



Budget Panel

Wednesday 11 November 2009 at 7.30 pm

Committee Room 4, Brent Town Hall, Forty Lane,
Wembley HA9 9HD

Membership:

Members

Councillors:

V Brown (Vice-Chair)

Mendoza (Chair)

Butt

Cummins

Gupta

Van Kalwala

First alternates

Councillors:

Corcoran

Detre

Coughlin

Bessong

Leaman

Beswick

Second alternates

Councillors:

Motley

HM Patel

Crane

CJ Patel

Anwar

Jones

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The press and public are welcome to attend this meeting

Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members

Item	Page
1 Declarations of personal and prejudicial interests	
Members are invited to declare, at this stage of the meeting, any relevant financial or other interest in the items on this agenda.	
2 Deputations	
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5 First reading debate on the 2010/11 to 2013/14 budget	5 - 36

Full Council will be holding its first reading debate on the 2010/11 budget at its meeting on Monday 23 November. This report sets out the financial issues that will form the background of that debate.

(a) Priorities of the administration – this report will follow

(b) The 2010/11 budget.

The Leader of the Council will attend the meeting to answer questions from the Panel on the reports.

6 Children and Families budget issues and service transformation

The Director of Children and Families will attend the meeting to provide a presentation for members on current budget issues facing this service area.

7 Date of next meeting

The next meeting of the Budget Panel is scheduled to take place on Wednesday 2 December 2009.

8 Any other urgent business

Notice of items to be raised under this heading must be given in writing to the Democratic Services Manager or his representative before the meeting in accordance with Standing Order 64.



- Please remember to **SWITCH OFF** your mobile phone during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public.
 - Toilets are available on the first and second floors.
 - Catering facilities are 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

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Agenda Item 3

MINUTES OF THE BUDGET PANEL

Tuesday 13 October 2009 at 7.30 pm

PRESENT: Councillor Mendoza (Chair), Councillor V Brown (Vice-Chair) and Councillors Gupta and Van Kalwala

ALSO PRESENT: Councillors John (part) and Dunwell

Apologies were received from Councillors Butt and Cummins

1. **Declarations of personal and prejudicial interests**

None declared.

2. **Deputations**

None received.

3. **Minutes of the previous meeting**

RESOLVED:

that the minutes of the previous meeting, held on Wednesday 23 September 2009, be approved as an accurate record of the meeting.

4. **Matters arising**

None raised.

5. **Brent's Improvement and Efficiency Strategy**

Cathy Tyson (Assistant Director, Policy) introduced the report, gave a presentation and answered questions from councillors on the action plan for the Council's four-year improvement and efficiency strategy for the period 2010-2014. The strategy had been launched a year previously, and represented an integrated response to the challenges the Council was facing both locally and nationally in making real differences to the life experiences of communities in Brent. It set out three themes, aimed at driving service improvement and using resources more efficiently:

- a *One Council* approach
- raising performance and maximising efficiency
- delivery of major projects.

The consequences of the financial situation nationally and the local impact of the recession, combined with the prospects of serious financial constraint and rising customer expectations, gave added significance and urgency to the strategy. Since the launch of the strategy, detailed research, analysis and consultation had taken place with staff and councillors on identifying areas of activity with the most scope for efficiency savings and improvement. The eight strands identified were:

- service transformation and review
- property management, including the Civic Centre project

- improved procurement, commissioning and contract management
- delivery of the *One Council* proposals
- new and more flexible ways of working
- stopping lower priority activities
- increasing income generation
- an independent review of structure and staffing.

The action plan set out a programme of projects designed to reconfigure the way in which the Council provides services to the public, at the same time as achieving substantial efficiencies and effective service delivery. The projects, which covered a balance of cross-Council and individual services, had been categorised as gold, silver and bronze, depending on their strategic importance, organisational impact or complexity and capacity to deliver savings. Savings targets and timescales had been included in the action plan. The total savings target was a minimum of £50m, but with an equal emphasis on improving service delivery. The aim was to cut costs, not services or jobs. The PricewaterhouseCoopers (PwC) staffing and structure review had confirmed the need to standardise, streamline and share, in order to avoid waste and eliminate duplication and inefficiency. In addition, the need over time to broaden and standardise management spans of controls had been recognised, but changes would be based on the needs of the organisation, rather than a process-driven approach. With staff turnover at 13-16%, there was capacity to cope with a 10% reduction in staffing over the four-year period.

Asked about the relationship between the strands and projects, Cathy Tyson informed the Panel that, while the strands had been the starting point for the projects, they remained central, and individual projects might relate to more than one strand. Some of the strands had come out of work undertaken in the nine task groups, others from an exercise looking at value for money.

Answering a question on how the strategy related to the corporate strategy, Cathy Tyson reported that the current corporate strategy was coming to an end, but that the important thing about the improvement and efficiency strategy was that it was an enabling strategy, complementing the Council's other strategies and plans. Asked what was new about the strategy, Cathy Tyson reported that it was the approach to managing resources, setting the budget and reducing the cost base, thereby being able to continue to fund services at the required level. In response to a question about input from service users, Cathy Tyson stated that much consultation was done on the basis of individual services, with the results built into reconfiguring services.

Asked how the savings targets had been arrived at, Duncan McLeod (Director, Finance and Corporate Resources) informed members that a range of methods had been used. For example, comparisons with cross-London benchmarks had been used in the service reviews, as a result of which targets and stretch targets had been set. Benchmarking had been used in the PwC staffing and structure review, and assessments had been carried out for smaller projects. A detailed business case had been prepared on financial management. However, some targets were provisional, and more work needed to be done on the business case. Independent validation had also been used, as well as external advisers and consultants, together with the Council's own benchmarking sources.

In response to a member's question, Cathy Tyson emphasised that other local authorities in London were in the same situation as Brent, seeking savings and efficiencies, with similar areas identified. However, she took the view that some

authorities had approached the issue in a potentially disruptive way, for example, by making large numbers of redundancies. Brent took the view that there was scope to address improvement and efficiency without destabilising services, and that it was important to manage the strategy in this way, particularly in relation to social care for adults and children.

Answering a question on what could derail the strategy, Cathy Tyson took the view that dealing with the pace of change could be an issue, and that it was important to have effective project management to ensure that changes happened with staff engaged. All possible routes were being used to communicate with staff, the key one being managers' communication with staff.

Asked why the improvement and efficiency strategy had not been suggested in the past, Duncan McLeod informed the Panel that many of the tools had not been available in the past for such a co-ordinated approach. Cathy Tyson added that, with the rationalisation and shared use of ICT systems, improvement and efficiency were now achievable.

Members of the Panel were keen to follow the progress of the strategy, which they described as an interesting attempt to address the need for improvement and efficiency in tandem with service improvement. In particular, the Panel agreed to consider at a future meeting the progress of the staffing and structure review and the review of strategic procurement.

RESOLVED:

- (i) that the report be noted:
- (ii) that information on the progress of the staffing and structure review and the review of strategic procurement be brought to a future meeting of the Panel.

6. **Adult Social Care Budget Issues**

Martin Cheeseman (Director, Housing and Community Care) gave a presentation and answered questions from councillors on the adult social care budget and forecast for 2009/10. He reported that the net budget was £87.7m (£109.2m gross), with a relatively small overspend of £127,000 currently forecast. The department was seeking to reduce the predicted overspend, but in general this budget was volatile and demand-led, with key issues and risks. The previous year's overspend of £1.2m had arisen in part as a result of one-off expenditure on IT, but the consolidation of housing and community care finance had now strengthened financial control. Longer-term pressures on current and future budgets included demographic changes, possible future legislative changes and the cost of managing the personalisation of care services. On the other hand, Brent was at the lower end in a comparison of London Boroughs' spending on adult social care as a proportion of overall Council spending. The transformation of adult social care was a gold project in Brent's improvement and efficiency strategy, with a realistic savings target of £1.4m. A focus of transformation was to do as much as possible to prevent need and to maximise the independence of service users. Alternatives to residential care were being looked at, for example. Less dependent options tended to be the most cost effective, and a comparison of the spending of London Boroughs showed that the more an authority spent on assessment, the less it spent on residential care. Currently too many people were going straight into residential care from hospital, and there had been a history of a disjointed approach between partners in this area. In future no one would move straight to residential care from

hospital without intermediate assessment. This would provide an estimated saving of £600,000 over a full year. Shared procurement would also deliver savings. One of the biggest challenges remained the personalisation agenda and the need to respond to changing provision as a result. Progress was being made and, while it was slower than had been anticipated by the professionals, the outcome would be positive.

