crest Academies	17,734	17,734	0
Devolved Capital	2,980	2,980	0
Extended Schools	190	190	0
Health & Safety	50	50	0
Roundwood Youth Centre	1,680	1,680	0
Village School	19,553	19,553	0
Expansion of Secondary/Primary School Places	67,549	11,769	(55,780)
Mora JMI School windows and playground scheme	212	212	0
Vernon House Self Funded Scheme	161	161	0
<b>Subtotal</b>	<b>115,451</b>	<b>59,733</b>	<b>(55,718)</b>
<b>Property Schemes</b>			
Combined Property and ICT Initiatives	172	172	0
Dollis Hill House	306	306	0
Enfranchisement	460	460	0
Kilburn Library refurbishment	652	652	0
Project Management - to provide additional resources to Service Areas	376	376	0
Property Management Plan (Surveys & Minor Works)	440	440	0
Carbon Reduction Measures	400	400	0
<b>Subtotal</b>	<b>2,805</b>	<b>2,805</b>	<b>0</b>
<b>Strategy, Partnership and Improvement Schemes</b>			
South Kilburn Regeneration Project	22,124	19,327	(2,797)
Willesden Green Library Development	2,614	2,614	0
Public Conveniences - Wembley Area	0	340	340
Willesden High Street Shop Fronts Improvement	40	40	0
<b>Subtotal</b>	<b>24,778</b>	<b>22,322</b>	<b>(2,456)</b>
<b>S106 Funded Works (Estimate)</b>	<b>13,986</b>	<b>13,678</b>	<b>(308)</b>
<b>Total</b>	<b>213,053</b>	<b>154,572</b>	<b>(58,481)</b>
<b>General Fund Total</b>	<b>244,388</b>	<b>185,259</b>	<b>(59,129)</b>
<b>Housing Revenue Account</b>			
Barham Park Regeneration	0	122	122
Disabled Facilities Works (on council properties)	600	600	0
Health & Safety Works	3,609	1,349	(2,260)
Loft Conversions	88	38	(50)
Major repairs of council properties	14,264	10,264	(4,000)
Rooftop Aerials to Housing Blocks	711	151	(560)
<b>Housing Revenue Account Total</b>	<b>19,272</b>	<b>12,524</b>	<b>(6,748)</b>
<b>Total Expenditure</b>	<b>263,660</b>	<b>197,783</b>	<b>(65,877)</b>

## Capital Programme 2012-13 Income

	2012/13 Quarter 2 Capital Programme £000	2012/13 Quarter 3 Capital Programme £000	Variance £000
<b>General Fund</b>			
<b>Grant</b>			
Adults PSS Grant	(1,312)	(1,312)	0
Air Quality Grant	(2)	(2)	0
Ark Academy - Football Foundation Grant	(218)	(218)	0
Ark Academy (Additional DCSF Funding)	(271)	(271)	0
Basic Need Safety Valve Grant - Additional Primary Places	0	0	0
Central Government - SCE (C) (Modernisation Allocation)	(33)	(33)	0
Co-Location Capital Grant	(123)	(123)	0
Crest Academies - PFS Contributions	(14,678)	(14,678)	0
Devolved Formula Capital	(2,980)	(2,980)	0
Disabled Facilities Grant	(1,680)	(1,847)	(167)
Early education for two-year-olds	0	(883)	(883)
Extended Schools	(190)	(190)	0
Outer London Fund Grant	(40)	(40)	0
PCT Learning Disabilities Grant	(450)	(450)	0
Playbuilder Capital Grant	0	0	0
Practical Cooking Spaces (via Standards Fund) - Cooking in the Curriculum	(69)	(69)	0
Primary Capital Programme	0	0	0
Salix Grant Funding (Carbon Trust Works)	(119)	(119)	0
Short Breaks for Disabled Children Capital Grant	0	(170)	(170)
The Growth Fund	(3,243)	(3,243)	0
Mental Health SCP (C)	(294)	(294)	0
Social Care SCP (C)	(28)	(28)	0
London Marathon Charitable Trust Grant	0	0	0
Transport For London Grant Income	(4,222)	(4,222)	0
HCA Empty Homes Grant	0	(288)	(288)
Basic Need Grant	(63,915)	(10,793)	53,122
Capital Maintenance for LA schools	(6,315)	(4,703)	1,612
Environmental Improvement Government Grant	(320)	(320)	0
Local Authorities Short Breaks Funding	(170)	(170)	0
Myplace Grant (Big Lottery Fund)	(1,639)	(1,639)	0
<b>Total</b>	<b>(102,310)</b>	<b>(49,084)</b>	<b>53,226</b>
<b>External Contributions</b>			
Alperton Lower School contribution to SEN scheme	(100)	(100)	0
Chalkhill Park (Funded from Chalkhill Reserve)	(832)	(832)	0
MHT Contribution to Chalkhill	(527)	(527)	0
Mora JMI School Contribution	(212)	(212)	0
South Kilburn Trust Contribution to Regeneration Project	(150)	0	150
Willesden Green Library Development - Contractor Contribution	(2,614)	(2,614)	0
WLA Contribution to Housing Grants	(357)	(357)	0
<b>Total</b>	<b>(4,792)</b>	<b>(4,642)</b>	<b>150</b>
<b>Capital Receipts</b>	<b>(28,994)</b>	<b>(23,761)</b>	<b>5,233</b>
<b>S106</b>	<b>(14,667)</b>	<b>(14,667)</b>	<b>0</b>
<b>Unsupported Borrowing</b>	<b>(10,465)</b>	<b>(9,012)</b>	<b>1,453</b>
<b>Self Funded Borrowing</b>	<b>(82,957)</b>	<b>(82,957)</b>	<b>0</b>
<b>Internal Contribution</b>			
Doorway to Desktop - Revenue Contribution to Capital Outlay (RCCO) from Reserve	(12)	(12)	0
Grove Park/Hay Lane Revenue Contribution to Capital Outlay (RCCO)	(150)	(150)	0
Housing Contribution (Roundwood Scheme Clerk of Works)	(41)	(41)	0
RCCO from New Initiatives budget to Public Conveniences in Wembley	0	(23)	(23)
RCCO from Ward Working budget to Public Conveniences in Wembley	0	(10)	(10)
RCCO to South Kilburn Regeneration	0	(900)	(900)
Schools Contribution	0	0	0
<b>Total</b>	<b>(203)</b>	<b>(1,136)</b>	<b>(933)</b>
<b>General Fund Total</b>	<b>(244,388)</b>	<b>(185,259)</b>	<b>59,129</b>

## Capital Programme 2012-13 Income

	2012/13 Quarter 2 Capital Programme £000	2012/13 Quarter 3 Capital Programme £000	Variance £000
<b>Housing Revenue Account</b>			
Grant - Loft Conversion Grant	(88)	(38)	50
Major Repairs Reserve	(13,180)	(9,180)	4,000
Unsupported Borrowing - Housing Revenue Account:	(3,609)	(1,349)	2,260
External Contributions -Notting Hill House Housing Association	0	(122)	(122)
<b>Internal Contributions</b>			
Main Programme Revenue Contribution to Capital Outlay (RCCO) (HRA)	(1,684)	(1,684)	0
Rooftop Aerials to Housing Blocks (Earmarked Reserve - Telecom Equipment)	(711)	(151)	560
<b>Total</b>	<b>(2,395)</b>	<b>(1,835)</b>	<b>560</b>
<b>Housing Revenue Account Total</b>	<b>(19,272)</b>	<b>(12,524)</b>	<b>6,748</b>
<b>Total Income</b>	<b>(263,660)</b>	<b>(197,783)</b>	<b>65,877</b>



