



# Brent

## SUMMONS TO ATTEND COUNCIL MEETING

**Monday 9 September 2013 at 7.00 pm**

Conference Hall - Brent Civic Centre, Engineers Way,  
Wembley, HA9 0FJ

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 30 August 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

Apologies for absence

Item	Page
<b>1 Minutes of the previous meetings</b>	1 - 14
<b>2 Declarations of personal and prejudicial interests</b>	
Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.	
<b>3 Mayor's announcements (including petitions received)</b>	
<b>4 Appointments to committees and outside bodies and appointment of chairs/vice chairs (if any)</b>	
<b>5 Report from the Leader or members of the Executive</b>	15 - 16
To receive reports from the Leader or members of the Executive in accordance with Standing Order 42.	
<b>6 Questions from the Opposition and other Non- Executive Members</b>	
Questions will be put to the Executive	
<b>7 Reports from the Chairs of Overview and Scrutiny Committees</b>	17 - 20
To receive reports from the Chairs of the Overview and Scrutiny Committees in accordance with Standing Order 41.	
<b>8 Treasury Management outturn</b>	21 - 32
This report updates members on recent Treasury Management activity. The Council can confirm that it has complied with its Prudential Indicators for 2012/13. The same report has also been submitted to the Executive and Audit Committee.	
<b>Ward Affected:</b> All Wards	<b>Contact Officer:</b> Mick Bowden, Deputy Director of Finance Tel: 020 8937 1460 mick.bowden@brent.gov.uk

## 9 Motions

To debate any motions submitted in accordance with Standing Order 45.

## 10 Urgent business

At the discretion of the Mayor to consider any urgent business.



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.

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## LONDON BOROUGH OF BRENT

Minutes of the SPECIAL MEETING OF THE COUNCIL  
held on Monday 24 June 2013 at 7.00 pm

### PRESENT:

**The Worshipful the Mayor**  
Councillor Bobby Thomas

**The Deputy Mayor**  
Councillor Kana Naheerathan

### COUNCILLORS:

Aden	Adeyeye
Al-Ebadi	Arnold
Ashraf	Mrs Bacchus
Beswick	Brown
Butt	Cheese
Chohan	S Choudhary
A Choudry	Colwill
Crane	Cummins
Daly	Denselow
Gladbaum	Harrison
Hashmi	Hector
Hirani	Hopkins
Hossain	Hunter
Jones	Kabir
Kansagra	Kataria
Leaman	Long
Lorber	Mashari
Matthews	McLennan
Mitchell Murray	J Moher
R Moher	Moloney
Ogunro	Oladapo
CJ Patel	HB Patel
RS Patel	Pavey
Powney	Ms Shaw
Ketan Sheth	Krupa Sheth
Singh	Van Kalwala

### Apologies for absence

Apologies were received from: Councillors Baker, Beck, Green, John, BM Patel and HM Patel

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

None declared.

2. **Proposed Conferment of Honorary Freedom of the London Borough of Brent**

The conferment of Honorary Freedom of the Borough is to recognise persons of distinction who have rendered eminent services and have a connection to the London Borough of Brent. The Council proposed to confer this honour on Nelson Mandela.

The Mayor drew attention to the supplementary report that had been circulated to all members prior to the meeting.

Councillor Butt thanked the South African High Commission for their support of the Council in making this award. He stated that in the London Borough of Brent, one of the most diverse areas of Britain, the struggle for freedom and equality by Nelson Mandela, the African National Congress and the modern South African nation had been followed and supported. He referred to Nelson Mandela's visit to the borough in 1962 and again after he was freed from prison in 1990. Nelson Mandela had been an inspiration to everyone and had strengthened the cause of racial equality and respect throughout the world. On behalf of the Council, Councillor Butt stated it was a proud moment to confer the Honorary Freedom of the Borough on Nelson Mandela.

Councillors from all Groups on the Council paid tribute to Nelson Mandela, expressing sorrow that he was currently ill but also recollecting his imprisonment and long fight for freedom for all races.

The Mayor submitted the resolution to the meeting which was passed unanimously.

RESOLVED:

that, in accordance with the provisions of Section 249 of the Local Government Act 1972, the Council of the London Borough of Brent:

(i) invoke the provisions of Section 249 of the Local Government Act 1972 to confer the honour of Freedom of the Borough of Brent on Nelson Mandela in recognition of his dedication and work in relation to freedom of speech and democracy over many years and that this honour of Freedom of the Borough be now so conferred on Nelson Mandela;

(ii) that the granting of the Freedom be presented in an illuminated scroll and decorated casket.

The Leader symbolically handed the casket and scroll to a representative of the South African High Commission who thanked the Council for the award and requested continued support for South Africa.

The meeting closed at 7.30 pm

COUNCILLOR BOBBY THOMAS  
Mayor



## **LONDON BOROUGH OF BRENT**

**Minutes of the ORDINARY MEETING OF THE COUNCIL  
held on Monday 24 June 2013 at 7.30 pm**

### **PRESENT:**

**The Worshipful the Mayor**  
Councillor Bobby Thomas

**The Deputy Mayor**  
Councillor Kana Naheerathan

### **COUNCILLORS:**

Aden	Adeyeye
Al-Ebadi	Arnold
Ashraf	Mrs Bacchus
Beswick	Brown
Butt	Cheese
Chohan	S Choudhary
A Choudry	Colwill
Crane	Cummins
Daly	Denselow
Gladbaum	Harrison
Hashmi	Hector
Hirani	Hopkins
Hossain	Hunter
Jones	Kabir
Kansagra	Kataria
Leaman	Long
Lorber	Mashari
Matthews	McLennan
Mitchell Murray	J Moher
R Moher	Moloney
Ogunro	Oladapo
BM Patel	CJ Patel
HB Patel	RS Patel
Pavey	Powney
Ms Shaw	Ketan Sheth
Krupa Sheth	Singh
Van Kalwala	

### **Apologies for absence**

Apologies were received from: Councillors Baker, Beck, Green, John and HM Patel

1. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 15 May 2013 be approved as an accurate record of the meeting.

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

Councillor Long declared a non-financial interest by virtue of her position on the board of Brent Housing Partnership.

Councillor Cheese declared a non-financial interest by virtue of his membership of the Kilburn Advisory Board.

3. **Mayor's announcements (including any petitions received)**

The Mayor welcomed everyone to his first meeting as First Citizen of the borough and the last meeting to be held in the Town Hall Council Chamber.