Martin Cheeseman reported that in general within the adult social care budget there were opportunities to make changes and control spending, but that more would be known half-way through the year. He informed the Panel that, all other things being equal, with demand as currently predicted and in the context of the current financial framework, it should be possible for the department to be within its allocated budget by the year end.

Answering questions on the personalisation of social care and individual budgets for service users, Martin Cheeseman acknowledged that predicting the pattern of purchasing was a challenge, and that there would come a point where the twin-tracking of services became expensive. Asked if he believed that the personalisation agenda could bring savings, he informed the Panel that, while initial estimates had indicated that there would be considerable savings, it was quite possible that it could turn out to be cost-neutral. Savings tended to be made with the first 10-20% of service users moving onto individual budgets, and there would be savings if and when 100% was achieved, but analysing the costs and dealing with the challenges of twin tracking in the interim was a challenge. No one disagreed on the final goal of the personalisation agenda, but achieving it would not be easy.

The Chair thanked Martin Cheeseman for his presentation, and commended amount of thought that had clearly been put into managing the budget and service provision in the medium and long term.

RESOLVED:


that the report be noted.

7. Date of next meeting

The Panel noted that the next meeting, originally scheduled to take place on Thursday 12 November, would now be held on Wednesday 11 November 2009.

The meeting closed at 8.20 pm

A MENDOZA
Chair

	<p style="text-align: center;">Budget Panel 11th November 2009</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Resources</p>
For Action	Wards Affected: ALL
First Reading Debate	

1.0 Summary

- 1.1 Full Council will be holding its First Reading Debate on the 2010/11 budget at its meeting on 23rd November 2009.
- 1.2 The attached draft First Reading Debate report from the Director of Finance and Corporate Resources sets out the financial issues that will form the background for that debate.
- 1.3 The final reports will be sent out to all councillors on 13th November 2009.
- 1.4 The Leader of the Council will be attending the meeting to answer questions from the Panel on this draft report and the report on the Administration's Policy Priorities. This will be circulated to Members of the Panel separately.

2.0 Recommendations

- 2.1 The Budget Panel is asked to consider the draft First Reading Debate report and seek clarification on the issues raised within them from the Leader of the Council and officers.

DUNCAN McLEOD
Director of Finance and Corporate Resources

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Meeting of the Full Council
23rd November 2009

Report from The Executive

For Action/Information

Wards Affected:
ALL

**The First Reading of the 2010-2011 Budget
Priorities for the Administration**

1.0 Summary

1.1 This report sets out the Administration's top priorities for activity, spending and saving. This should be read in conjunction with the Corporate Strategy the Improvement & Efficiency Action Plan and the concurrent report from the Director of Finance and Corporate Resources.

2.0 Recommendations

2.1 The Council is recommended to consider the priorities alongside the Director of Finance and Corporate Resources paper on the budget and to debate them as set out in Standing Orders 25A and 44.

3.0 PART 1

The Priorities

3.1 When we set these out last year it was in the context of the beginning of the recession and the 'ever tightening financial resources' that we are experiencing.

- 3.2 Since that report was made we have further refined our thinking and analysis and have arrived at a substantive Action Plan for the next four years.
- 3.3 Our Medium Term financial Strategy agreed by full Council on the 2nd March 2009 set out the need to make savings of £53.6m over the next four years. This figure was based upon an analysis of the financial conditions which affect Local Government and a projection that in current circumstances there will be no increase in the Revenue Support Grant through the formula or in Area Based Grant for the foreseeable future.
- 3.4 The Improvement & Efficiency Strategy and Action Plan are designed therefore to meet the twin needs of making these savings in a planned and coherent fashion, whilst at the same time making the services we offer more efficient and better suited to the needs of local people.
- 3.5 This Administration, facing four square the issues of these difficult times is determined to do so in planned and effective manner and not take panic measures which will have an adverse effect on services or on staff morale.
- 3.6 The key priority of the Administration for 2010-2011 will therefore be to deliver on the Improvement & Efficiency Action Plan ensuring that both savings are captured, but as importantly that services to the public are improved.
- 3.7 This Administration is firmly of the view that the One Council approach is absolutely critical if the council is to be in a position to deliver the right services to our citizens over the coming years.
- 3.8 We will continue to respond to the effect of recession on our most vulnerable residents and will use our service offer to ameliorate its worst effect.

3.9 We remain convinced that the four key themes Crime & Community Safety, Young People, Environment Sustainability and Regeneration, which have been the corner stone of our success continue to be the most relevant and pertinent and we will therefore be seeking to direct action and additional resources, when available into programmes in these areas.

3.10 We will continue to prioritise activity with our Partners through our commitments in the LAA and will continue our package of reform and renewal in key areas.

3.11 We are proud of our achievements over the last few years in delivering our ambitious Corporate Strategy however we understand that to continue to be ambitious we must be efficient.

4.0 PART 2

4.1 The Achievements

This is the fourth and final year of delivering the Corporate Strategy 2006-10. The programme has proved to be both challenging and rewarding in many respects, but the current economic climate will undoubtedly present new challenges in terms of consolidating and building on the progress made to date.

The Corporate Strategy 2006-10 is structured around three key themes, which have been agreed with partners and form the basis of our Community Strategy. They are:

- A Great Place
- A Borough of Opportunity
- An Inclusive Borough

4.2 **A Great Place**

Reducing Enviro-crime

- Alley-gating schemes were introduced for some 662 properties.
- Abandoned cars removed within an average of 2 days.
- 96% of street-lighting is in good working order.
- 85% of graffiti is removed within target timescales.
- Fly-tipping is removed within an average of 1.5 days.

Crime and Community Safety

- Fear of crime has reduced to 38% from 66% in 2005.
- Overall crime has reduced by 21%.
- Satisfaction levels with how anti-social behavior is addressed currently stands at 97%.
- 98% of all CCTV cameras are fully operational.
- Serious road accidents have reduced by 8.2%.
- Residential fires have reduced to 200.

A Clean Place

- Our road cleaning target of 86% has been met.
- 16 accessible public toilets have been introduced.
- We have the highest level of enforcement activity on Environmental Health and Trading Standards.
- Insurance claims for pavement trips and hazards are reduced.

A Green Place

- 31% of household waste is now recycled.
- Recycling facility provision has increased in schools, council offices and transport hubs.
- 2 new district parks have been built in the borough.
- 2 more of the borough's parks have acquired Green Flag status.
- Improved play pitches have led to a 35% increase in users.
- 3,129 trees have been planted throughout the borough since 2006.

A Lively Place

- The Olympic 2012 Action Plan has been adopted.
- The borough's sports centres have seen total of 47,000 additional visits by young people.
- 87% of young people now engage in sporting activity for 2 hours every week at school.
- 80% of residents are satisfied with the library service.
- The Council's comprehensive Festivals programme was delivered successfully.

4.3 **A Borough of Opportunity**

Local Employment and Enterprise

- Brent in2 Work placed 1000 people into employment.
- The Wembley Regeneration Programme remains on track.
- The Local Development Framework has prioritised future growth areas and public consultations on the North Circular Road redevelopment have been successful.

Health and Wellbeing

- The joint Health and Wellbeing Strategy and supporting LAA targets were agreed.
- The number of people helped to live at home has increased.
- Take up numbers for the Direct Payments Scheme have increased.
- Delayed discharge numbers have decreased.
- A new Adult Social Care transformation programme is now in place.
- The Better Government for Older People scheme is now in place.

Settled Homes

- 2000 new homes have been built.
- 283 private homes have been returned to use.
- Target for reducing the number of households in temporary accommodation have been exceeded.
- We have achieved the target of decent homes (Council stock).

- We have secured significant HCS funding for future housing investment.