## Capital Programme 2013-14 -2016/17 Expenditure

	2012/13 Quarter 3 Capital Programme £000	Proposed 2013/14 Capital Programme £000	Proposed 2014/15 Capital Programme £000	Proposed 2015/16 Capital Programme £000	Proposed 2016/17 Capital Programme £000
<b>General Fund</b>					
<b>Adult Social Care</b>					
Campus Reprovision Programme (PCT Grant Funded)	450	0	0	0	0
Framework-I Implementation (Social Care/Mental Care SCP(C)) - St Gabriels/Walm Lane	450	0	0	0	0
Surplus Capital Grant not yet Allocated to Schemes Supported Living to Extra Care	0	0	0	650	650
	632	722	737	0	0
<b>Total</b>	<b>1,532</b>	<b>722</b>	<b>737</b>	<b>650</b>	<b>650</b>
<b>Children &amp; Families</b>					
Increasing PVI nursery provision provision for two year olds	883	0	0	0	0
<b>Total</b>	<b>883</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Environment &amp; Neighbourhood Services</b>					
Civic Centre CCTV	600	0	0	0	0
Libraries RFID	100	0	0	0	0
Parks	902	145	145	145	145
Public Realm depot purchase	6,200	0	0	0	0
Cemetery and Mortuary Service	10	20	20	20	20
Delivering the Sports Strategy	1,247	535	535	535	535
Air Quality Works	2	0	0	0	0
Pavements, Roads and Streetscene/Street Trees	4,206	3,550	3,550	3,550	3,550
Transport for London Funded Schemes	4,222	4,539	4,000	4,000	4,000
<b>Total</b>	<b>17,488</b>	<b>8,789</b>	<b>8,250</b>	<b>8,250</b>	<b>8,250</b>
<b>Central</b>					
Carbon Trust Works	183	50	50	50	50
Civic Centre Data Centre	1,219	0	0	0	0
Combined Property and ICT Initiatives	400	400	400	400	400
Grange Road Acquisition	140	0	0	0	0
Oracle Costs - Capitalisation	1,313	0	0	0	0
Provision for Liabilities	683	0	0	0	0
<b>Total</b>	<b>3,938</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>
<b>Housing</b>					
Private Sector Renewal Support Grant and Disabled Facilities Grant council	6,030	6,580	4,780	4,780	4,780
HCA Empty Homes Grant Programme	289	288	498	0	0
Chalkhill	527	0	0	0	0
<b>Total</b>	<b>6,846</b>	<b>6,868</b>	<b>5,278</b>	<b>4,780</b>	<b>4,780</b>
<b>Regeneration and Major Projects</b>					
<b>Business Transformation Schemes</b>					
Civic Centre	56,033	1,518	0	0	0
<b>Subtotal</b>	<b>56,033</b>	<b>1,518</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Children and Families Schemes</b>					
Access Initiatives	559	0	0	0	0
Ark Academy	1,098	0	0	0	0
Asset Management Plan Works	3,388	2,550	2,550	2,050	2,050
Co-Location Capital Grant	123	0	0	0	0
Contingency for final accounts	167	0	0	0	0
Cooking in the Curriculum	69	0	0	0	0
Crest Academies	17,734	13,976	5,951	0	0
Devolved Capital	2,980	570	570	570	570
Extended Schools	190	0	0	0	0
Health & Safety	50	0	0	0	0
Roundwood Youth Centre	1,680	0	0	0	0
Village School	19,553	0	0	0	0
Expansion of Secondary/Primary School Places	11,769	29,912	58,220	11,825	8,361
Mora JMI School windows and playground scheme	212	0	0	0	0
Vernon House Self Funded Scheme	161	0	0	0	0
<b>Subtotal</b>	<b>59,733</b>	<b>47,008</b>	<b>67,291</b>	<b>14,445</b>	<b>10,981</b>

## Capital Programme 2013-14 -2016/17 Expenditure

	2012/13 Quarter 3 Capital Programme £000	Proposed 2013/14 Capital Programme £000	Proposed 2014/15 Capital Programme £000	Proposed 2015/16 Capital Programme £000	Proposed 2016/17 Capital Programme £000
<b>Property Schemes</b>					
Combined Property and ICT Initiatives	172	100	100	100	100
Dollis Hill House	306	0	0	0	0
Enfranchisement	460	0	0	0	0
Kilburn Library refurbishment	652	0	0	0	0
Project Management - to provide additional resources to Service Areas	376	200	200	200	200
Property Management Plan (Surveys & Minor Works)	440	110	110	110	110
Carbon Reduction Measures	400	200	200	200	200
<b>Subtotal</b>	<b>2,805</b>	<b>610</b>	<b>610</b>	<b>610</b>	<b>610</b>
<b>Strategy, Partnership and Improvement Schemes</b>					
South Kilburn Regeneration Project	19,327	6,930	18,803	6,291	10,537
Willesden Green Library Development	2,614	6,942	0	0	0
Public Conveniences - Wembley Area	340	0	0	0	0
Willesden High Street Shop Fronts Improvement	40	0	0	0	0
<b>Subtotal</b>	<b>22,322</b>	<b>13,872</b>	<b>18,803</b>	<b>6,291</b>	<b>10,537</b>
<b>S106 &amp; CIL Funded Works (Estimate)</b>	<b>13,678</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>
<b>Total</b>	<b>154,572</b>	<b>68,508</b>	<b>92,204</b>	<b>26,846</b>	<b>27,628</b>
<b>General Fund Total</b>	<b>185,259</b>	<b>85,337</b>	<b>106,919</b>	<b>40,976</b>	<b>41,758</b>
<b>Housing Revenue Account</b>					
Barham Park Regeneration	122	0	0	0	0
Disabled Facilities Works (on council properties)	600	600	600	600	600
Health & Safety Works	1,349	2,260	0	0	0
Loft Coverings	38	50	0	0	0
Major repairs of council properties	10,264	13,762	9,762	9,762	9,762
Rooftop Aerials to Housing Blocks	151	560	0	0	0
<b>Housing Revenue Account Total</b>	<b>12,524</b>	<b>17,232</b>	<b>10,362</b>	<b>10,362</b>	<b>10,362</b>
<b>Total Expenditure</b>	<b>197,783</b>	<b>102,569</b>	<b>117,281</b>	<b>51,338</b>	<b>52,120</b>