On behalf of the Council, the Mayor congratulated the Brent residents and employees who had received honours in the Queen's Birthday Honours list announced the previous week. He spoke of how extremely proud the borough should be of their hard work over the years.

The Mayor announced that he was holding his Civic Service on Sunday 21 July at 2pm at St Catherine's Church, Neasden and would be pleased to see as many members there as possible.

The Mayor referred to his support for Cricklewood Homeless Concern during his mayoral year and announced that he was hoping to host many fundraising events, including a BBQ at the Grand Junction Arms and a mini regatta at Welsh Harp.

The Mayor drew attention the list of current petitions showing progress on dealing with them which had been circulated around the chamber.

4. **Appointments to committees and outside bodies and appointment of chairs/vice chairs**

RESOLVED:

that the following appointments be made:

Alcohol and Entertainment Licensing	Councillor Beswick, chair in place of Councillor Bacchus
	Councillor Moloney as 1 <sup>st</sup> alternate to Councillor Bacchus in place of Councillor Beswick
	Councillor Kabir as 2 <sup>nd</sup> alternate to Councillor Bacchus in place of Councillor Choudhary



	Councillor Kataria as 1 <sup>st</sup> alternate to Councillor Chohan in place of Councillor John
	Councillor RS Patel as 2 <sup>nd</sup> alternate to Councillor Harrison in place of Councillor Long
	Councillor Matthews in place of Councillor Shaw
Audit Committee	Mr David Ewart, chair
Planning Committee	Councillor Sneddon as 1 <sup>st</sup> alternate to Councillor Cummins in place of Councillor Shaw
	Councillor Hopkins as 2 <sup>nd</sup> alternate to Councillor Cummins in place of Councillor Sneddon
Health Partnerships Overview and Scrutiny Committee	Councillor Brown as 2 <sup>nd</sup> alternate to Councillor Hunter in place of Councillor Shaw

## 5. Report from the Leader or members of the Executive

Councillor Butt thanked all members for their unequivocal support in bestowing the Freedom of the Borough on Nelson Mandela. He asked his fellow Executive members to submit their reports.

### *Gangs strategy*

Councillor Choudry referred to the report of the Partnership and Place Overview and Scrutiny task group investigation into gangs and services for prevention, intervention and exiting, which had been submitted to the Executive on 20 May 2013. He thanked members of the task group for their work and explained that each of the recommendations was now being considered with a view to making progress towards dealing with the problem of gang culture. He stated it was a difficult issue and involved partner agencies but that it was important to work towards protecting the citizens of the borough.

### *Civic Centre*

Councillor Crane reported that the building of the civic centre had been completed and staff were now moving in. He referred to the excellent work by staff in the IT section who would be on hand throughout the moving in process to help with any problems. He thanked Aktar Choudry for his work in managing the building project and Caroline Raihern for making the arrangements for staff to move into the new building. He bid farewell to the Town Hall and the Council Chamber and urged members to make sure they booked themselves on to the civic centre induction courses being run.

### *Willesden Green Cultural Centre*

Councillor Crane reported that, following the approval of the final design and cost, work was soon to start on constructing the Willesden Green Cultural centre. This would provide fantastic community space serving the south of the borough. The old

library building was being retained and local children would be creating murals on the site hoardings.

#### *South Kilburn regeneration*

Councillor Crane referred back to May 2010 when plans for the South Kilburn area appeared to have failed and contrasted that with the clear vision and viable plans that were now in place to tackle the worst homes and provide a new school, health facility and park. The new South Kilburn Neighbourhood Trust had been created and phase 1 of the project was complete. He stated that two further phases to be completed by May 2014 would transform the area.

#### *Vale Farm – award of contract*

Councillor Mashari reported on the award of a contract to Sports and Leisure Services Management Ltd for the provision of facilities at Vale Farm. This was a cross borough contract with Ealing and Harrow. She stated that it would provide affordable facilities which would encourage more local people to use them. Councillor Mashari explained that the Council had negotiated for concessionary pricing and free swims for certain categories of people in an effort to increase participation. She stated that the contract represented value for money for the Council and she encouraged people to use it.

#### *Gladstone Park School*

Councillor Pavey submitted that Gladstone Park School was a good school that had suffered a temporary drop in performance. He therefore felt it was a shame that the school was being forced into becoming an Academy. He applauded local people for the support they had shown for their local school and stated that it was now time for all campaigners concerned with the future of the school to work together.

#### *Copland School*

Councillor Pavey reported on the Department for Education sending in an interim board to Copeland Community School to meet the huge challenge posed to provide a comprehensive education and address the terrible situation reported on by OFSTED. The school would ultimately become an Academy but in the meantime he urged all those involved to work together to provide a better education for local children.

#### *Tenders for speech and language therapy contracts*

Councillor Pavey reported that the Council had tendered for a new contract for the provision of speech and language therapy to continue the excellent work provided by the service.

## **6. Questions from the Opposition and other Non- Executive Members**

Councillor Cummins stated that he had received many complaints from residents over the Council's decision to stop issuing scratch cards for parking and asked what was going to be done to rectify this. Councillor J Moher replied that it was not unusual for people to be sensitive over change. He acknowledged there had been teething problems introducing the new arrangements but it was essential to improve the efficiency of the system. He was open to hearing peoples' concerns but pointed out that a past complaint had been that people were often left with a residual amount on their scratch cards which they could not use and so this would improve that situation. He also stated that help would be given to the elderly to understand

the new arrangements. Councillor Cummins submitted that the answer from Councillor Moher was not sufficient to make up for the loss of scratch cards which some people had come to rely on. He spoke of those people who did not have access to a computer or were not familiar with how they worked who would not be able to cope with the new arrangements.

Councillor Adeyeye asked how much progress had been made towards the new civic centre being one of the greenest buildings in Europe. Councillor Crane replied that it had achieved a BREEAM (Building Research Establishment Environmental Assessment Method) outstanding rating, making it the greenest public building in the UK. He outlined the various mechanical and engineering innovations incorporated into the building and stated that the next challenge was to achieve a further BREEAM rating for the building in use. Councillor Adeyeye thanked Councillor Crane for his reply.