Early Excellence

- The borough now has 13 Children's Centres.
- 88% of childcare settings are rated as 'satisfactory' or 'better' by OFSTED.
- The Social Care Transformation programme has helped to reduce the number of Looked After Children to 350.
- We have implemented the Common Assessment Framework and Locality Working initiatives.
- Brent has already met its 2010 NEET target.
- Attainment levels for KS1 and KS2 are above the national average.
- 79% of the borough's secondary schools are rated 'good' or 'better'.
- We have reduced the gap in educational attainment levels for black and Somali children.
- We have improved the educational attainment levels for Looked After Children.
- 72% of pupils achieved 5 A-C passes at GCSE (provisional figure).

4.4 An Inclusive Borough

Civic Leadership

- The Civic Centre project is on track.
- We have successfully rolled out Neighbourhood Working.
- The Neighbourhood Working team have supported 155 local projects involving 40 partners.
- 51% of residents feel that a strong sense of community exists locally.
- 72% believe that Brent is a place where people from different backgrounds get along well.
- 83% of residents are satisfied with their local area as a place to live. (This represents an increase from 59% in 2005).
- 31% of residents feel they can influence local decisions.

Building Capacity

- The HR Transformation has introduced a number of initiatives including the People Centre, improvements to the core Learning & Development offer, new Flexible Working and Absence Management policies.
- 95.5% Council Tax payments have been collected, which represents the highest ever return.
- The new Improvement and Efficiency Strategy and supporting Action Plan 2010-2014 has been agreed.
- A new Business Transformation department has been established.
- £26.4m efficiency savings were delivered in 2008.
- The majority of LAA stretch targets were delivered by 2009.
- Brent has the 17th lowest Council Tax level of the 20 outer London boroughs.

5. We continue to be proud of our achievements to date, however there is no room for complacency because the new economic realities pose significant challenges in the short and medium term.

As mentioned in Part 1 of this report we acknowledge that a step change is necessary to consolidate on our achievements to date and build a platform for future improvements during what is likely to be a prolonged period of austerity. We are up for the challenge and we know we have the capacity to raise our game.

PAUL LORBER
LEADER OF THE COUNCIL

Leaders Report – First Reading Nov 09

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Full Council
23rd November 2009

**Report from the Director of Finance and
Corporate Resources**

For Action

Wards Affected:
ALL

First Reading Debate on the 2010/11 to 2013/14 Budget

1.0 Summary

- 1.1 This report, together with the separate report on this agenda on the priorities of the administration, meets the requirement in the Constitution (Standing Order 25(b)) that: 'The Executive shall present a report to Full Council setting out the financial position of the Council, financial forecasts for the following year and their expenditure priorities. There shall then be a debate on the issues raised in that report held in accordance with Standing Order 44 hereinafter called a "First Reading Debate".'
- 1.2 The record of the 'First Reading Debate' is sent to the Leader of the Council and the Chair of the Budget Panel in order to inform consultation by them on the budget. The role of the Budget Panel is to assist the budget process by providing detailed input during the Executive's development of its budget proposals. This will include scrutiny of the Executive's budget proposals prior to the Executive's recommendations on the budget being agreed at their meeting on 15th February 2010, as well as further consideration after the Executive's recommendations have been made. Final decisions on budget and council tax will be made at Full Council on 1st March 2010.
- 1.3 The report has been written on the basis of the best information available to the council at this stage. Assumptions of external funding for 2010/11 are based on the figures in the current Comprehensive Spending Review, including a 1.5% increase in Formula Grant. There is considerable uncertainty about funding for later years with an expectation that this will not become clearer until after a General Election. In addition, the ongoing impact of the recession and pattern of future economic recovery mean that underlying assumptions about pay and price increases, interest rates, service pressures and other items within the council's medium term financial strategy will have to be kept under close review.
- 1.4 This report is structured as follows:
Section 2 Recommendations

Section 3	Background to the 2010/11 to 2013/14 budget
Section 4	General Fund revenue budget issues in 2010/11
Section 5	Schools Budget
Section 6	Housing Revenue Account
Section 7	The capital programme
Section 8	Timetable
Section 9	Financial implications
Section 10	Legal implications
Section 11	Diversity implications

2.0 Recommendations

2.1 Full Council is recommended to consider the issues set out in this report when it holds its 'First Reading Debate' for the purposes of Standing Order 25(a).

3.0 Background to the 2010/11 to 2013/14 budget

3.1 The 2009/10 budget was agreed at Full Council on 2nd March 2009. Key features of the budget agreed for 2009/10 were as follows:

- A General Fund budget requirement of £261.8m in 2009/10;
- A council tax increase for Brent services of 2.5% in 2009/10;
- An overall council tax increase, including the GLA precept, of 1.9%, leading to a Council Tax for Band D properties of £1,368.76 in 2009/10;
- Level of balances set at £7.5m for 2009/10, which was within the range of £7.5m to £8m recommended by the Director of Finance and Corporate Resources based on an assessment of financial risks and to enable effective medium term financial planning;
- Financial projections for future years based on the assumptions that balances would remain within the £7.5m to £8m range and council tax increases would range between 0% and 5%.

3.2 Based on budget monitoring information up to the end of September 2009, the council is projected to have balances at 31st March 2010 of £5.6m, which is below the £7.5m target set in the 2009/10 budget. This forecast overspend is reduced from that forecast at the end of the first quarter. This is due to a forecast overspend in 2009/10 of £1.9m. Further details are in Appendix A.

3.3 The 3 year financial forecasts included in the 2009/10 budget report have formed the background for work on the 2010/11 to 2013/14 budget carried out over the past few months. The underlying assumptions in the current medium term financial strategy were up-dated in the budget process report to the Executive in July. The resulting projected budget gap is set out in Table 1 below. This assumed that:

- a. Previously assumed service reductions of 3% each year were taken out on

- the basis that a balanced budget would need to be primarily delivered through the delivery of the Improvement and Efficiency strategy;
- b. 'inescapable growth' would be contained within a total contingency for growth of approximately £4m per annum;
 - c. all priority growth would be funded from Area Based Grant, Performance Reward Grant or growth in other specific grants.

Table 1: Projected Budget Gap (July Executive)

Year	Cumulative budget gap assuming:		
	5% council tax rise	2.5% council tax rise	0% council tax rise
	£m	£m	£m
2010/11	9.0	11.6	14.1
2011/12	16.7	22.0	27.2
2012/13	23.9	32.3	40.2
2013/14	31.3	42.9	53.7

4.0 General Fund revenue budget issues for 2010/11

Budget gap

- 4.1 Appendix B shows that the current budget gap for 2010/11 is £5.2m lower than that reported in July. The reasons for the decrease are a reduction in the inflation assumptions for pay and prices, reflecting the current low levels of inflation (£4.7m) and an increase in the estimated council tax base (£0.5m). The pay award for 2010/11 is now assumed at 0.75%. As a result the budget gap, assuming a council tax freeze, is £8.9m in 2010/11 and £3.8m for a 5% increase.
- 4.2 Further measures that can be taken to reduce the gap are as follows:
 - a. *Surplus carried forward from 2009/10:* The current budget gap assumes that there will be no surplus carried forward from 2009/10. Whilst the council's medium term financial strategy limits use of one-off funds to support on-going spending, the council has used surplus balances to provide limited support to the budget on a one-off basis. This amounted to £1m in the 2008/09 budget and £0.5m in the 2009/10 budget. Whilst the 2009/10 budget is currently forecast to overspend (see para 3.2 above), officers are currently reviewing measures to bring it back into line and, if possible, identify a surplus that can be used in 2010/11. Actions include a combination of eliminating projected overspends in individual service areas and identifying other measures to reduce spending in 2009/10. The 2009/10 pay award averaging 1% has now been agreed against a budgeted level of 2%. This will save around £1m. The council has succeeded in achieving surplus balances to be used in the following year's budget in recent years and officers are confident that this can be achieved again in 2009/10.