## Capital Programme 2013-14 - 2016/17 Income

	2012/13 Quarter 3 Capital Programme £000	Proposed 2013/14 Capital Programme £000	Proposed 2014/15 Capital Programme £000	Proposed 2015/16 Capital Programme £000	Proposed 2016/17 Capital Programme £000
<b>General Fund</b>					
<b>Grant</b>					
Adults PSS Grant	(1,312)	(722)	(737)	(650)	(650)
Air Quality Grant	(2)	0	0	0	0
Ark Academy - Football Foundation Grant	(218)	0	0	0	0
Ark Academy (Additional DCSF Funding)	(271)	0	0	0	0
Basic Need Safety Valve Grant - Additional Primary Places	0	0	0	0	0
Central Government - SCE (C) (Modernisation Allocation)	(33)	0	0	0	0
Co-Location Capital Grant	(123)	0	0	0	0
Crest Academies - PFS Contributions	(14,678)	(13,976)	(5,950)	0	0
Devolved Formula Capital	(2,980)	(570)	(570)	(570)	(570)
Disabled Facilities Grant	(1,847)	(1,680)	(1,680)	(1,680)	(1,680)
Early education for two-year-olds	(883)	0	0	0	0
Extended Schools	(190)	0	0	0	0
Outer London Fund Grant	(40)	0	0	0	0
PCT Learning Disabilities Grant	(450)	0	0	0	0
Playbuilder Capital Grant	0	0	0	0	0
Practical Cooking Spaces (via Standards Fund) - Cooking in the Curriculum	(69)	0	0	0	0
Primary Capital Programme	0	0	0	0	0
Salix Grant Funding (Carbon Trust Works)	(119)	(50)	(50)	(50)	(50)
Short Breaks for Disabled Children Capital Grant	(170)	0	0	0	0
The Growth Fund	(3,243)	0	0	0	0
Mental Health SCP (C)	(294)	0	0	0	0
Social Care SCP (C)	(28)	0	0	0	0
London Marathon Charitable Trust Grant	0	0	0	0	0
Transport For London Grant Income	(4,222)	(4,539)	(4,000)	(4,000)	(4,000)
HCA Empty Homes Grant	(288)	(288)	(498)	0	0
Basic Need Grant	(10,793)	(26,220)	(56,980)	(10,875)	(7,411)
Capital Maintenance for LA schools	(4,703)	(4,612)	(3,000)	(3,000)	(3,000)
Environmental Improvement Government Grant	(320)	0	0	0	0
Local Authorities Short Breaks Funding	(170)	0	0	0	0
Myplace Grant (Big Lottery Fund)	(1,639)	0	0	0	0
<b>Total</b>	<b>(49,084)</b>	<b>(52,657)</b>	<b>(73,465)</b>	<b>(20,825)</b>	<b>(17,361)</b>
<b>External Contributions</b>					
St Robert Southwell/Diocese	0	(100)	0	0	0
Alperton Lower School contribution to SEN scheme	(100)	0	0	0	0
Chalkhill Park (Funded from Chalkhill Reserve)	(832)	0	0	0	0
MHT Contribution to Chalkhill	(527)	0	0	0	0
Mora JMI School Contribution	(212)	0	0	0	0
South Kilburn Trust Contribution to Regeneration Project	0	0	0	0	0
Willesden Green Library Development - Contractor Contribution	(2,614)	(6,942)	0	0	0
WLA Contribution to Housing Grants	(357)	0	0	0	0
<b>Total</b>	<b>(4,642)</b>	<b>(7,042)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Receipts</b>	<b>(23,761)</b>	<b>(9,260)</b>	<b>(19,091)</b>	<b>(6,578)</b>	<b>(10,824)</b>
<b>S106</b>	<b>(14,667)</b>	<b>(5,500)</b>	<b>(5,500)</b>	<b>(5,500)</b>	<b>(5,500)</b>
<b>Unsupported Borrowing</b>	<b>(9,012)</b>	<b>(6,730)</b>	<b>(6,973)</b>	<b>(6,973)</b>	<b>(6,973)</b>
<b>Self Funded Borrowing</b>	<b>(82,957)</b>	<b>(3,248)</b>	<b>(990)</b>	<b>(200)</b>	<b>(200)</b>
<b>Internal Contribution</b>					
Doorway to Desktop - Revenue Contribution to Capital Outlay (RCCO) from Reserve	(12)	0	0	0	0
Grove Park/Hay Lane Revenue Contribution to Capital Outlay (RCCO)	(150)	0	0	0	0
Housing Contribution (Roundwood Scheme Clerk of Works)	(41)	0	0	0	0
RCCO from New Initiatives budget to Public Conveniences in Wembley	(23)	0	0	0	0
RCCO from Ward Working budget to Public Conveniences in Wembley	(10)	0	0	0	0
RCCO to South Kilburn Regeneration	(900)	(900)	(900)	(900)	(900)
<b>Total</b>	<b>(1,136)</b>	<b>(900)</b>	<b>(900)</b>	<b>(900)</b>	<b>(900)</b>
<b>General Fund Total</b>	<b>(185,259)</b>	<b>(85,337)</b>	<b>(106,919)</b>	<b>(40,976)</b>	<b>(41,758)</b>

## Capital Programme 2013-14 - 2016/17 Income

	2012/13 Quarter 3 Capital Programme £000	Proposed 2013/14 Capital Programme £000	Proposed 2014/15 Capital Programme £000	Proposed 2015/16 Capital Programme £000	Proposed 2016/17 Capital Programme £000
<b>Housing Revenue Account</b>					
Grant - Loft Conversion Grant	(38)	(50)	0	0	0
Major Repairs Reserve	(9,180)	(12,678)	(8,678)	(8,678)	(8,678)
Unsupported Borrowing - Housing Revenue Account:	(1,349)	(2,260)	0	0	0
External Contributions -Notting Hill House Housing Association	(122)	0	0	0	0
<b>Internal Contributions</b>					
Main Programme Revenue Contribution to Capital Outlay (RCCO) (HRA)	(1,684)	(2,244)	(1,684)	(1,684)	(1,684)
Rooftop Aerials to Housing Blocks (Earmarked Reserve - Telecom Equipment)	(151)	0	0	0	0
<b>Total</b>	<b>(1,835)</b>	<b>(2,244)</b>	<b>(1,684)</b>	<b>(1,684)</b>	<b>(1,684)</b>
<b>Housing Revenue Account Total</b>	<b>(12,524)</b>	<b>(17,232)</b>	<b>(10,362)</b>	<b>(10,362)</b>	<b>(10,362)</b>
<b>Total Income</b>	<b>(197,783)</b>	<b>(102,569)</b>	<b>(117,281)</b>	<b>(51,338)</b>	<b>(52,120)</b>