Councillor Shaw asked why motorcycles were still using the Willesden Sports centre causing a noise nuisance when planning permission had been refused six months ago. She stated that the sports service should by now have terminated the lease and asked why residents were expected to abide by planning laws when the sports service was not able to. Councillor Mashari replied that she was not aware of the circumstances raised by the question and asked that Councillor Shaw email her the details so that she could look into it and arrange a meeting to look at resolving the situation. Councillor Shaw responded that she thought that the lead member should have been aware of the situation.

Councillor Hopkins asked what progress had been made on re-opening any of the six libraries that had been closed during 2011/12. Councillor Mashari replied that she would be meeting with Councillor Ashraf on this matter and she was open to meeting with any community group and was already in on-going discussions with some groups. Councillor Hopkins responded by stating that she had not heard from any campaigners on any progress made and asked that the feelings of people on this issue be not underestimated. She stated that people valued libraries and desperately wanted their old libraries back.

Councillor Sheth asked what the Council was doing to ensure that children at Copeland Community School received the highest possible level of education. Councillor Pavey replied that the Council's planning was putting the children at the centre, rather than the buildings and facilities as had been the case in the past. Members of the Interim Executive Board were educationalists who were working to improve the chances of pupils at the school. He expressed disappointment that the NUT had called a strike at the school before they had heard of the proposals for the future of the school. Councillor Sheth was glad to hear of the efforts being made to turn the school around and wished to encourage those involved to work with the children and their families.

Councillor Brown asked what was being done to preserve the legacy of the previous Council administration in keeping the streets clean and suggested that the street were now dirtier than ever with an increase in dumping and litter. Councillor Mashari replied that the Council had re-introduced the free bulky waste collection service in a bid to tackle fly tipping. Areas of the borough had been targeted for action over a three week period and the initial phases had resulted in a 20% reduction in dumping. Councillor Brown stated that he disagreed that the situation

was better and that during 2010/13 dumping had increased showing that the free bulky waste collection service did not work. He also pointed out that the service did not extend to landlords. He stated that funding for street cleansing had been cut leading to a reduced waste collection service and an increase in dumping.

Councillor Kabir asked what progress had been made in addressing the shortage of school places. Councillor Crane replied that the Council faced a challenging position on school places. A four year strategy for an expansion of places, including permanent and temporary bulge places, had been approved. Barham, Fryent and Mitchell Brook Primary Schools were being expanded in the current year and a further seven schools were consulting on expansion proposals. The DfE (Department for Education) had agreed to open a Free School in the Wembley area which he regarded as a disastrous decision because it effectively diverted funding from improving existing schools. Much needed improvements to Alperton and Copeland Community Schools were not programmed until 2018. Councillor Kabir thanked Councillor Crane for his answer.

Councillor Lorber asked for a rough estimate of the amount of spend on redundancy payments for departing officers since 2011 when Councillor Butt became Leader. Councillor Butt replied that a re-structure of senior officers was designed to save the Council £3m. In all cases of officers leaving the Council, negotiations on the contractual position were undertaken and therefore in the circumstances he was not able to answer the question. Councillor Lorber stated that councillors were being kept in the dark on this issue, including what arrangements were agreed for the former Chief Executive to leave and the position of the former Director of Finance. Councillors were not being involved despite them, as elected representatives, being expected to be accountable to local people for the spending decisions taken by the Council.

Councillor Oladapo asked what the Council was doing to mitigate the effects on residents of the cuts the Council had to make. Councillor Crane replied that all those affected by the welfare reforms had been contacted and were being given assistance. An employment programme called Navigator was being funded on which all councillors had received a recent update. He was pleased to report that the Council's facilities management contractor, Europa, had taken on six additional recruits. Work being undertaken within the Regeneration and Growth Department was aimed at getting people into work. Councillor McClennan added that Brent was the borough most affected by the changes to housing benefit but the housing division was working hard to mitigate the effects on the most vulnerable members of the community. Councillor Oladapo thanked Councillors Crane and McClennan for their answers.

(Councillor Lorber raised a point of order with regard to the above by stating that it was not permissible for two Executive members to be allowed to answer a question. The Mayor ruled that it made sense in this case because the issue covered two portfolios).

Councillor Hunter referred to advice she had received that the Council could not debate the subject of the trading activities of Veolia in relation to the public realm contract and asked how this position sat with the position of the local Labour Party which had voted to exclude Veolia from the tendering process. Councillor Mashari replied that the same legal advice applied which meant she could not discuss the

matter, however she added that she was in favour of pursuing ethical procurement and officers had been asked to look into this. Councillor Hunter responded by saying that despite legal advice it should be remembered that Council Tax went towards funding the proposed contract.

## **7. Reports from the Chairs of Overview and Scrutiny Committees**

Councillor Van Kalwala presented the overview and scrutiny report, drawing out the main issues covered by the overview and scrutiny committees since January 2013. He also referred to the Partnership and Place Overview and Scrutiny Committee's task group which had investigated gangs and the development of services for prevention, intervention and exiting. He thanked the members who had served on the task group for their work and the Executive for giving consideration to each of the recommendations.

## **8. Borough Plan 2013-14**

Members considered a report proposing a revision of the Borough Plan for 2013/14. The Plan and its detailed targets had been the subject of consultation with Executive members and partners since March 2013.

Some members levelled criticism of the plan over lacking support for the voluntary sector to deliver services, not addressing the impact of having closed six libraries and questioning where the resources would come from to deliver on the cultural aspects. It was also pointed out that the population increase within the borough would pose significant challenges. In support of the Plan it was submitted that it would help improve the lives of residents and encourage departments to work together to deliver services. The Council spent £2m on voluntary sector grant aid and millions more on contracts with voluntary organisations. The regeneration of areas of the borough was aimed at improving the lives of local people.

RESOLVED:

that the priorities and targets set out within the Brent Borough Plan 2013-14 attached as an appendix to the report submitted be agreed.

## **9. Wembley Area Action Plan - Submission for examination in public**

On 11 March the Executive agreed the Wembley Area Action Plan for public consultation and then, subject to Full Council approval, to submit the draft Plan to the Planning Inspectorate for Examination. In light of the consultation three relatively small amendments had been proposed to enable a sound draft Plan to be formally submitted. The draft Plan was circulated separately as Appendix 1 to the report submitted.

RESOLVED:

- (i) that the three proposed changes set out in paragraph 3.3 of the report submitted be agreed;

- (ii) that the draft Wembley Area Action Plan, together with the proposed changes, be submitted on 1 July 2013 to the Planning Inspectorate for Examination;
- (iii) that the Director of Regeneration and Growth be authorised to agree any necessary changes to the document during the Examination process to facilitate the adoption of a sound Plan.