- b. *Identifying additional savings:* As referred to above services are identifying actions as part of managing the budget for 2009/10. Where these are permanent changes this will provide ongoing benefit with full year effects to the budget position for 2010/11 and later years.
- c. *Central items:* Details of central items in the budget are included in Appendix C. The provision made in future years is still subject to fundamental review and updated information. Increases in these items include additional borrowing costs to fund the capital programme, rises in the levy that the council needs to pay to West London Waste Authority reflecting principally the impact of land-fill tax.
- d. *Fees and Charges:* The budget currently assumes no increase in fees and charges. Members may wish to consider some rises in specific areas.
- e. *Improvement and Efficiency Strategy:* The Strategy was developed in 2009 to address the massive financial and service challenges facing local government. The full impact of the recession and its effect on public finances will become much clearer after the General Election and the next Comprehensive Spending Review. An incremental approach to budgeting is no longer sustainable. The Improvement and Efficiency Action Plan is the blueprint to deliver the strategy over a 4 year period. It seeks a planned and rational approach to realistically recognising the scale and complexity of the Change Programme. The Action Plan contains the key projects including 12 gold projects which are highly complex but where there are opportunities for a high level of efficiency savings. Detailed project plans are currently being prepared including estimates of potential savings to be delivered. A proportion of these will be realised in 2010/11 and these can be factored into the budget consideration to help ensure a balanced budget is agreed.

Inescapable growth

4.3 The current medium term financial strategy approved in March 2009 contained itemised inescapable growth for 2010/11 of £1.849m plus a general provision of £2m. These items have been updated for more recent information, bringing the revised total to £2.038m, as set out in Appendix D - leaving £1.811m within the general provision. Any new inescapable growth above this figure will increase the budget gap. Assessments of the sums involved are still being undertaken but it is clear that pressures in the following areas will have an impact in 2010/11:

- Children with Disabilities
- Increase in looked after children/Impact of “Southwark” judgement
- Adult Social Care – increase in transitions cases from young people to adults
- Environment and Culture – significant decreases in income linked to the recession
- Housing Benefit – 12% rise in caseload

Further information on these issues is set out in Appendix E.

Priority growth

- 4.4 The current medium term strategy incorporates the allocation of performance reward grant to deliver council priorities and this is set out in Appendix F. These were agreed by Full Council on 2nd March 2009.

Council tax increase

- 4.5 Members need to recognise that the budget pressures the council faces are such that the delivery of the council's Improvement and Efficiency strategy is vital to ensuring a budget which is affordable within the permitted maximum council tax rise of 5%, particularly if members are to achieve a council tax rise of significantly less than 5%. Each 1% in council tax equates to approximately £1m of council spending.
- 4.6 The figures for council tax do not include the precept that will be set by the GLA. The Mayor will issue his consultation on the proposed GLA precept – which covers the Metropolitan Police, London Fire and Emergency Planning Authority, and Transport for London, as well as the GLA itself – in December 2009 and his budget proposals will then go through a process of scrutiny by the Greater London Assembly. The final precept will be decided in February 2010. At this stage, the indications are that the new Mayor will be seeking to freeze the GLA precept in 2010/11 and this is reflected in the figures for overall Brent council tax shown in Appendix B.
- 4.7 The level of council tax increase for the council is affected by the extent to which the council tax base has changed between 2009/10 and 2010/11 and the estimated deficit in the Collection Fund. The council tax base for Brent will be determined by the General Purposes Committee in January 2010 and the estimated deficit in the Collection fund will be determined by the Executive in December 2009. The assumptions in Appendix B are that the council tax base will increase by 1.25% and that the deficit in the Collection Fund will remain at 2009/10 levels.

Government funding decisions

- 4.8 The government announced the Formula Grant, Area Based Grant and specific grants the council will receive in 2010/11 as part of last year's finance settlement. Whilst the settlement for 2010/11 has to be formally confirmed, no significant changes are expected to most of the previously announced figures. The one exception to this being concessionary fares where there remains uncertainty as to whether the government will change the basis of allocating the grant across the country. This proposal will transfer up to £55m from London. This could mean an additional cost to the council of £2m from 2010/11. This change is being opposed through a concerted campaign by London Councils.

Longer term position

- 4.9 The council needs to look at spending decisions, and associated resource projections, over at least a three year period. This ensures effective service development and prevents the council having to make significant adjustments to its spending plans each year. It is important therefore that, when members consider budget issues, they take account of the longer term impact. This means recognising that one-off resources, such as balances or one-off grants, can act as a palliative in one year of the budget cycle but cause problems in future years. It also means that, if there is new growth which is on-going, the resource implications in future years have to be considered.
- 4.10 Further work needs to be carried out on the potential impact of demand and other growth pressures after 2010/11, the savings that will be delivered as part of the Improvement and Efficiency Strategy, and other projections through to 2013/14. This work will be reflected in an up-dated medium term financial strategy which will be included in the budget report to Full Council in March 2010.

Activity levels and outcomes

- 4.11 Setting the budget is not just a financial exercise. Having sufficient budget – and prioritising how that budget is used – is the means by which the council delivers services within Brent. In addition, budget discussions are often confined to spending at the margin – growth or savings – and do not focus on how the rest of the budget (the 95% or more not affected by growth or savings) is used. The council's performance and finance review monitoring system enables members to focus attention on the activities the budget supports – and the performance of those activities. The process for setting performance targets and levels of activity the budget can sustain will be incorporated within the 2010/11 budget report.

5.0 Schools Budget

- 5.1 The introduction of the Schools Budget from 1st April 2006 was a fundamental change to the way in which councils' budgets are constructed. Previously, schools' spending was part of the overall council budget, and was funded from Formula Grant and council tax. From 2006/07, schools' spending was funded directly from a Dedicated Schools Grant. It is therefore totally ring-fenced and does not appear as part of the council's overall budget requirement. The result is that the £189.6m the council is spending through the Schools Budget on schools in 2009/10 is treated totally separately from spending on other General Fund services.
- 5.2 The government announced indicative allocations of Dedicated Schools Grant for 2010/11 as part of the current Comprehensive Spending Review. The average national provisional per pupil increase is 4.3% for 2010/11. The provisional per pupil increase for Brent is above average at 4.7%, primarily as a result of the award of additional funding to authorities such as Brent which spent below the government's hypothetical allocation under the pre-2006/07 system. Caution has to be exercised in allocating this amount to schools and

central items, since the actual increase will not be announced until June 2010 based on the result of the January 2010 pupil count.

- 5.3 When the Dedicated Schools Grant framework was introduced, the government also announced that there would be a fundamental formula review which began in January 2008. The review is still ongoing and is due to be completed in 2010.
- 5.4 A total of £2.552m of funds allocated through Area Based Grant in 2009/10 was for schools' schemes and this will decrease to £2.015m in 2010/11. The change is primarily due to a decrease from £922k to £379k in the allocation to fund extended schools set up costs. Specific grants to schools, on top of Dedicated Schools Grant, are £20.965m in 2009/10 and will increase to £21.866m in 2010/11.
- 5.5 The council is required to consult the Schools Forum, which consists of representatives of the different schools sectors and includes head-teachers and governors, on allocation of the Schools Budget. The Schools Forum will be considering this at their meetings in December through to February. There is a requirement that the year on year increase in the central element of the Schools Budget (which includes Special Education Needs element and other areas) cannot be greater in percentage terms than the increase in funding delegated to schools, unless the Forum agrees a higher increase. A key issue that will need to be addressed is competing demands on the central element of the budget which will include pressure on the cost of pupils with special education needs, the need to increase funding for schools' capital works, and other legitimate charges to this budget.
- 5.6 Final decisions on the allocation of the Schools Budget will be taken by the Executive in February 2010.

6.0 Housing Revenue Account

- 6.1 The Housing Revenue Account (HRA) covers the activities of the council as landlord for approximately 9,100 freehold dwellings and 300 leasehold dwellings. The HRA is separate from the General Fund and is ring-fenced – i.e. HRA expenditure is met from HRA resources, which primarily consist of government subsidy (Housing Revenue Account Subsidy) and rents.
- 6.2 The rent increase for council dwellings takes account of the government's guidelines on convergence between rents charged by councils and Registered Social Landlords (mainly housing associations). In 2009/10, this resulted in an average rent increase of 2.53%.
- 6.3 The HRA forecast outturn for 2009/10 indicates a surplus of £2.0m, which is £1.6m more than that provided for in the original budget. The main reason for this is the increased surplus carried forward in 2008/09.
- 6.4 At the time of drafting this report the government is yet to publish its draft HRA determination and HRA subsidy determination for 2010/11.