## ANNUAL INVESTMENT STRATEGY 2013/14

## List of institutions which meet the Council's credit criteria

Country/Domicile	Counterparty	Maximum Group Limit £m	Maximum Maturity Limit
UK	Santander UK	15	370 days
UK	Lloyds TSB/Bank of Scotland	15	370 days
UK	Barclays Bank	15	370 days
UK	HSBC Bank	15	370 days
UK	Nationwide Building Society	15	370 days
UK	NatWest/RBS	15	370 days
UK	Standard Chartered Bank	15	370 days
Australia	Australia and NZ Banking Group	10	370 days
Australia	Commonwealth Bank of Australia	10	370 days
Australia	National Australia Bank	10	370 days
Australia	Westpac Banking Corp	10	370 days
Canada	Bank of Montreal	10	370 days
Canada	Bank of Nova Scotia	10	370 days
Canada	Canadian Imperial Bank of Commerce	10	370 days
Canada	Royal Bank of Canada	10	370 days
Canada	Toronto-Dominion Bank	10	370 days
Finland	Nordea Bank Finland	10	370 days
France	BNP Paribas	10	370 days
France	Credit Agricole CIB/SA	10	370 days
France	Société Générale	10	370 days
Germany	Deutsche Bank AG	10	370 days
Netherlands	ING Bank NV	10	370 days
Netherlands	Rabobank	10	370 days
Netherlands	Bank Nederlandse Gemeenten	10	370 days
Sweden	Svenska Handelsbanken	10	370 days
Switzerland	Credit Suisse	10	370 days
US	JP Morgan	10	370 days

The list above represents the institutions which meet the criteria at the time of preparation of the strategy. The CFO may introduce new names which meet the criteria from time to time and may adopt more restrictive limits on maturity or value as seems prudent

An operational list of institutions which are approved to take deposits from the Council will be prepared and circulated to dealing and approving Officers from time to time

**Group Limits** - for institutions within a banking group, the authority may lend the full limit to a single bank within that group, but may not exceed the limit for all group members.

## Non-Specified Investments

### Instrument

Call accounts, term deposits & CDs with banks, building societies & local authorities which do not meet the specified investment criteria (on advice from Arlingclose)

Deposits with registered providers

Gilts

Bonds issued by multilateral development banks

Sterling denominated bonds by non-UK sovereign governments

Money Market Funds and Collective Investment Schemes

Corporate and debt instruments issued by corporate bodies purchased from 01/04/12 onwards

Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573. These would be capital expenditure.

The Authority will hold up to a maximum of £30m in each category, subject to a maximum of £30m in all non specified investments at any time.

## **Policies and Objectives of Treasury Management Activities**

The Council defines its treasury management activities as:

“The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

The Council’s primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council’s investments followed by the yield earned on investments remain important but are secondary considerations.

The Council delegates the execution and administration of treasury management decisions to the County Treasurer who will act in accordance with the organisation’s policy statement and TMPs and CIPFA’s Standard of Professional Practice on Treasury Management.

The Council nominates its Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

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## **ADVICE FROM THE DIRECTOR OF LEGAL AND PROCUREMENT**

### **1. INTRODUCTION**

This appendix sets out in some detail Members' individual responsibilities to set a legal budget and how Members should approach the task. It also reminds Members about the rules concerning pecuniary interests.

The appendix concludes with specific legal advice over aspects of the budget which potentially give rise to difficulties.

### **2. WHEN THE BUDGET MUST BE SET**

Under Section 31A of the Local Government Finance Act 1992, budget calculations have to be made before 11<sup>th</sup> March, but they are not invalid merely because they are made on or after 11<sup>th</sup> March. However, delay in setting the Council Tax will have very serious financial consequences. It will render the Council vulnerable to legal proceedings requiring it to set the tax. In any event, it is important that the tax is set well in advance of 1<sup>st</sup> April as no sum is payable for Council Tax until 14 days after the date of posting bills. Serious financial losses will accrue very soon from a late setting of Council Tax as income is delayed and interest is foregone.

An important feature of Council Tax is that the statutory budget calculation must be followed exactly. If not the Council Tax resolution will be invalid and void. Detailed advice will therefore be available at the Council meeting.

### **3. NOTICE**

There is a requirement to publish notice of the amount set for Council Tax in at least one local paper within 21 days of the Council's decision under section 38(2) of the Local Government and Finance Act 1992. There is also a duty to consult with representatives of Non-Domestic Ratepayers about the proposed revenue and capital expenditure before the budget requirement is calculated under section 65 of the Local Government and Finance Act 1992.

### **4. MEMBERS' FIDUCIARY DUTIES**

The obligation to make a lawful budget each year is shared equally by each individual Member. In discharging that obligation, Members owe a fiduciary duty to the Council Taxpayer.

The budget must not include expenditure on items which would fall outside the Council's powers. Expenditure on lawful items must be prudent, and any forecasts or assumptions such as rates of interest or inflation must themselves be rational. Power to spend money must be exercised bona fide for the purpose for which they were conferred and any ulterior motives risk a

finding of illegality. In determining the Council's overall budget requirement, Members are bound to have regard to the level of Council Tax necessary to sustain it. Essentially the interests of the Council Taxpayer must be balanced against those of the various service recipients.

Within this overall framework, there is of course considerable scope for discretion. Members will bear in mind that in making the budget commitments are being entered which will have an impact on future years. Some such commitments are susceptible to change in future years, such as staff numbers which are capable of upward or downward adjustment at any time. Other commitments however impose upon the Council future obligations which are binding and cannot be adjusted, such as loan charges to pay for capital schemes.

Only relevant and lawful factors may be taken into account and irrelevant factors must be ignored. A Member who votes in accordance with the decision of his or her political group but who does so after taking into account the relevant factors and professional advice will be acting within the law. Party loyalty and party policy are capable of being relevant considerations for the individual Member provided the member does not blindly toe the party line without considering the relevant factors and professional advice and without properly exercising any real discretion.

Under the Brent Member Code of Conduct members are required when reaching decisions to have regard to relevant advice from the Chief Finance Officer (the Director of Finance and Corporate Services/Deputy Director of Finance) and the Monitoring Officer (the Director of Legal and Procurement). If the Council should fail to set a budget at all or fail to set a lawful budget, contrary to the advice of these two officers there may be a breach of the Code by individual members if it can be demonstrated that they have not had proper regard to the advice given.

## **5. ARREARS OF COUNCIL TAX AND VOTING**

In accordance with section 106 of the Local Government Finance Act 1992 ("the 1992 Act"), where a payment of Council Tax that a member is liable to make has been outstanding for two months or more at the time of a meeting, the Member must disclose the fact of their arrears (though they are not required to declare the amount) and cannot vote on any of the following matters if they are the subject of consideration at a meeting:

- (a) Any decision relating to the administration or enforcement of Council Tax.
- (b) Any budget calculation required by the Local Government Finance Act 1992 underlying the setting of the Council Tax.
- (c) Any recommendation, resolution or other decision which might affect the making of the Annual Budget calculation.

Members should note the following points:

- (i) These rules are extremely wide in scope. Virtually any Council decision which has financial implications is one which might affect the making of the budget underlying the Council Tax for next year and thus is caught. The former DoE (now DCLG) shared this interpretation as it made clear in its letter to the AMA dated 28<sup>th</sup> May 1992.
- (ii) The rules do not apply just to full Council meetings but extend to committees and sub-committees of the Council and to the Executive and its Highways Committee.
- (iii) Members who make a declaration are not entitled to vote on the matter in question but are not prevented by the section from taking part in the discussion.
- (iv) Members will have a defence under section 106 of the 1992 Act if they did not know that the section applied to them (i.e., that they were in arrears to the relevant extent) at the time of the meeting. Thus unwitting Members who for example can prove that they did not know and had no reason to suppose at the time of the meeting that their bank has failed to honour a standing order will be protected should any prosecution arise.
- (v) It is not enough to state that a benefit application has been submitted which has not yet been determined, as Members remain liable to pay pending determination.
- (vi) Breach of the rules is a criminal offence under section 106 of the 1992 Act which attracts a maximum fine of £1,000.