#### 10. **Establishment of the Brent Health and Wellbeing Board**

The Health and Social Care Act 2012 requires that the Council appoints a Health and Wellbeing Board, the membership of which is largely set out in statute. The purpose of the Board was to assess the health needs of the Brent population and produce a strategy to address those needs and to encourage the provision of integrated health and social care services. Members considered a report on the establishment of such a board.

Councillor Lorber urged Council not to accept lifting the proportionality rules because he felt the credibility of the board would be undermined if all three political groups on the Council were not represented on the board. He stated that as much business as possible put before the board should be dealt with in public by as wide a representative body as possible. He questioned where the opportunity would be for the opposition to challenge its work if there was only minimal opposition representation on the board. Councillor Kansagra broadly supported the point made and added that it was clear that decisions would be taken by the majority party. Councillor Butt responded saying that the board had a responsibility to produce a strategy and so needed clear leadership. It also had to meet the requirements of the legislation on who served on the board and it was clear from information from other boroughs that the proposals were in keeping with arrangements made elsewhere.

RESOLVED:

- (i) that the Health and Wellbeing Board be established as a committee of the Council with the terms of reference and membership set out in paragraphs 3.7.1 and 3.5.2 of the report circulated;
- (ii) that the proportionality rules be dis-applied to the Health and Wellbeing Board and Councillors R Moher (Chair), Crane, Hirani, Pavey and HB Patel be appointed for the remainder of the municipal year 2013/14;
- (iii) that the Health and Wellbeing Board be consulted on the proposed voting arrangements for the Board set out in paragraph 3.3.6 of the report submitted;
- (iv) that the consequential amendments to the Council's constitution arising as a result of the report submitted be made by the Director of Legal and Procurement upon the final decision being made regarding voting arrangements.

(Councillors Ashraf, Brown, Cheese, Cummins, Hashmi, Hopkins, Hunter, Leaman, Lorber, Matthews and CJ Patel wished it recorded that they had voted against resolution (ii) above).

#### **11. Changes to health scrutiny**

The report before Council explained that the Health and Social Care Act 2012 and the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 which came into force on 1 April 2013 made some changes to the Council's health scrutiny role and the Council now had a choice about how it would carry out those functions.

RESOLVED:

that the recommendations in paragraphs 3.2 and 3.9 of the report submitted be agreed and that the Director of Legal and Procurement make the consequential changes to the Constitution.

#### **12. Review of and changes to the constitution**

The report before Council set out changes recommended following a detailed review of certain parts of the Constitution; most particularly delegations to officers, operation of Full Council, and call in arrangements. It also addressed recommended changes of a more administrative nature and those arising from changes in the law.

Councillor Butt proposed the recommendations in the report be agreed subject to the removal of the final sentence shown in the tracked change for Standing Order 77A on page 92 of the summons.

Councillor Lorber moved that the sub-committee proposed in Standing Order 77A (vi) be five members politically balanced as 3-1-1. This was put to the vote and declared LOST.

RESOLVED:

- (i) that the recommended changes to the Constitution shown as track changes in Appendix 1 to the report submitted be agreed, which reflect the changes recommended under the review and such changes to come into immediate effect save for those in resolution (ii) below;
- (ii) that the recommended changes in paragraphs 3.3.6 and 3.3.7 of the report submitted concerning changes to the thresholds for officer decisions in respect of contracts and property come into effect from 1 October 2013;
- (iii) that the recommended changes to the Constitution shown as track changes in Appendix 2 of the report submitted be agreed, which reflect the changes recommended to accord with administrative or legal changes.

#### **13. Appointment of permanent Chief Executive**

The report before Council concerned the proposed timescale for appointment to the Chief Executive post and consequential interim arrangements.

Councillor Lorber argued for the appointment of a permanent Chief Executive and against the continuation of an interim appointment. In response Councillor Butt referred to the circulated report which explained how the Council would be able to attract the best person for the job and in the meantime was able to retain a capable interim individual.

RESOLVED:

- (i) the proposed timescale for recruitment to the permanent Chief Executive role as outlined in the report submitted be agreed;
- (ii) that the interim Chief Executive continues in post, as set out in the body of the report submitted, until a permanent appointment is made.

## 14. **Motions**

### 14.1 **Co-operatives**

#### *Co-operatives*

Councillor Pavey moved the motion circulated under his name by thanking his colleagues for supporting the use of co-operatives. He stated that the Council needed to work more with co-operatives and reverse the past lack of support provided. He felt the motion offered a statement of intent that the Council believed that a robust model for co-operatives and mutuals would be able to deliver some Council services.

Councillor HB Patel supported the motion and believed it represented the more socially responsible form of capitalism pursued by the Government. It gave people a stake in a business which they then felt worthwhile putting the effort into.

The motion was put to the vote and declared unanimously CARRIED.

RESOLVED:

- (i) that the Council believes it is essential that the community and workforce are deeply involved in the design and delivery of the services the Council provides and that the use of cooperatives and mutuals in particular can lead to improved services that much more closely reflect the needs of the local community;
- (ii) that cooperatives and mutuals can be much more cost effective than traditional models of service delivery and also provide improved outcomes for local residents, which is more important than ever in the face of on-going radical cuts to local government budgets;
- (iii) that there be a commitment to fully investigating the use of cooperatives and mutuals in all service areas and that every effort be made to support their



development and capacity to deliver services wherever possible across the Council;

- (iv) that the pledge to promote credit unions in Brent, community based organisations offering access to affordable credit and promoting saving, be confirmed.

#### **14.2 Blacklisting**

The motion circulated in Councillor Hector's name was put to the vote and declared CARRIED.

RESOLVED:

that the practice of blacklisting by contractors be condemned and a condition be added to the Council's standard contracting terms that if a contractor is found to have used blacklists, this will be treated as a fundamental breach of contract and the Council will reserve the right to terminate the contract and sue for damages.

#### **14.3 Enforcement against dog-fouling and fly-tipping**

The original motion submitted for debate in the names of Councillors Hunter, Lorber, Hopkins and Hashmi had been ruled legally unsuitable and the Mayor therefore invited the above motion to be submitted for debate. Councillor Lorber moved the suspension of standing orders to allow councillors to challenge the officers' legal advice. This was put to the vote and declared LOST.