6.5 The Executive will make decisions on the rent increase to be applied in 2010/11 in February 2010. The HRA budget will be agreed by Full Council in March 2010 as part of its consideration of the overall council budget report.

7.0 Capital Programme

7.1 The capital programme is a four year rolling programme which is up-dated each year. The current 2009/10 to 2012/13 capital programme was agreed as part of the overall 2009/10 budget process in March 2009 and has been up-dated to reflect changes subsequently reported to the Executive. A high level summary of the current capital programme is attached as Appendix G. This includes slippage of previous years' spending into 2009/10.

7.2 The capital programme for 2009/10 to 2012/13 reflects priorities in the Corporate Strategy. The revised capital programme from 2010/11 will be up-dated to reflect new information on spending needs resulting from revised asset management plans and also will be rolled forward to include the 2013/14 financial year.

7.3 The key challenges for the development of the capital programme are:

- a. To revisit the estimated sources of funding, taking into account the impact of the economic downturn on future government funding and other contributions;
- b. The progress of the major schools capital projects including Building Schools for the Future and the national Primary Capital Programme which are key to the formation of a long-term programme to address school capital needs;
- c. In the light of the above to ensure that the up-dated capital programme delivers the council's key priorities within the resources available.

7.4 The capital programme is currently based on the assumption that borrowing that falls on the General Fund will be at the level set out in the council's medium term financial strategy. This was agreed by Full Council on 2nd March 2009. Members could decide to reduce that borrowing as a way of helping bridge the budget gap in 2010/11 and beyond. To achieve this, there would have to be either reductions in the capital programme or identification of alternative funding sources other than borrowing from those already identified.

8.0 Timetable

8.1 The timetable for finalising the 2010/11 budget is attached as Appendix H. Key dates are as follows:

- release of the Mayor's consultation on the GLA budget in mid-December;
- administration's draft proposals issued on 27th January 2010;
- GLA budget agreed on 10th February 2010;
- Executive decides recommendations to Full Council on budget at meeting on 15th February 2010;
- Full Council decides budget on 1st March 2010.

8.2 The Budget Panel will be scrutinising the budget at various stages of this process: prior to the administration's draft proposals being issued; after the proposals have been issued, with their discussions feeding into Executive consideration of the budget proposals on 15th February; and following the decisions of the Executive on 15th February, feeding into the Council budget debate. Last year the Budget Panel successfully involved a range of members in their meeting preceding the Executive's consideration of the budget proposals and the intention will be to follow the same approach this year. This meeting has been scheduled for 10th February 2010. Party Groups are also encouraged to invite the Director of Finance and Corporate Resources to brief their members in advance of the budget decision making process.

9.0 Financial Implications

9.1 The report is entirely concerned with financial implications.

10.0 Legal Implications

10.1 The council's Standing Orders contain detailed rules on the development of the council's budget. Some elements of these rules are required by the Local Authorities (Standing Orders) (England) Regulations 2001 but a number are locally determined.

10.2 In the case of the council's annual budget, including the capital programme, the Executive is required under the Constitution to present a report to Full Council setting out the financial position of the council, financial forecasts for the following year and their expenditure priorities. This report, together with the separate report on this agenda on the priorities of the administration, sets out the required information. There will be a debate on the issues raised herein and in the separate report, which will be conducted in accordance with Standing Order 44.

- 10.3 Following the First Reading Debate, a record of the debate will be sent to the Leader and to Chair of the Budget Panel. The Budget Panel will meet and produce a report setting out its view of the budget priorities and any other issues it considers relevant. This report will be submitted to each Executive Member and each Group Leader in order to inform budget proposal discussions. Prior to being agreed by the Executive, the Executive's budget proposals will be sent to members of the Budget Panel which will consider the proposals and submit a note of its deliberations and comments on the proposals to the Executive. The Executive will take into account the issues raised at the First Reading Debate and the note of the deliberations and comments from the Budget Panel in making its budget recommendations to Full Council.
- 10.4 The final proposals will be submitted by the Leader to a special meeting of Full Council for consideration and determination no later than 10th March in accordance with Standing Order 34. There is a statutory dispute procedure set out in Standing Order 25 to deal with circumstances where there is a disagreement between the Council and Executive on the budget proposals but this only applies where the budget setting meeting takes place before the 8th of February.

11.0 Diversity Implications

- 11.1 Prioritisation and decision making as part of the budget process are tied into the council's corporate strategy, individual strategies and service development plans. The priorities within these reflect the council's commitment to tackling discrimination and disadvantage as part of its Comprehensive Equality Plan (CEP). In addition, services are required to carry out Impact Need and Requirements Assessments where it is considered that individual growth and savings proposals could have an equality impact. The impact of budget decisions is monitored through the council's performance monitoring systems. Members need to bear in mind the diversity implications of any proposals they put forward as part of the First Reading Debate.

12.0 Background Papers

- Corporate Strategy 2006-2010
- Priorities for the Administration – on this agenda
- Capital Strategy 2006-2011
- 2009/10 budget and council tax report – Full Council on 2nd March 2009
- Performance and Finance Review Report – Quarter 1 (April to June 2009)– the Executive on 15th September 2009
- Improvement and Efficiency Strategy Action Plan 2010-2014

13.0 Contact Officers

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Director of Finance and Corporate Resources

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FULL COUNCIL
23rd NOVEMBER 2009
FIRST READING DEBATE
BUDGET 2010/11 – 2013/14

I N D E X

Appendix A	2009-10 Council Budget
Appendix B	Financial Forecast 2010/11 - 2013/14
Appendix C	Analysis of Central Items - 2010/11 – 2013/14
Appendix D	Inescapable Growth
Appendix E	New Growth Pressures
Appendix F	Growth Funded by Performance Reward Grant
Appendix G	Capital Programme 2010/11 to 2013/14
Appendix H	Service Planning and Budget Timetable

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2009/10 LATEST REVENUE BUDGET COMPARED WITH FORECAST OUTTURN

	2009/10 Original Budget	2009/10 Latest Budget	2009/10 Full Year Forecast	2009/10 (Under)/ Over Spend £'000 (3)-(2)
	£'000 (1)	£'000 (2)	£'000 (3)	
Service Area Budgets				
Children and Families	58,990	59,002	60,179	1,177
Environment and Culture	47,858	48,356	49,006	650
Housing & Community Care	101,929	101,929	102,046	117
Finance & Corporate Resources / Central Units/BT	25,542	25,885	25,885	0
Total Service Area Budgets	234,319	235,172	237,116	1,944
Central Items				
Capital Financing Charges	25,223	25,153	24,773	(380)
Capital Financing Charges/Net Interest Receipts	(2,409)	(2,409)	(2,409)	0
Capital Financing Reserve	(1,996)	(1,996)	(1,616)	380
Capitalisation Adjustment	(600)	(600)	(600)	0
Affordable Housing PFI	764	764	764	0
Other	1,427	1,419	1,419	0
Levies	9,802	9,704	9,704	0
Premature Retirement Compensation	5,330	5,330	5,330	0
Middlesex House	489	489	489	0
Remuneration Strategy	875	790	790	0
South Kilburn Development	570	570	570	0
Investment in IT	820	820	820	0
Insurance Fund	1,800	1,800	1,800	0
Civic Centre/Property Maintenance	1,668	1,668	1,668	0
Neighbourhood Working	850	850	850	0
Efficiency Programme	(1,484)	(1,484)	(1,484)	0
Income Generation Initiatives	(213)	(213)	(213)	0
Performance Reward Grant	(2,000)	(2,000)	(2,000)	0
Performance Reward Grant Programmes	2,000	1,600	1,600	0
Elections	0	22	22	0
Positive Activities for Young People	369	369	369	0
Building Schools for the Future	500	500	500	0
Future of Wembley	350	350	350	0
Leasing Income	(70)	0	0	0
Total Central Items	44,065	43,496	43,496	0
Area Based Grants	(16,048)	(16,310)	(16,310)	0
Contribution to/(from) Balances	(500)	(522)	(2,466)	(1,944)
Total Budget Requirement	261,836	261,836	261,836	0
Balances B/Fwd	8,013	8,054	8,054	0
Contribution from Balances	(500)	(522)	(2,466)	(1,944)
Total Balances Forecast for 31st March 2010	7,513	7,532	5,588	1,944