## **6. PECUNIARY INTERESTS**

A Member must before the end of 28 days from the date of election to office, notify the Monitoring Officer of any disclosable pecuniary interests.

A pecuniary interest is a disclosable pecuniary interest in relation to a person (as specified in regulations) and either –

(a) It is the Member interest, or

(b) It is an interest of:

(i) a member's spouse or civil partner,

(ii) a person with whom a member is living as husband and wife, or

(iii) a person with whom a Member is living as if they were civil partners, and the Member or is aware that the other person has the interest.

If a Member is present at a meeting and has a disclosable pecuniary interest in a matter under consideration, if the interest has not been registered they must disclose it at the meeting.

The Member may not participate in the discussions or vote on the matter where they have a disclosable pecuniary interest.

The definition of a pecuniary interest is set out below in the following eight paragraphs of this section.

*Employment, office, trade profession or vacation* - Any employment, office, trade, profession or vocation carried on for profit or gain.

*Sponsorship* - Any payment or provision of any other financial benefit (other than from London Borough of Brent) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out his/her duties as a member, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

*Contracts* - Any contract which you have made between the Member (or a body in which the Member has a beneficial interest) and the London Borough of Brent -

- (a) under which goods or services are to be provided or works are to be executed; and
- (b) which has not been fully discharged.

*Land* - Any beneficial interest in land which is within the area of the London Borough of Brent.

*Licences* - Any licence (alone or jointly with others) to occupy land in the area of the London Borough of Brent for a month or longer.

*Corporate tenancies* - Any tenancy where (to the Member's knowledge) -

- (a) the landlord is the London Borough of Brent; and
- (b) the tenant is a body in which the Member has a beneficial interest.

*Securities* - Any beneficial interest in securities of a body where –

- (a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and
- (b) either -
  - (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
  - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

It should be noted that where there is any reference to the words "his/her" and "the Member" also includes those interests of the Member's spouse or civil partner, a person living with him/her as husband/wife, and a person the Member is living with as if they were civil partners, and the Member is aware that this other person has the interest.

Members will receive more detailed advice prior to the meeting about the interests they may or may not need to declare at the meeting but members should seek early advice to avoid any confusion on the night of the meeting.

## **Sensitive Interests**

Where a Member has an interest, the disclosure of which the Monitoring Officer believes could subject the Member to violence or intimidation, the interest should not be placed on the public register. Instead, the register would simply say that the Member has an interest, the details of which are withheld under s32 (2) of the Localism Act 2011.

## **Dispensations**

The Council's Monitoring Officer may, on written request from a Member, grant a dispensation to relieve the applicant from the restrictions on participation and voting. Dispensation may be granted if:-

- Without the dispensation the number of persons prohibited from participating would be so great a proportion to impede the effectiveness of the meeting;
- The representation of different political groups would be affected and likely to alter the likely outcome of any voting at the meeting;
- Granting the dispensation is in the interests of persons living in the Borough;
- Every Member of the Council's Executive would be precluded from participating in the meeting;
- It is appropriate to grant a dispensation.

Dispensation may be granted for up to 4 years. A dispensation will mean that the Member to whom it is granted can speak and vote on a matter in which they have a relevant interest. Where the Monitoring Officer is undecided on the best response, and time is not of the essence, the decision could be passed to Standards Committee for decision and there is no Standards Committee meeting currently fixed before the budget setting meeting.

## **7. RESPONSIBILITIES OF CHIEF FINANCIAL OFFICER AND AUDITORS' POWERS**

### **Chief Financial Officer and Monitoring Officer**

Section 114 of the Local Government Finance Act 1988 places the Chief Financial Officer under an obligation to prepare a report (to full Council) if it appears to him that the expenditure the Authority proposes to incur in a financial year is likely to exceed its resources available to meet that expenditure. A failure to take note and act on such a report could lead to a complaint to the Standards Board. Similarly, the Council's Monitoring Officer is required to report to Full Council if it appears to her that a decision has been or is about to be taken which is or would be unlawful or would be likely to lead to maladministration.

Under section 25 of the Local Government Act 2003 the Chief Financial Officer is required to report to the authority on the robustness of the estimates made for the purposes of the calculations required to be made by the Council and the adequacy of the proposed financial reserves. These are the estimates which the Executive is required to determine and submit to Full Council and

are contained within this report. However, if the Council were minded to agree a budget based on different estimates e.g. if Council did not agree with the estimates provided by the Executive then those estimates which the Council would adopt would effectively become 'the estimates' for the purpose of Section 25 and as such should be subject to a report by the Chief Financial Officer.

### **External Auditors' Powers**

Section 91 of the Local Government Act 2000 and section 19A of the Audit Commission Act 1998 provide that an External Auditor may issue an "Advisory Notice" if he has reason to believe that an Authority is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency. This power is to be used where the matter is significant either in amount or in principle or both.

While the advisory notice has effect it is not lawful for the authority to implement or take the course of action in question unless it has considered the issues raised in the notice and given the auditor notice that it intends to proceed with that course of action in a specified period and that period has expired.

In addition, it is also open to the Auditor to apply for judicial review on any decision of an Authority or failure to act which it is reasonable to believe would have an effect on the accounts of an Authority.

## **8. SPECIFIC BUDGET ADVICE**

### **Balances and Other Budget Calculations**

A local authority must budget so as to give a reasonable degree of certainty as to the maintenance of its services. In particular local authorities are required by section 31A(2)(b) and (c) of the Local Government Finance Act 1992 to calculate as part of their overall budget what amounts are appropriate for contingencies and reserves. The Council faces various contingent liabilities set out in the main budget report. Furthermore the Council must ensure sufficient flexibility to avoid going into deficit at any point during the financial year. Members will need to pay careful attention to the advice of officers here. As set out previously, under section 25 of the Local Government Act 2003 the Chief Finance Officer is required to report to the authority on the adequacy of the proposed financial reserves.

In addition to advising on the robustness of the estimates as set out above, the Chief Finance Officer is also required to report on the robustness of the proposed financial reserves. The same advice applies to these as to the other calculations required to be made by the Council. The view of the Deputy Director of Finance in his capacity as the Council's Chief Finance Officer of the level of reserves is contained within the report.

Having considered the officer's report the Council is then required to "*have regard to the report*" but it is not required to adopt the recommendations in it. However, Members must demonstrate they have acted reasonably if they do not adopt the recommendations.

### **Localism Act 2011**

Sections 72 to 79 and Schedules 5 to 7 of the Localism Act 2011 amended the legislation regarding the calculation of council tax. Schedule 5 of the Localism Act provides for a council tax referendum to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State. Authorities will not be able to exceed the Secretary of State's principles without having held such a referendum. The Secretary of State has ruled that most principal authorities, which includes Brent Council, proposing increases which exceed 2% or more will need to hold a referendum.