Councillor Hopkins moved the motion circulated under her's and Councillors Ashraf, Beck and Brown's names. She stated that fly tipping was on the increase, however her ward stayed clean because local people monitored and reported on the situation. Nevertheless greater enforcement against fly tippers was needed. She also referred to dog fouling in parks that presented a health hazard to children. She submitted that current enforcement against dog owners was poor and that higher fines were needed to act as a deterrent.

Councillor Mashari agreed both issues raised under the motion were serious. Referring to dog fouling, she stated that action was taken to clear it when it was reported. If there was a particular area of concern she asked to be informed so action could be taken. The maximum fine allowed for dog fouling was £80 and the Council's current fine was set at £75 so there was not much room for increasing the deterrent. She went on to refer to dangerous dogs, status dogs and dog fighting as other issues that needed to be dealt with. It was an important part of the work of the park wardens to educate people so that they better understood the need to control their dogs. Regarding fly tipping, Councillor Mashari referred to the free bulky waste collection service which not all Councils provided and which the Council could therefore be proud of.

The motion was put to the vote and declared LOST.

#### **14.4 Brent Housing Partnership Board**

Councillor Kansagra moved the motion submitted in his name. He asked that the membership of the board be reconsidered to allow for opposition representation.

Councillor Butt stated that within every organisation there had to be change and Brent Housing Partnership was no exception. The situation would be under constant review but he could not support the motion at the present time.

Councillor Lorber submitted that for Brent Housing Partnership to be regarded as a credible organisation it needed to have representation from all three of the political groups on the Council. He referred to the past when the Conservative Group had been happy to accept a place but only now that the place was being taken away did it submit a motion on the matter.

The motion was put to the vote and declared LOST.

15. **Urgent business**

None

The meeting closed at 9.43 pm

COUNCILLOR BOBBY THOMAS  
Mayor



## FULL COUNCIL – 09 SEPTEMBER 2013

### Report from the Executive

#### 1. Items to be reported by the Executive

The Leader has given notice that the Executive will report to Council on the following items:

1. London Living Wage accreditation
2. The council's submission to the Independent Reconfiguration Panel
3. New primary school places
4. Extension of the Tricycle Theatre grant
5. New public health contracts
6. Energy switching auctions

#### 2. Decisions taken by the Executive under the Council's urgency provisions

Under the provisions of rule 38 of the Access to Information Rules in the Constitution, the Executive is required to report to the next Full Council for information on any decisions taken by them which did not appear in the Forward Plan giving 28 days' notice or where due notice was not given that a report, or part thereof, is to be considered in private.

##### 1. *Bridge Park redevelopment proposals*

Notification that the above report, considered by the Executive on 17 June 2013 contained an appendix which would be considered in private.

Reason why it was impracticable to defer the decisions until it could be included on the forward plan:

In order for the agreement to be progressed within timescales.

##### 2. *Clement Close, Former Children's Respite Centre and adjacent land NW6 7AL - proposed disposal HRA asset management*

Notification that the above reports would be considered on 15 July 2013.

Reason why it was impracticable to defer the decisions until it could be included on the forward plan:

In order for the agreement to be progressed within timescales.

3. *Performance and Finance 2012/13, quarter 4*  
*WLA/IFA Framework: outcome of procurement*  
*Capital Contribution to West London Waste Authority*

Notification that the above reports, considered by the Executive on 15 July 2013 contained appendices which would be considered in private.

Reason why it was impracticable to defer the decisions until they could be included on the forward plan:

In order for the decisions to be taken within timescales.

4. *Lease renewal - Brent Transport Services, East Lane*  
*Leasehold, right to buy and mortgage property insurance*  
*Lease disposal - land adjacent to 19 Dudden Hill Lane and 290 High Road, Willesden*  
*Lease renewal - Kingsbury Library Plus, 522 Kingsbury Road*

Notification that the above reports, considered by the Executive on 19 August 2013 contained appendices which would be considered in private.

Reason why it was impracticable to defer the decisions until they could be included on the forward plan:


In order for the decisions to be taken within timescales.

5. *Independent Reconfiguration Panel Review into Shaping a Healthier Future - submission*

Notification that the above report would be considered on 19 August 2013.

Reason why it was impracticable to defer the decisions until it could be included on the forward plan:

As a result of the need to meet the deadline of end July, the Leader's statement was submitted to Executive for retrospective endorsement.

 <p><b>Brent</b></p>	<p style="text-align: center;"><b>Full Council 9 September 2013</b></p> <p style="text-align: center;"><b>Report from the Assistant Director of Policy</b></p>
<p>For Action <span style="float: right;">Wards Affected: ALL</span></p>	
<p style="text-align: center;"><b>Report from the Chairs of Overview &amp; Scrutiny</b></p>	

## 1.0 Summary

- 1.1 This report provides a summary of the work of the council's overview and scrutiny committees in accordance with Standing Order 14 and covers the period since last reported to Full Council in June 2013.

## 2.0 Detail

### *One Council Overview and Scrutiny Committee*

At the July meeting of the One Council Overview and Scrutiny Committee, members welcomed the Interim Chief Executive, Christine Gilbert, and the Leader of the Council, Councillor Butt, to discuss the administration's priorities as set out in the Borough Plan. Members' questioning focussed on key local priorities, target setting and how the plan would be monitored.

The Committee received an update on the restructuring of the senior management team and was informed that one of the main aims of the restructure was to enable Directors to work in a strategic framework that was flexible and robust with a greater role in community engagement. Areas of discussion included the timelines for recruitment, savings targets and transitional arrangements.

Members were also updated on the progress of the Working with Families programme which was introduced in 2012. The Head of Early Years and Support provided an overview of how the programme worked and the multi agency hub that went live in July 2013. The subsequent discussion focussed

on funding arrangements, data sharing between partners and the impact of welfare reform.

### *Children and Young People Overview and Scrutiny Committee*

Since the last report to Full Council the Children and Young People Overview and Scrutiny Committee has met twice. The committee has a standing item on each agenda to update the availability and take-up of school places, and in June received a full progress report on the council's 2012 strategy, showing increasing projected future demand, the challenges in meeting this, and the council's plans to do so. Committee members sought and received assurances about the standard of additional accommodation used as classrooms, and inquired about additional places for children with special educational needs (SEN), where it was acknowledged that further work was required.