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FINANCIAL FORECAST 2010/11 - 2013/14

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Service Area Budgets (SABs)					
Children & Families	59,002	58,862	58,862	58,862	58,862
Environment and Culture	48,356	47,934	47,934	47,934	47,934
Housing and Community Care					
- Housing	14,188	14,150	14,150	14,150	14,150
- Adults Social Care	87,741	87,685	87,685	87,685	87,685
Business Transformation	10,413	10,308	10,173	10,173	10,173
Central Units	9,578	8,703	8,226	8,226	8,226
Finance & Corporate Resources	5,894	5,851	5,851	5,851	5,851
Total SABs	235,172	233,493	232,881	232,881	232,881
Growth for Service Areas					
'Inescapable' growth	0	3,849	7,949	12,023	16,023
Inflation Provision		300	5,580	11,066	16,787
Performance Reward Grant	1,600	2,000	0	0	0
Total provision for growth	1,600	6,149	13,529	23,089	32,810
Other Budgets					
Central Items	43,896	52,100	56,659	60,902	65,411
Area Based Grant - excluding Supporting People	(16,310)	(15,395)	(14,818)	(14,818)	(14,818)
Estimated Performance Reward Grant	(2,000)	(2,000)	0	0	0
Contribution to/(from) Balances	(522)	0	0	0	0
	25,064	34,705	41,841	46,084	50,593
Total Budget Requirement	261,836	274,347	288,251	302,054	316,284
Plus Deficit on the Collection Fund	1,154	1,162	1,162	1,162	1,162
Grand Total	262,990	275,509	289,413	303,216	317,446
Budget Gap at 0%, 2.5% and 5% Council Tax Increase					
Reductions required to achieve council tax increase of 0% in each year		(8,864)	(22,002)	(35,033)	(48,485)
Reductions required to achieve council tax increase of 2.5% in each year		(6,311)	(16,797)	(27,066)	(37,644)
Reductions required to achieve council tax increase of 5.0% in each year		(3,750)	(11,444)	(18,676)	(25,959)

FINANCIAL FORECAST 2010/11 - 2013/14

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Grant Calculation for Future Years					
Formula Grant					
1.75% 2009/10, 1.5% 2010/11, 0% in 2011/12 and 2012/13 (2009/10 to 2010/11 based on three year settlement announced in Jan 2008 - 2011/12 and 2012/13 are estimates)	162,095	164,489	164,489	164,489	164,489
Council Tax Calculation for Future					
Brent Council Tax Requirement 95,279 in 2009/10, 96,470 in 2010/11 and 0.75% increase in subsequent years	1,058.94	1,058.94	1,058.94	1,058.94	1,058.94
% Increase in Brent part of CT	2.5%	0.0%	0.0%	0.0%	0.0%
Balances					
Balances Brought Forward	8,054	7,532	7,532	7,532	7,532
Underspends/(Overspends)	0	0	0	0	0
Contribution to/Use of Balances	(522)	0	0	0	0
Balances Carried Forward	7,532	7,532	7,532	7,532	7,532

ANALYSIS OF CENTRAL ITEMS 2010/11 -2013/14

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Coroners Courts	213	218	223	228
LGA	71	72	74	76
London Councils	208	213	218	223
LGIU Subscription	21	21	22	23
West London Alliance	30	30	30	30
Park Royal Partnership	25	25	25	25
Copyright Licensing	19	21	23	25
External Audit	490	505	520	535
Corporate Insurance	320	340	360	380
Capital Financing Charges	26,196	26,943	27,930	29,153
Net Interest Receipts	(1,703)	(1,789)	(1,876)	(1,964)
Levies	12,219	14,430	16,702	19,002
Premature Retirement Compensation	5,442	5,552	5,662	5,772
Middlesex House/Lancelot Road	526	565	607	652
Remuneration Strategy	875	875	875	875
South Kilburn Development	1,500	1,500	1,500	1,500
Investment in IT	820	820	820	820
Insurance Fund	1,800	1,800	1,800	1,800
Civic Centre/Property Maintenance	1,668	1,868	2,068	2,268
Neighbourhood Working	850	850	850	850
Freedom Pass Scheme Growth	0	1,533	2,173	2,813
Affordable Housing PFI	1,003	1,159	1,188	1,217
Council Elections	400	0	0	0
Corporate Efficiency Savings	(1,388)	(1,388)	(1,388)	(1,388)
Income Generation Initiatives	(213)	(213)	(213)	(213)
Future of Wembley	350	350	350	350
Capitalisation adjustment	(600)	(600)	(600)	(600)
Building Schools for the Future	500	500	500	500
Positive Activities For Young People	369	369	369	369
Other Items	89	90	90	90
TOTAL	52,100	56,659	60,902	65,411

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INESCAPABLE GROWTH - 2010/11 - 2013/14

Service	Item	2010/11	2011/12	2012/13	2013/14	Comments
		£'000	£'000	£'000	£'000	
Demand led growth						
C&F	Safeguarding & Child Protection	71				Additional full year effects of Child Protection monies agreed in 2009/10
E&C	Parks - Maintenance of facilities installed through the Playbuilder Pathfinder Scheme	35	15	15		This scheme will spend £1.1m on additional, high quality children's play facilities across Brent. Maintaining the quality of the facilities will require a maintenance budget of approximately £55k per annum and the appointment of an additional qualified playground inspector to ensure that the facilities remain safe and attractive (£35k). The requirement is from September 2009 and will reach its full extent in 2012/13 so growth is phased. £25k was agreed in 2009/10
E&C	StreetCare - Street Lighting PFI Additional Lighting	20	20	20		Maintenance costs in the StreetLighting PFI continue to increase with new traffic and parking schemes increasing the stock of illuminated signs and bollards. This allows for an average level of increase.
E&C	Town Centre CCTV.	15	15	15		The capital programme includes £135k per year to be spent on new CCTV installation. Revenue operating , maintenance and replacement costs are needed for the new cameras to be viable.
H&CC	Temporary Accommodation	687				Transitional arrangements for the new Temporary Accommodation Subsidy scheme for 2010-11.
H&CC	Middlesex House and Lancelot Road	248	25	24		General Fund costs as properties fall out of the HRA, in line with agreed Middlesex House financial model
Total demand led growth		1,076	75	74	0	
Price led growth						
Total price led growth		0	0	0	0	
Loss of income						
E&C	Land Charges	300				Unless substantial and early recovery in housing market takes place there will be a significant income shortfall for land charges. If the legal challenges prevent the Council charging for much information this could amount to whole land charge income budget. Currently a provision of £200k through the performance reward grant is provided in the 2010/11 budget to meet any shortfall.
H&CC	HRA/General Fund Recharges	400	25			Impact of potential stock transfer at South Kilburn involving 1,534 dwellings.
F&CR	Housing Benefit Administration Grant	262				Department of Works and Pensions are now reducing the grant nationally by 5% from 2010/11
Total growth due to loss of income		962	25	0	0	
GRAND TOTAL - DEMAND, PRICE AND LOSS OF INCOME LED GROWTH		2,038	100	74	0	

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NEW GROWTH PRESSURES - 2010/11 - 2013/14