Any authority taking up the council tax freeze grant from the Department of Communities and Local Government for 2013/14 will not be subject to a council tax referendum in that year. Only those principal authorities not accepting the freeze grant and increasing council tax by over 2% would have to hold a referendum by no later than the first Thursday in May in the 2013/14 financial year. In this scenario, substitute calculations would need to be drawn up in accordance with the principles laid down by the Secretary of State and these substitute calculations would take effect in the event of any increases in excess of 2% not being approved in the referendum.

### **Alternative Proposals**

If alternative proposals to those contained in this report are moved at the budget setting meeting, the Chief Finance Officer will need to consider if the estimates or proposed financial reserves contained in this report are affected and whether a further report (which may be oral) is required under section 25 of the Local Government Act 2003. If the Chief Finance Officer is unable to report on the estimates or the reserves because of the lateness of the alternative proposals then he will not be able to comply with this statutory requirement. The Act does not say what happens if this duty is not fulfilled and nor does it say whether the Council can set the budget without that advice. It follows from this then that there is no express statutory prohibition. However, the authority is at risk of a Judicial Review by an interested person e.g. a resident or the Audit Commission if the Council has failed to have regard to a report of the Chief Finance Officer on the estimates and reserves used for its budget calculations.

### **Capital Programme**

The requirements of the "*Prudential Code*" established in the Local Government Act 2003 are set out in the report.

## **Expenditure Charged to the Housing Revenue Account**

Members will be aware that the Housing Revenue Account (HRA) is by law to be maintained separately from the General Fund and there are strict rules which determine to which account any expenditure must be charged. There are only very limited areas of discretion here. Members should bear in mind that if they wished to review any current determination which affects the apportionment of charges between the General Fund and HRA, they would need to do so on the basis of an officers' report and specific legal advice. The Housing Revenue Account must be maintained in balance throughout the year and the Council is under a duty to prevent a debit balance in the Housing Revenue Account pursuant to Section 76 Local Government and Housing Act 1989.

## **Equalities Legislation**

Section 149 of the Equality Act 2010 sets out the public sector equality duty which requires the Council, when exercising its functions to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimization and other conduct prohibited under the Equality Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

A 'protected characteristic' is defined in the Equality Act as:

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race; (including ethnic or national origins, colour or nationality)
- religion or belief;
- sex;
- sexual orientation.

Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.

Having due regard to the need to 'advance equality of opportunity' between those who share a protected characteristic and those who do not, includes having due regard to the need to remove or minimize disadvantages suffered by them. Due regard must also be had to the need to take steps to meet the needs of such persons where those needs are different from persons who do not have that characteristic, and encourage those who have a protected characteristic to participate in public life.

Complying with the duty may involve treating some people better than others, as far as that is allowed by the discrimination law.

Due regard to the need to eliminate discrimination, advance equality, and foster good relations must form an integral part of the decision making



process. The Council must consider the effect that implementing a particular policy will have in relation to equality before making a decision.

There is no prescribed manner in which the equality duty must be exercised. However, the council must have an adequate evidence base for its decision making. This can be achieved by gathering details and statistics on who use the facilities. A careful consideration of this assessment is one of the key ways in which the Council can show “due regard” to the relevant matters. Where it is apparent from the analysis of the information that the proposals would have an adverse effect on equality then adjustments should be made to avoid that effect (mitigation).

The duty is not to achieve the objectives or take the steps set out in s.149. Rather, the duty on public authorities is to bring these important objectives relating to discrimination into consideration when carrying out its functions. “Due regard” means the regard that is appropriate in all the particular circumstances in which the authority is carrying out its functions.

There must be a proper regard for the goals set out in s.149. At the same time, the council must also pay regard to any countervailing factors, which it is proper and reasonable for them to consider. Budgetary pressures, economics and practical factors will often be important. The weight of these countervailing factors in the decision making process is a matter for the Council.

The equality and diversity implications of budget proposals are considered at all stages of the budget process, from the development of the initial budget strategy, through consideration of individual growth and savings proposals, to the production of service development plans. The processes in place are therefore aimed at ensuring that the budget proposals in this report do not discriminate against communities or individuals because of age, ethnicity, gender, disability, religion, or sexual orientation, and support the council in meeting its other duties to promote equal opportunities and good race relations.

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## Scheme of Transfers and Virements under Standing Order 17(a)

### Definitions

Unless specified to the contrary within the specific paragraphs, each of the following words within this Scheme of Transfers and Virements has the precise meaning assigned to it in this scheme.

**Accounts** – For the purposes of this scheme, the Council shall be considered to be operating three “accounts” – the General Fund, the Housing Revenue Account, and the Capital Programme.

**Budget** – The Council’s budget agreed by Full Council for a financial year is set at a Council meeting at the same time as the Council Tax levels are set for the financial year and is amended from time to time in accordance with this scheme or other relevant powers.

The budget includes planned expenditure and income for the Accounts, as well as transfers into and out of Reserves and Provisions.

The General Fund budget for each financial year for each service area is summarised in the General Fund Budget Summary Appendix of the Report. The matrices in the Service Area Budget Summary Appendix of the Report show budget heads within each service area.

The Housing Revenue Account budget for each financial year is set out in the Housing Revenue Account Appendix of the Report.

The Capital Programme is set out in Capital Programme Forecast Appendix of the Report. This is set in the context of the Prudential limits set out in of the Report.

Full Council may amend the Budget at any time during the financial year, and the amended budget will replace the budget set at the budget setting Council meeting held before the start of the financial year.

**Reserves and Provisions** – The Council sets aside amounts from its Accounts from time to time to meet potential future specific or general liabilities or risks. Collectively the cumulative values of these amounts are called the Council’s Reserves and Provisions.

The values of Reserves and Provisions which are subject to the Transfer provisions of this scheme are those that appeared in the Council’s accounts as at 31<sup>st</sup> March of the previous financial year in respect of that year (for example, the values for 2012/13 were the values for 2011/12 as they appeared in the accounts as at 31<sup>st</sup> March 2012) as amended by appropriations contained in the other elements of the budget.

**Reserves and Provisions Established by the Director of Finance and Corporate Services** - The Director of Finance and Corporate Services may agree that reserves be established by a Service Area at the end of the Financial Year for a specified purpose, where the Service Area has sought permission from the Director of Finance and Corporate Services to apply some or all of that reserve to expenditure for that specified purpose in the next Financial Year and the Director of Finance and Corporate Services is of the opinion that this is a reasonable and prudent use of the resources.

**The Report** - References to the “Report” are references to the “Budget and Council Tax” report as agreed by Full Council at the budget setting meeting held to set the budget before the start of the current financial year.

**Virements** – A virement is an increase in any budget or budgets or part of a budget or budgets that is matched by an equal and opposite decrease in any other budget or budgets or part of budgets within the same Account, such that when the total changes are aggregated the net change across all budgets within that Account is zero.

**Schedule of Earmarked Reserves and Provisions** - the Schedule of Earmarked Reserves and Provisions approved by Full Council at the budget setting meeting held before the start of the financial year.

**Transfers** – For the purposes of this scheme, a Transfer is a movement of funds from any reserve, provision or Account to any other reserve, provision or Account.

**New Spending** – Any increase in gross expenditure or reduction in gross income above the aggregates included in each Account is considered to be “*new spending*” for the purposes of this scheme.