Children with SEN were the focus of a report at the July meeting, updating improvements made to the SEN service in reducing reliance on statements and exceeding savings targets. Following on from the previous month's discussion, members pressed the Interim Director of Children and Families for plans on how additional capacity would be secured and were informed that additionally-resourced provision in secondary schools would be used, as well as relocating and expanding a school.

Striking statistics about the oral health of five year-olds in Brent (the worst in England in 2007-08) led the committee to request a presentation from the then Acting Director of Public Health on the origin and extent of this problem, and plans to address it with an Oral Health Plan. The committee resolved to request the local NHS to change rules which currently restrict NHS dentists from carrying out dental checks within schools.

The committee was updated by the Chair of Brent Local Safeguarding Children Board (LSCB) on changes since he took up his position in May 2012, including a restructure and new constitution. The committee sought and received assurances that children's opinions would be heard in the LSCB's work, through a "shadow board" and involvement with Brent Youth Parliament, as well as other plans to engage hard-to-reach groups.

The committee also reviewed the largely positive Ofsted inspection of the fostering service, which received an overall rating of good, with several areas receiving an outstanding rating. Members' queried the numbers of children placed outside of the borough, and of these, the numbers placed beyond neighbouring boroughs.

### *Partnership & Place Overview & Scrutiny Committee*

The main focus of the July meeting was crime and community safety. The committee received an update on the Safer Brent Partnership which set out the partnership's new vision and key priorities. Member's questions focussed on community and voluntary sector engagement, responsibility for delivery on the priorities and communication.

An update on gangs and serious youth violence provided the committee with an overview of the work that had taken place following the committee's task group report on gangs and the development of prevention, intervention and exiting services. The subsequent discussion centred on the use of MOPAC funding, intelligence relating to gangs, strategic actions being taken and prevention activity.

The committee received an update on crime statistics in Brent and the changes to how the Safer Neighbourhood Teams would be structured. Members asked for future crime statistics to include contextual information including: benchmarking against other similar boroughs, targets and some commentary. They also asked for ward based data to be made available.

A report on CCTV in Brent provided an overview of CCTV numbers, usage and constraints. The committee's discussion focussed on financial constraints, the new code of practice, the use of deployable cameras and performance information.

#### *Health Partnerships Overview & Scrutiny Committee*

Members considered the commissioning arrangements and intentions of Brent CCG (Clinical Commissioning Group). Members were informed that commissioning is being undertaken in three waves: the first wave covering ophthalmology and cardiology is almost complete; the next wave will cover musculoskeletal, rheumatology, gynaecology and trauma and orthopaedics services. Members expressed some concerns over the level of public consultation that took place during the commissioning of the ophthalmology and cardiology services and have requested further details on the consultation and who it involved. Concerns were also raised over the expectations that GPs would need to provide "enhanced" services as part of the new arrangements for cardiology and ophthalmology. The committee intends to monitor the CCG's commissioning of services on an on-going basis.

The committee received an update on the issues facing Accident and Emergency services at Northwest London Hospitals, and was informed that, after the extremely poor performance reported at the last meeting, the targets for four hour waiting times in A&E were currently being met at Northwick Park. North West London Hospitals has advised that it has weekly meetings to discuss its "winter plan"; but the committee remained concerned, particularly in light of recent news reports, whether Northwick Park A&E will be able to cope during the forthcoming winter.

The committee also considered short updates on the following items:

- The pathology service serious incident; during which members expressed concern that they had been wrongly informed at the last meeting that the provider (TDL) was accredited;
- The serious incident at Central Middlesex Urgent Care Centre;
- the progress of Healthwatch Brent.

## *Budget and Finance Overview & Scrutiny Committee*

In July the committee received an update report from the West London Waste Authority. This followed on from a discussion the committee had in January and a subsequent exchange of letters between the chair and the Director of West London Waste. Members were particularly interested in asking questions about actions being taken to review and revise financial processes and practices within the authority, the role of the authorities new Audit Committee and the work it has undertaken so far and the residual waste procurement project.

The committee also received an update on the Budget Strategy. This included information on the impact of the 2014/15 settlement and the outlook for 2016/17. Member's discussions focussed on the council's ability to deliver the required saving, the balance between statutory and non statutory services and ways of maximising revenue. This discussion provided the basis of the committee's development of its work programme for the year ahead.

### **4.0 Financial Implications**

4.1 None

### **5.0 Legal Implications**

5.1 None

### **6.0 Diversity Implications**

6.1 None

### **Background Papers**


Minutes of committees

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 <b>Brent</b>	<b>Full Council</b> 09 September 2013  <b>Report from the Deputy Director of Finance</b>
Wards Affected: ALL	
<b>2012/13 Treasury Management Outturn Report</b>	

## 1. SUMMARY

- 1.1 This report updates members on recent Treasury Management activity. The Council can confirm that it has complied with its Prudential Indicators for 2012/13. Details can be found in Appendix 1.

## 2. RECOMMENDATION

- 2.1 The Full Council is asked to note the 2012/13 Treasury Management outturn report as also submitted to the Executive and Audit Committee.

## 3. DETAIL

### 3.1 BACKGROUND

- 3.1.1 The Council's Treasury Management activity is underpinned by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of Treasury Management activities at least twice a year. A strategy is approved by the Council with the Budget and the outturn is reported as soon as possible after the end of the year and progress is reported half way through the year. Reports are scrutinised by the Audit Committee.

- 3.1.2 Treasury Management is defined as: "The management of the local authority'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."

3.1.3 Overall responsibility for Treasury Management remains with the Council. No Treasury Management activity is without risk; the effective identification and management of risk are integral to the Council's Treasury Management objectives.

## **3.2 Economic Background**

3.2.1 The global outlook stabilised mainly due to central banks maintaining low interest rates and expansionary monetary policy for an extended period. Equity market assets recovered sharply with the UK stock market registering a 9.1% increase over the year. This was despite economic growth in major economies being either muted or disappointing.

3.2.2 In the UK the economy shrank in the second and fourth quarters of 2012. It was the 0.9% growth in the third quarter, aided by the summer Olympic Games, which allowed growth to register 0.2% over the calendar year 2012. The expected boost to net trade from the fall in the value of sterling did not materialise, but raised the price of imports, especially low margin goods such as food and energy. Avoiding a 'triple-dip' recession became contingent on upbeat services sector surveys translating into sufficient economic activity to overhaul contractions in the struggling manufacturing and construction sectors.