Service	Item	Comments
	Demand led growth	
C&F	Children with Disabilities	The Children and Disability Services has had budget pressures for a number of years. The cost has increased with the complexity of support needed by some children as well as the number of children who are supported. The number of children needing one to one support has put pressure on existing respite centres to care for them and stay within budgetary constraints. In the medium term it is planned to change the provision of respite from specialist centres to <u>provision within the borough's special schools to reduce the cost of respite provision.</u>
C&F	Social Care Placements	The social care purchasing budget has been under pressure for a number of years and has been subject to an invest to save scheme since 2007. In this time, real terms costs of the placements has reduced by £1.6m since 2005/06. However, at the instigation of the invest to save placements were overspending by £2m. The saving made by social care has never managed to bring the placement cost down to the budgeted level for a number of reasons. The service has experienced a 24% increase in referrals, 57% in child protection investigations and 40% increase in child protection plans. The original invest to save scheme did not take into account the increase in adoptions, special guardianship orders and residence orders. The in-house fostering service has not delivered the increase in in-house carers necessary to reduce IFAs and the service is currently being reviewed in an effort to increase the numbers from 75 back up to 95 though recruitment is a lengthy process.
C&F	Housing and Support Services - 16 & 17 year olds - Southwark Ruling	The ruling confirmed the Government's view that a homeless child is 'in need' and falls under the Children's Act 1989 and is eligible for the full range of support from a local authority's children's service. To date homeless 16 and 17 year olds have been provided accommodation by Housing. The Housing Department estimate that this amounts to 40 children entering the system each year. This would equate to an additional 60-65 children in care each year as most children will stay for over a year. This will lead to additional placement, staffing and care leaver costs. From November Housing will be referring all such cases to children's social care.
E&C	Streetcare	No inflation has been assumed in the 2010/11 estimates. A number of contracts are indexed according to various different bases including RPI-X which is currently 1.4% and rising. This includes the waste, streetlighting PFI and arboricultural services contracts. There are also pressures from the need to provide additional rounds to collect organic waste for 6 months of the year and more resources are required for the collection of clinical waste. There are additional costs for CCTV for contract monitoring, line rental and maintenance. The energy costs for extra illuminated street furniture will also need to be funded.
H&CC	Learning Disability Transitions from Children and Families	The responsibility for paying the cost of care transfers each year on 1st August for all young people aged 19. The majority of transfers relate to learning disabilities and will need residential, homecare, respite and day care services. Adult Social Care also experience demand from the community from young people not currently receiving a service. The main pressure for 2010/11 relates to residential care where the number of young people and cost of their care packages are much higher than recent transitions. This pressure is net of transfers out and assumed savings.

NEW GROWTH PRESSURES - 2010/11 - 2013/14

Service	Item	Comments
	Demand led growth	
F&CR	Housing Benefits Deficit	The majority of housing benefit costs are covered by government grant however a proportion relating to overpayments is not fully funded. The overall costs of housing benefits are estimated to rise from £250m in 2008/09 to £300m for 2009/10 and the deficit is likely to rise proportionately. This pressure has already shown itself in 2009/10 and it is likely to continue in 2010/11
	Loss of income	
E&C	Parking Account	It is forecast that the current loss of income from PCN income, parking permit income and income from removals will continue into 2010/11

PRIORITY GROWTH FUNDED BY REWARD GRANT 2009/10 - 2011/12

Service	Item				Comments
		2009/10	2010/11	2011/12	
		£'000	£'000	£'000	
	Growth Funded by Performance Reward Grant				
Central	The Local Area Agreement (LAA) team	209	209	209	The Local Area Agreement team is currently funded from performance reward grant received as a result of stretch targets in the first round of Local Public Sector Agreements. Funding at this level is needed for three years if the Council is to support the Local Strategic Partnership (LSP) and LAA2 process.
Central	Domestic Violence Prevention Programme	71	71	71	The 'Domestic Violence' project has been funded as a stretch target through the use of reward grants. It has been very successful in reducing domestic violence incidents. As well as contributing to the reduction of serious violence priority and more generally health and wellbeing outcomes, domestic violence is one of the main reasons that children become 'Looked After'. Research shows that in care, life outcomes are less positive. The monies allocated contribute to an advocacy service based at Kilburn Police Station, providing advice and support to females subjected to domestic violence. Providing this service as part of the 'criminal justice' process, places less burden on the police, who are able to devote more time to delivering high quality investigations.
Central	Volunteering Programme	60	60	60	Volunteering work has previously been funded as a stretch target through the use of reward grants. The 'Volunteering' project has been very successful and has enabled the Volunteer Centre to attract an additional £578,000 from various sources for work from 2007-2011. Work with young volunteers aged 16-25 years and a supported volunteering project helps them to address some of the inequalities faced by certain groups, who find it harder to access volunteer opportunities. Equal access is important, as volunteering is known to help people with confidence and self-esteem, as well as providing valuable skills and experience which can help with finding paid work.
Central	Income Maximisation	90	90	90	There has been support from partners for a proposal for the Council to co-ordinate a programme of income maximisation across Brent - involving mapping services to enable people to maximise benefits. This would be funded for three years.
C&F	Extended Schools Set-up Cost	116	0	0	Funding to be provided for extended schools set-up costs to replace growth in Area Based Grant allocation which has been used to help fund growth in child protection costs. The Director of Children and Families is identifying funding from other sources to make this up to £200k. The intention is that this funding will be match funded by the 5 Extended Schools Locality Boards.
E&C	Sports Development for disabled children and diversionary activities for children at risk of getting involved in crime.	287	287	287	Within the Sports Development Team there are currently 2 full-time and 1 part-time Sports Development Officers (SDOs) posts funded by the LAA. These posts were introduced to focus on key priorities within LAA1; increasing adult participation in sport/physical activity, increasing sports participation by disabled children/young people and creating diversionary activities from crime for young people. Research shows that if people take part in regular sport as a child this will follow through into adult lifestyle. Brent has one of the lowest adult sports participation rates in London with over 56% taking part in no sports or physical activity on a regular basis and one way of tackling this is by encouraging young people to be active. There will be also initiatives aimed at low participation groups including the healthy walks programme in parks in Brent. The total budget for this work is £287K for 2009/10. This breaks down as follows: Adult participation £ 84K; Disabled young people £ 50K; Diversionary activities £ 153K. Funding will be available for three years.

PRIORITY GROWTH FUNDED BY REWARD GRANT 2009/10 - 2011/12

Service	Item				Comments
		2009/10	2010/11	2011/12	
		£'000	£'000	£'000	
E&C	Directorate - Sustainability Green Zones	90	90	90	This allows the development of green zone 'nodes' around streets, parks, town centres and faith centres. It aims to engage and support residents to provide "resident to resident" support for changing behaviours to more sustainable ones. This will allow a dedicated member of staff, the involvement of Groundwork and £20k for incentives, materials, training and other expenses.
E&C	Directorate - Climate Change, NI 185 and NI 186	155	155	155	The NI185 indicator measures progress by local authorities in reducing carbon dioxide emissions arising from buildings and transport and includes schools and contractors. The NI188 indicator measures progress in adapting to and helping its community adapt to climate change through working with major organisations both public and private organisations and with local groups. NI 185 and NI 188 are indicators targeted for improvement in the Local Area Agreement. These monies will support a team of 3 staff costing £125k and £30k of monies for promotional work and events. This programme may potentially be increased by seeking funding from schools to support an additional energy advisor post. This will be taken to the schools forum.
E&C	Libraries - Book Stock	100	0	0	An investment of an additional £100k in 2009/10 in the stock budget will improve borrowing performance and visits to libraries by making the stock available in libraries more attractive.
E&C	Publicity for recycling	60	0	0	In order to maximise the quantity of targeted materials collected and aim to reach higher participation rates in all recycling schemes, a further advertising campaign is planned for 2009/10
E&C	Directorate - Loss of land charges income (For 2009/10 £400k included in Environment & Culture's budget)	400	200	0	The downturn in the housing market is seriously affecting the number of local land searches processed. The estimated income shortfall for 2009/10 is at least £400k and final figure may turn out to be higher. The central team responding to search requests is very small and there is no scope for reducing costs to match the income loss.
H&CC	Private Housing Services	50	83	83	Demand for Disabled Facilities Grants recently has increased significantly. Budget growth of £83k is required to address this in a full year, with the provision of two additional surveyors.
H&CC	Advice Agencies	22	0	0	To provide additional resources to meet anticipated increased demand arising from the current economic conditions
	Total Growth Items Spend	1,710	1,245	1,045	
Central Item	Contribution to/from Performance Reward Grant Reserve	290	755	-1,045	
	Total Growth Items Funded by Performance Reward Grant	2,000	2,000	0	
	Performance Reward Grant	-2,000	-2000	0	An estimated £4m of revenue performance reward grant will be available over 2009/10 and 2010/11. Some of these monies will be transferred into a reserve to enable the funding of schemes to continue into 2011/12.