**Earmarked Supported Borrowing** – A permission to borrow issued by a Department of State limited to a specific purpose and coming with a commitment to include the financing charges within the calculation of Revenue Support Grant or Housing Subsidy.

## GENERAL PROVISION

1. Except where explicitly stated to the contrary, no virement, transfer, or new spending is authorised by this scheme if it is in conflict with the Policy Framework or if it conflicts with anything specifically agreed by Full Council as part of the budget setting process other than by a decision of Full Council.

## TRANSFERS

### General

2. Spending on any Account above that allowed for in the Budget, or a shortfall in income below that estimated in the Budget will result in a charge to Reserves unless compensating changes are made. This follows from the

Accounting Code of Practice, which has Statutory force. It is acknowledged that such transfers may result in a conflict with the Policy Framework. Statute provides procedures for dealing with such transfers, especially where the resultant transfers exhaust Reserves and Provisions. This scheme does not deal with these transfers, although limits are placed on the Executive's action to minimise the chance that such circumstances arise.

3. In certain circumstances where such overspends on Accounts arise, there is a choice as to which Reserve the charge should be made. There may also be circumstances in which Provisions can be used to prevent Reserves being exhausted. These are matters that are reserved to Full Council.

### **Earmarked Reserves and Provisions for Specified Purposes**

4. Certain reserves and provisions have been established to aid the smooth running of the Council's finances, and it will be normal to charge costs to those reserves and provisions subject to financial regulations and local procedures and policies. These are listed in Part A of the Schedule of Earmarked Reserves and Provisions, and officers may make transfers from these reserves and provisions up to the amounts in them for the specified purposes.
5. Part B of the Schedule of Earmarked Reserves and Provisions lists those other reserves and provisions from which transfers may only be made on the authority of the Executive, up to the limits of the amounts in them and for the purposes for which they were established.
6. Transfers from Reserves and Provisions Established by the Director of Finance and Corporate Services may be made by the Director of Finance and Corporate Services up to the amount of £250k. Transfers of any greater amount may only be made on the authority of the Executive.
7. Transfers from Reserves and Provisions not included in the Schedule of Earmarked Reserves and Provisions or transfers from Reserves and Provisions for purposes other than those for which they were established require the approval of Full Council, unless otherwise allowed by this scheme.

### **Executive Powers**

8. The Executive shall have the power to approve any Transfer that does not result in New Spending across Accounts, on the recommendation of the Director of Finance and Corporate Services, for the purposes of the efficient management of the Council's affairs.
9. For the purposes of maintaining Reserves at a prudent level (as determined by the Executive on advice from the Director of Finance and Corporate Services.), the Executive may make any Transfer from any Account to the appropriate Reserve if there is a reported saving in that Account.

10. The Executive may make one or more Transfers up to a total of £500,000 in the financial year from any Reserve to any appropriate Account for the purposes of New Spending provided that:
  - (a) Reserves are maintained at a prudent level after considering the effect of the Transfer and any risks that fall upon Reserves;
  - (b) The Account to which the Transfer is to be made is not immediately prior to making the transfer forecast to overspend; and
  - (c) The New Spending is for an objective contained within the Policy Framework, the Corporate Strategy, a legislative requirement or a contractual obligation.

## **VIREMENTS – GENERAL FUND**

### **Officers**

11. Officers may make any virement within a budget line in a service area (i.e. within any one line in the Service Area Budget Summary Appendix of the Report).
12. Subject to paragraph 11, officers may agree any virement within their area of responsibility which:
  - (a) Is designed to keep function and finance together (as determined by the Director of Finance and Corporate Services); or
  - (b) Increases the budget of a unit that is overspending by reducing that of a unit that is underspending.
13. Virements in paragraph 11 may only be agreed by officers provided that:
  - (a) They do not result in a commitment which would itself lead to an increased overspend in the current financial year or give rise to unfunded expenditure in future years;
  - (b) They are consistent with the Service Plan;
  - (c) They do not conflict with any prior decision made or policy or plan or strategy adopted by the Executive; and
  - (d) They are reported to the Director of Finance and Corporate Services.
14. The Director of Finance and Corporate Services may agree any virement between areas of responsibility of different Officers whose effect falls within the criteria set out in paragraph 11 subject to the constraints in paragraph 13(a) to 13(d).

## Executive

15. Subject to paragraph 14, the Executive may agree any virement either within or between any Service Area which:
  - (a) Falls within the purposes of paragraph 11;
  - (b) Helps to maintain prudent levels of Reserves; or
  - (c) Helps to keep expenditure within the overall budget totals; or
  - (d) Finances new initiatives supporting the Policy Framework or the Corporate Strategy but not explicitly included in the Service Development Plan and Budget.
16. The Executive may only agree virements under paragraph 15 if it has received advice from the Director of Finance and Corporate Services that after the virement:
  - (a) Reserves remain at prudent levels; and
  - (b) No unfunded expenditure commitments arise in future years.

## New Spending

17. Where additional resources arise during the year and these are limited for a specific use (e.g. because of grant conditions), then officers may commit the New Spending provided that:
  - (a) There is no unfunded spending commitment for future years;
  - (b) Any match funding for the current year is met from identified underspends; and
  - (c) The Director of Finance and Corporate Services certifies that the criteria in paragraph 16 apply.
18. Where additional resources arising from additional income, grant not limited for a specific use, or underspends of budgets are identified, then the Executive may agree New Spending, subject to the criteria in paragraphs 15 and 16.

## VIREMENTS - CAPITAL PROGRAMME

### General

19. The Capital Programme consists of individual projects and sums allocated for work of a particular type. Financial Regulations dictate that the latter type of expenditure can generally only be spent after approval by Executive of project schemes within that type.
20. Capital projects often span more than one year, and include provisions for contingencies, provisional sums and the like. This generates a degree of flexibility available for managing the overall programme and this scheme takes advantage of that flexibility.
21. Many funding streams for Capital projects are limited to particular types of projects. Nothing in this scheme allows virement between projects if the funding stream cannot be vired because of some other condition or limitation restricting or precluding a virement.
22. The Capital Programme is funded by a combination of capital receipts, grants and other direct external contributions and borrowing. The total amount of permitted borrowing can be varied during the financial year under the terms of Local Government Act 2003 and relevant regulations. Apart from any contingencies agreed in the Budget, this scheme does not permit any increase in the level of permitted borrowing beyond that agreed in the Budget. Such increases require approval by Full Council in the context of advice from the Director of Finance and Corporate Services and subject to CIPFA's *"The Prudential Code for Capital Finance in Local Authorities."*

### Officers

23. Officers should make such virements as are necessary to ensure that the overall capital spend is kept within the sums allocated for that purpose within their area of responsibility provided that:
  - (a) They do not stop or significantly change projects approved by Full Council or the Executive except where as part of project approval the Full Council or Executive has delegated authority to officers to revise or reschedule such projects;
  - (b) They do not commit expenditure beyond resources available in future years; and
  - (c) They report changes to the Director of Finance and Corporate Services.