3.2.3 Household financial conditions and purchasing power were constrained as wage growth remained subdued at 1.2% and was outstripped by inflation. Annual Consumer Price Index (CPI) dipped below 3%, falling to 2.4% in June 2012 before rising to 2.8% in February 2013. Higher food and energy prices and higher transport costs were some of the principal contributors to inflation remaining above the Bank of England's 2% CPI target.

3.2.4 The lack of growth and the fall in inflation were persuasive enough for the Bank of England to maintain the Bank Rate at 0.5% and also sanction additional £50 billion asset purchases as part of its Quantitative Easing (QE) programme in July, taking total QE to £375 billion. The possibility of a rate cut was discussed at some of the Bank's Monetary Policy Committee meetings, but was not implemented as the potential drawbacks outweighed the benefits. In the March Budget the Bank's policy was revised to include the 2% CPI inflation remit alongside the flexibility to commit to intermediate targets.

3.2.5 The labour market was surprisingly resilient, with the unemployment rate falling to 7.8%. Many of the gains in employment were through an increase in self-employment and part time working.

3.2.6 The Chancellor largely stuck to his fiscal plans with the austerity drive extending into 2018. In March the Office for Budgetary Responsibility (OBR) halved its forecast growth in 2013 to 0.6% which then resulted in the lowering of the forecast for tax revenues and an increase in the budget deficit. The government is now expected to borrow an additional £146bn and sees gross debt rising above 100% of Gross Domestic Product (GDP) by 2015-16. The fall in debt as a percentage of GDP, which the coalition had targeted for 2015-16, was deferred by two years. With the national debt metrics inconsistent

with a triple-A rating, it was not surprising that the UK's sovereign rating was downgraded by Moody's to Aa1. The AAA status was maintained by Fitch and S&P, albeit with a Rating Watch Negative and with a Negative Outlook respectively.

3.2.7 Gilt Yields and Money Market Rates: Gilt yields ended the year lower than the start in April. 10-year yields fell by nearly 0.5% ending the year at 1.72%. The reduction was less pronounced at the longer end; 30-year yields ended the year at 3.11%, around 0.25% lower than in April.

3.2.8 The Funding for Lending Scheme caused a sharp drop in rates at which banks borrowed from local government. 3-month, 6-month and 12-month interbank rates, which were 1%, 1.33% and 1.84% at the beginning of the financial year, fell to 0.44%, 0.51% and 0.75% respectively.

### 3.3 THE BORROWING REQUIREMENT AND DEBT MANAGEMENT

#### Public Works Loans Board (PWLB) Certainty Rate

3.3.1 The Certainty Rate was introduced by the PWLB in November 2012, allowing the authority to borrow at a reduction of 20bps on the Standard Rate.

#### Borrowing Activity in 2012/13

	Balance on 01/04/2012 £m	Debt Maturing £m	New Borrowing £m	Balance on 31/03/2013 £m	Average Rate %
CFR	538			593	
Short Term Borrowing	26	96	70	0	0
Long Term Borrowing	405	3	30	432	4.69
<b>TOTAL BORROWING</b>	<b>431</b>	<b>99</b>	<b>100</b>	<b>432</b>	<b>4.69</b>

3.3.2 The Council funded £30m of its capital expenditure through new long term borrowing. The PWLB remained the Council's preferred source of borrowing given the transparency and control that its facilities continue to provide. The average rate payable on the debt is 2.49% and average maturity is 18 years, though as the loan is repayable by Equal Instalments of Principal (EIP), the balance outstanding will fall steadily over the life of the loan.

3.3.3 Given the large differential between short and longer term interest rates, which is likely to remain a feature for some time in the future, as well as the pressure on Council finances, the debt management strategy sought to lower debt costs within an acceptable level of volatility (interest rate risk). Loans that offered the best value in the prevailing interest rate environment were PWLB medium-term EIP loans and temporary borrowing from the market. Use of these instruments also involves a level of repayment every year, which offers an element of flexibility in case the level of the borrowing requirement does not continue to rise, as has been the case in the past.

## Internal Borrowing

3.3.4 Given the significant cuts to local government funding putting pressure on Council finances, the strategy followed was to minimise debt interest payments without compromising the longer-term stability of the portfolio. The differential between the cost of new longer-term debt and the return generated on the Council's temporary investment returns was significant (between 2% - 3%). The use of internal resources in lieu of borrowing was judged to be the most cost effective means of funding £50m of capital expenditure. This has, for the time being, lowered overall treasury risk by reducing both external debt and temporary investments. Whilst this position is expected to continue in 2013/14, it will not be sustainable over the medium term. The Council expects it will need to borrow £120m for capital purposes by the end of 2015/16.

### Lender's Option Borrower's Option Loans (LOBOs)

3.3.5 No lenders have exercised their options to change the terms of LOBO loans during the year

3.3.6 The 2011 revision to the CIPFA Treasury Management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date. This change is reflected in Appendix 1, paragraph (c).

3.3.7 Changes in the debt portfolio have decreased the average life from 40 years to less than 39 years but have smoothed the maturity profile somewhat and introduced an element of flexibility in case the Council's need to borrow starts to decline in the future.

## 3.4 INVESTMENT ACTIVITY

3.4.1 The central government's Investment Guidance requires local authorities to focus on security and liquidity, rather than yield.

### Investment Activity in 2012/13

Investments	Balance on 01/04/2012 £m	Investments Made £m	Maturities/ redemptions £m	Balance on 31/03/2013 £m	Average Rate %
Short Term Investments	34	1,840	1,826	48	0.59
Investments in Pooled Funds	10	226	220	16	0.33
<b>TOTAL INVESTMENTS</b>	<b>44</b>	<b>2,066</b>	<b>2,046</b>	<b>64</b>	<b>0.59</b>

3.4.2 Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its

Treasury Management Strategy Statement for 2012/13. Investments during the year included:

- Deposits with other Local Authorities
- Investments in AAA-rated Money Market Funds
- Call accounts and deposits with UK Banks
- Deposits with the Debt Management Office

## Credit Risk

3.4.3 Counterparty credit quality was assessed and monitored with reference to credit ratings, credit default swaps, GDP of the country in which the institution operates and the country's net debt as a percentage of GDP, any potential support mechanisms and share price. The minimum long-term counterparty credit rating determined for the 2012/13 Treasury Management strategy was A+/A+/A1 across rating agencies Fitch, S&P and Moody's until the end of February. Following a review of the significance of credit ratings and their implications for risk, and with the advice of our advisors, Arlingclose, the Treasury Management Strategy Statement for 2013/14 revised the minimum ratings to A-/ A-/A3. This was done on the proviso that institutions which met these criteria would still be subject to more wide ranging considerations to ensure that Officers were comfortable with institutions included on the Lending List.