CAPITAL PROGRAMME 2010/11 TO 2013/14

General Fund

Programme Details	2010/11 Capital Programme £000	2011/12 Capital Programme £000	2012/13 Capital Programme £000	2013/14 Capital Programme £000
RESOURCES: GENERAL FUND				
Capital Grants and other contributions				
Government Grant - SCE (C)	(311)	(2,820)	(2,820)	(2,820)
Primary Capital Programme	(7,033)	0	0	0
Building Schools for the Future				
Devolved Formula Capital	(4,615)	(4,615)	(4,615)	(4,615)
Other External Grant	(28,596)	(10,303)	(9,036)	(9,036)
Capital Receipts in Year - Right to Buy Properties	(400)	(500)	(600)	(700)
Corporate Property Disposals	(2,300)	(3,300)	(3,630)	(4,000)
Other Receipts	(200)	(200)	(200)	(200)
Capital Funding Account				
Additional Contributions				
S106 Funding	(9,591)	(5,905)	(5,080)	0
Borrowing				
Supported Borrowing - SCE (R)	(4,581)	(4,600)	(4,600)	(4,600)
Unsupported Borrowing	(8,939)	(4,382)	(4,628)	(4,628)
Unsupported Borrowing - School Loan Scheme				
Unsupported Borrowing (Self Funded)	(15,900)	0	0	0
Invest to Save Schemes				
External Grant Funding				
Unsupported Borrowing (Self Funded)	(250)	0	0	0
Total Resources	(82,716)	(36,625)	(35,209)	(30,599)
EXPENDITURE: GENERAL FUND				
Children & Families				
School Schemes	19,603	3,741	5,488	4,141
Non-School Schemes	481	0	0	0
Ringfenced Grant Notifications	935	935	935	935
Childrens Centre Sure Start Grant	720	0	0	0
LEA Controlled Voluntary Aided Programme	484	1,531	1,531	1,531
Extended Schools	508	508	508	508
Devolved Formula Capital	3,333	3,333	3,333	3,333
Voluntary Aided Devolved Formula Grant	1,282	1,282	1,282	1,282
Co-Location Capital Grant	708	0	0	0
Playbuilder Capital Grant	417	0	0	0
Myplace Grant (Big Lottery Fund) - Roundwood Youth Centre	2,489	1,267	0	0
Additional S106 Works	4,935	2,417	2,416	0
Total Children & Families	35,895	15,014	15,493	11,730
Environment & Culture				
TfL Grant Funded Schemes	4,500	4,500	4,500	4,500
Leisure & Sports Schemes	535	535	535	535
Environmental Initiative Schemes	135	135	135	135
Highways Schemes	4,100	2,920	2,920	3,550
Parks & Cemeteries Schemes	330	80	80	165
Library Schemes	522	0	0	0
S106 Works	4,213	2,396	1,375	0
Total Environment & Culture	14,335	10,566	9,545	8,885
Housing & Community Care: Adults				
Ringfenced Grant Notifications for Adult Care	405	0	0	0
Total Housing & Community Care: Adults	405	0	0	0
Housing and Community Care: Housing				
PSRSG and DFG council	5,162	5,162	5,162	5,162
New Units	0	0	0	0
S106 Works	443	573	769	0
Total Housing & Community Care: Housing	5,605	5,735	5,931	5,162
Business Transformation Unit				
Customer Services Schemes	0	0	0	0
Individual Schemes	15,900	0	0	0
Total Business Transformation Unit	15,900	0	0	0
Corporate				
ICT Schemes	0	0	0	0
PRU Schemes	2,569	1,000	1,000	1,000
Property Schemes	1,802	1,720	1,720	1,720
Central Items	7,705	1,090	1,520	790
S106 Works	0	0	0	0
Total Corporate	12,076	3,810	4,240	3,510
Total Service Expenditure	84,216	35,125	35,209	29,287
(Surplus)/Deficit carried forward	1,500	(1,500)	0	(1,312)

CAPITAL PROGRAMME 2010/11 TO 2013/14

Housing Revenue Account

Programme Details	2010/11 Capital Programme £000	2011/12 Capital Programme £000	2012/13 Capital Programme £000	2013/14 Capital Programme £000
RESOURCES: HOUSING REVENUE ACCOUNT				
Supported Borrowing				
Central Government - SCE (R)	0	0	0	0
Capital Grant	0	0	0	0
Contributions	(8,684)	(8,684)	(8,684)	(8,684)
Unsupported Borrowing				
	(600)	(600)	(600)	(600)
Total Resources	(9,284)	(9,284)	(9,284)	(9,284)
EXPENDITURE: HOUSING REVENUE ACCOUNT				
Housing Revenue Account				
Disabled Facilities Works (Unsupported Borrowing)	600	600	600	600
Major Repairs Allowance Works	7,000	7,000	7,000	7,000
Main Programme RCCO (HRA)	1,684	1,684	1,684	1,684
Total Expenditure	9,284	9,284	9,284	9,284
(Surplus)/Deficit	0	0	0	0

CAPITAL PROGRAMME 2010/11 TO 2013/14

Total Summary Position

Programme Details	2010/11 Capital Programme £000	2011/12 Capital Programme £000	2012/13 Capital Programme £000	2013/14 Capital Programme £000
RESOURCES				
General Fund	(82,716)	(36,625)	(35,209)	(30,599)
Housing Revenue Account	(9,284)	(9,284)	(9,284)	(9,284)
Total Resources	(92,000)	(45,909)	(44,493)	(39,883)
EXPENDITURE:				
General Fund	84,216	35,125	35,209	29,287
Housing Revenue Account	9,284	9,284	9,284	9,284
Total Expenditure	93,500	44,409	44,493	38,571
Surplus carried forward	1,500	(1,500)	0	(1,312)

SERVICE AND BUDGET PLANNING TIMETABLE FOR 2010/11

Date	Action
Early August	Initial service planning and budget guidance issued
August/ September	Work on formulating draft budgets
August/ September	First stage budget meetings between F&CR and service areas
15 September	Report to Executive on Performance and Finance Review 2009/10 – 1 st Quarter
October	Second stage budget meetings between F&CR and service areas
October	Final service planning guidance issued.
14-15 October	Second service and budget planning away-days - issues to be considered as part of First Reading debate
October/ November	Continue to develop proposals for achieving 4 year budget targets
Mid-November	Service areas and units begin process of developing service plans
11 November	Budget Panel receives and discusses 1 st reading debate papers
23 November	Full Council. First reading of Policy Framework and Budget
Early December	'Star chamber' meetings
9 December	Schools Forum meets to agree in principle funding formula and budget issues
9 December	Report to Executive on Performance and Finance Review 2009/10 – 2 nd Quarter
10 December	Release of the Mayor's consultation draft GLA budget
14 December	Executive sets Collection Fund Surplus/Deficit
Mid December	Confirmation of 2010/11 funding from central government
December/ January	Budget Panel collects evidence
Up to January	Consultation with residents, businesses, voluntary sector, partner agencies and trade unions on budget proposals.
10 January	Budget Panel collects evidence and discusses 1 st interim report
18 January	Executive reviews budget position and sets Collection Fund surplus/deficit
26 January	General Purposes Committee agrees Council Tax base
27 January	Greater London Assembly considers draft consolidated GLA budget
End of January	Members agree budget proposals to be presented to February Executive.
Early February	Schools Forum meets to agree the recommended Schools Budget

SERVICE AND BUDGET PLANNING TIMETABLE FOR 2010/11

Date	Action
10 February	Budget Panel receives budget proposals prior to the Executive. Discusses second interim report.
10 February	Greater London Assembly's final consideration of consolidated budget.
15 February	Executive considers and announces administration's final budget proposals, agrees fees and charges for the following year and agrees savings/budget reductions for the HRA budget report as well as the overall average rent increase.
Late February	Budget Panel receives the outcome of Executive's budget report and agrees a final report
1 March	Full Council agrees budget
March	Service areas return completed budget book papers
Late March	Service plans and corporate budget book published