**Executive**

24. The Executive may make such virements within the Capital Programme as are necessary to ensure that overall spending is within the resources available, and it can bring forward, delay or stop projects as necessary to achieve this.
25. The Executive may vire funding from one set of capital projects to another without limit provided that:
  - (a) Reductions are not made to funding of projects below the level that is contractually committed;
  - (b) Spending commitments in future years are not made beyond the resources available to fund them.

**New Spending**

26. Where new Capital resources, not limited to specific purposes, are identified during the year, the Executive may commit new expenditure from the reserve list, where such a list exists, in its own priority order providing that:
  - (a) The Capital Programme is not projected to overspend its resources;
  - (b) Spending commitments in future years are not made beyond the resources available to fund them.
27. Where new Capital resources, not limited to specific purposes, are identified during the year, and the reserve list has been fully funded, the Executive may commit new expenditure on other capital schemes provided that:
  - (a) The Capital Programme is not projected to overspend its resources;
  - (b) Spending commitments in future years are not made beyond the resources available to fund them;
  - (c) The new spending meets objectives set out in the Policy Framework or the Corporate Strategy.
28. Where new Capital resources, limited for use for a specific purpose, are identified during the year that do not require matched funding, the Executive may commit new expenditure provided that:
  - (a) Spending commitments in future years are not made beyond the resources available to fund them;
  - (b) If the new funding is by Supplementary Credit Approval, a report is received from the Director of Finance and Corporate Services indicating that the cost of the new borrowing is affordable;

- (c) The new spending meets objectives set out in the Policy Framework or the Borough Plan.
29. Where new Capital resources, limited for use for a specific purpose, are identified during the year that do require matched funding, the Executive may commit new expenditure on that match funding provided that:
- (a) The Reserved List, where such a list exists, has been fully committed and there are sufficient capital resources available to meet the match funding requirements directly or by virement, OR additional revenue resources have been identified to meet the match funding requirements;
  - (b) Spending commitments in future years are not made beyond the resources available to fund them.

### **VIREMENTS – HOUSING REVENUE ACCOUNT**

30. The Director of Housing and Community Care may make any virements necessary for the efficient running of the Housing Revenue Account within the Account, including the use of revenue resources for capital purposes, provided that:
- (a) Spending commitments in future years are not made beyond the resources available to fund them; and
  - (b) The changes are reported to the Director of Finance and Corporate Services.

### **REPORTING ARRANGEMENTS**

31. Subject to paragraph 30, all Transfers, Virements and New Spending are to be reported to Full Council whether or not they require Full Council's approval. Normally this will be done by means of the regular expenditure monitoring reports made by the Director of Finance and Corporate Services. The reports will classify changes by whether Officer, Executive or Full Council approval was required.
32. Virements within one line of the Service Area Budget Summary Appendix of the Report, Transfers falling within Part A of the Schedule of Earmarked Reserves and Provisions and Virements within the HRA will not normally be reported to Full Council but will be reported if the Director of Finance and Corporate Services or the monitoring officers consider that a report should be submitted.
33. Any failure to report to or notify the Director of Finance and Corporate Services on any matter as required under this scheme will not invalidate the decision by virtue of that failure to report or notify alone.

## Schedule 1

## Earmarked Reserves and Provisions

PART A Officers have the authority to make transfers from these reserves and provisions up to the amounts in them for the specified purpose.

## Reserves

Affordable Housing PFI	Lottery Heritage
ALMO Interest	Mortgage Repossession Fund Grant
Avenue School	Museums, Libraries & Archives
BACES	National Museum Foundation
Best Bar None	New Homes Bonus
Brent Cycling Project	New Initiatives
Brent Performance Fund	NNDR Revaluation Refunds
Capital Financing	Nurseries
Carpenders Park Cemetery	Performance Fund
Chalkhill	Physical Activity Summit
Civic Centre	Planning Service Major Cases
CLG - Small Business Allowance	Poplar Grove Lease agreement
CLG Funding Balance	Positive Activities for young People
CLG Funding Secondment Officer	Preventing Homelessness
Client Deposits	Private Landlords Rent Deposit Scheme
Consumer Support Network Grant	Proceeds of Crime - Trading Standards
Countryside Stewardship Grant	Property
Crest Academies/Surveys	Pupil Premium
Discretionary Housing Payment Grant	Redundancy & Redundancy
DWP - Atlas Funding	Remuneration Strategy
DWP - Transition Funding	Retention For Thames Court Building project
Edward Harvist Trust	Salix
Employment Initiatives	Schools
English National Stadium	Service Pressures
Environment Stewardship Grant	Single Payment Scheme
External Schools Active Grant	South Kilburn
Finance systems	SP&I Climate Change Social Media Project
Football Foundation	SP&I Grants Paid in Advance

GLA Funding Olympics	SP&I Projects
Headstart Grant	Sports & Health Projects
Health Check Pilot Project	Sports England
Homeless Strategy	Sports, SEN & Healthy Schools
Hospital Sunday Fund	Standards Fund
Housing Client Deposits	Stonebridge HAT Project
HRA Subsidy	Telecom Equipment Income
Insurance Fund	Transformation
JFS School PFI	Two Year Olds - Additional Funding
John Lyons Trust	Viewstar Project
Kellogg's Fund	Violent Crimes Fund
LA Horticultural Apprentice Grant	Warm Homes Grant
Land Charges Court Case	Wembley Youth and Community
Landlord Rent Deposit	West London Alliance Olympic Fund
LDA Golden Hellos	Westbrook Bequest
Legal Disputes	Willesden Green
Library/arts projects	Willesden Sports Centre PFI
Local Elections	Working Neighbourhood Fund
Local Housing Allowance	
Local Housing Allowance - Implementation	
Local Safeguarding Board	
Long Term Sickness	

## Provisions

Insurance	Compulsory Purchase orders
Disrepair cases	Leases
Provision - Repairs PSL Scheme	HRA Insurance
Quinton Street	Carbon Reduction Commitment

PART B Transfers may only be made on the authority of the Executive for the following earmarked reserves:

S106 and Commuted Car Parking
Brent NHS JET Fund
Chalkhill Community Building

## BACKGROUND INFORMATION

2012/13 Revenue Budget and Council Tax – Report to Council on 27 February 2012.

First Reading debate on the 2013/14 – 2016/17 Budget – Report from Deputy Director of Finance and Corporate Services to Council on 19 November 2012.

Performance and Finance Review Quarter 2 2012/13– Report to the Executive on 10 December 2012.

Collection Fund Surplus/Deficit at 31 March 2013 Report – Report to the Executive on 10 December 2012.

Calculation of Council Tax Base and Business Rate Yield 2013/14 – Reports to General Purposes on 22 January 2013.

2013/14 Budget and Council Tax Report - Report to the Executive on 11 February 2013.

Housing Revenue Account Budget Report 2013/14 – Report to the Executive on 11 February 2013.

Local Government Finance Settlement 2013/14 – Various Papers

Budget Guidelines, 2013/14 – 2016/17

CIPFA Code of Practice for Treasury Management in Local Authorities.

Treasury Management Policy Statement and Systems Documentation.

Any person wishing to inspect these documents should contact the Deputy Director of Finance and Corporate Services, Room 114, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD. Tel (020) 8937 1460.

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