3.4.4 In June Moody's downgraded a range of banks with global capital market operations, including the UK banks on the Council's lending list - Barclays, HSBC, Royal Bank of Scotland/Natwest, Lloyds TSB Bank/Bank of Scotland and Santander UK plc - as well as several non UK banks. These ratings fell below the Council's minimum criteria at the time and were removed from the list. Following the review, they have been reinstated.

3.4.5 Counterparty credit quality has been maintained as demonstrated by the Credit Score Analysis summarised below. The table in Appendix 2 explains the credit score.

### Credit Score Analysis 2012/13

Date	Value Weighted Average Credit Risk Score	Value Weighted Average Credit Rating	Time Weighted Average Credit Risk Score	Time Weighted Average Credit Rating	Average Life (days)
31/03/2012	2.18	AA+	2.38	AA+	3
30/06/2012	1.99	AA+	1.75	AA+	87
30/09/2012	1.99	AA+	1.75	AA+	87
31/12/2012	2.59	AA	1.77	AA+	90
31/03/2013	4.40	AA-	4.43	AA-	233

## Liquidity

3.4.6 The Council maintained a sufficient level of liquidity through the use of Money Market Funds, call accounts and short term deposits.

## Yield

- 3.4.7 The Council sought to optimise returns commensurate with its objectives of security and liquidity. The UK Bank Rate was maintained at 0.5% throughout the year.
- 3.4.8 In response to uncertain and deteriorating credit conditions in Europe, the Council's Lending List was restricted and, for a time, a very narrow range of counterparties was used. With slightly improved credit conditions as winter went on, it was felt to be prudent to extend the list, though Eurozone and some other European banks are still not included, as conditions in the Eurozone are still not felt to be sufficiently predictable to make them acceptable risks.
- 3.4.9 The Council's budgeted investment income for the year had been estimated at £0.16m. The average cash balances representing cash available to the Council for the short term were £73m during the period and interest earned was £0.28m.

## Update on Investments with Icelandic Banks

- 3.4.10 In December 2011, the Courts determined that local authority deposits with Glitnir qualified for priority status, which means that the Council should recover 100% of its deposit. The decision was final and there is no further right of appeal. However the final recovery will be influenced by the exchange rate when the Icelandic krona becomes convertible. About £1m remains outstanding.
- 3.4.11 The liquidators of Heritable expect that at least 88% of the original deposits will eventually be recovered, though some commentators feel that this is a conservative estimate. Of the original £10m deposit the Council has now recovered £7.7m and a further £0.5m is expected in 2013/14.
- 3.4.12 CIPFA has issued recently further updated guidance on the accounting treatment of these deposits which is in line with the approach taken by the Council.

## Compliance

- 3.4.13 in compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the Treasury Management activity during 2012/13. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.
- 3.4.14 The Authority can confirm that during 2012/13 it complied with its Treasury Management Policy Statement and Treasury Management Practices.

## BACKGROUND INFORMATION

Arlingclose reports on Treasury Management.  
2012/13 Budget and Council Tax report – 27 February, 2012

## CONTACT OFFICERS

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Deputy Director of Finance  
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## Prudential Indicator Compliance

## (a) Authorised Limit and Operational Boundary for External Debt

The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached.

The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit.

The Deputy Director of Finance confirms that there were no breaches to the Authorised Limit and the Operational Boundary during the year; borrowing at its peak was £455m.

	Operational Boundary (Approved) as at 31/03/2013 £m	Authorised Limit (Approved) as at 31/03/2013 £m	Actual External Debt as at 31/03/2013 £m
Borrowing	823	723	432

## (b) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Approved Limits for 2012/13 %	Maximum during 2012/13 /%
Upper Limit for Fixed Rate Exposure	100	100
Compliance with Limits	Yes	Yes
Upper Limit for Variable Rate Exposure	40	16
Compliance with Limits	Yes	Yes

## Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.



Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Borrowing as at 31/03/2013 £m	Actual Borrowing as at 31/03/2013 %	Compliance with Set Limits?
under 12 months	40	0	50	12	Yes
12 months and within 24 months	20	0	9	2	Yes
24 months and within 5 years	20	0	48	11	Yes
5 years and within 10 years	60	0	36	8	Yes
10 years and within 20 years	100	0	9	2	Yes
20 years and within 30 years	100	0	20	5	Yes
30 years and within 40 years	100	0	76	18	Yes
40 years and above	100	0	184	42	Yes
Total			432	100	

The 2011 revision to the CIPFA Treasury Management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date

#### Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits, and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2012/13 Approved £m	2012/13 Actual £m	31/03/2014 Estimate £m	31/03/2015 Estimate £m
Non-HRA	185	124	85	107
HRA	13	11	17	10
Total	198	135	102	117

#### Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs.

The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2012/13 Approved %	2012/13 Actual %	31/03/2014 Estimate %	31/03/15 Estimate %
Non-HRA	9.63	8.47	8.83	10.25
HRA	22.18	21.17	20.34	15.85

#### Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the Authority 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 Limit for Total Principal Sums Invested Over 364 Days

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.

Upper Limit for total principal sums invested over 364 days	2012/13 Approved £m	2012/13 Actual £m	31/03/2014 Estimate £000s	31/03/15 Estimate £000s
	20	0	0	0

#### HRA Limit on Indebtedness

	2012/13 Approved £m	2013/13 Actual £m	31/03/2014 Estimate £000s	31/03/15 Estimate £000s
HRA Debt Cap (as prescribed by CLG)	199	199	199	199
HRA CFR	137	137	137	137
Difference	62	62	62	62

## Credit Score Analysis

Long-Term Credit Rating	Score
AAA	1
AA+	2
AA	3
AA-	4
A+	5
A	6
A-	7
BBB+	8
BBB	9
BBB-	10
Not rated	11
BB	12
CCC	13
C	14
D	15

The value weighted average reflects the credit quality of investments according to the size of the deposit. The time weighted average reflects the credit quality of investments according to the maturity of the deposit

The Council aimed to achieve a score of 7 or lower, to reflect the Council's overriding priority of security of monies invested and the minimum credit rating of threshold of A- for investment counterparties.

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