



SUMMONS TO ATTEND COUNCIL MEETING

Thursday 24 February 2022 at 5.00 pm*

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

***Please note the earlier start time for the meeting**

Please note that this meeting will be held as a socially distanced physical meeting with all members of the Council required to attend in person.

Guidance on the safe delivery of face-to-face meetings is included at the end of the agenda front sheet.

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.

A handwritten signature in black ink, appearing to read "Carolyn Downs".

CAROLYN DOWNS
Chief Executive

Dated: 16 February 2022 (Republished 18 February 2022 & 22 February 2022)

For further information contact: James Kinsella, Governance Manager
Tel: 020 8937 2063; Email: james.kinsella@brent.gov.uk

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit:

democracy.brent.gov.uk

The press and public are welcome to attend this as an online virtual meeting. The link to attend and view the meeting live is available: [HERE](#)

Notes for Members - Declarations of Interest:

If a Member is aware they have a Disclosable Pecuniary Interest* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest** in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also a Prejudicial Interest (i.e. it affects a financial position or relates to determining of any approval, consent, licence, permission, or registration) then (unless an exception at 14(2) of the Members Code applies), after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

***Disclosable Pecuniary Interests:**

- (a) **Employment, etc.** - Any employment, office, trade, profession or vocation carried on for profit gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

****Personal Interests:**

The business relates to or affects:

- (a) Anybody of which you are a member or in a position of general control or management, and:
 - To which you are appointed by the council;
 - which exercises functions of a public nature;
 - which is directed is to charitable purposes;
 - whose principal purposes include the influence of public opinion or policy (including a political party or trade union).
- (b) The interests a of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

A decision in relation to that business might reasonably be regarded as affecting, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the electoral ward affected by the decision, the well-being or financial position of:

- You yourself;
- a member of your family or your friend or any person with whom you have a close association or any person or body who employs or has appointed any of these or in whom they have a beneficial interest in a class of securities exceeding the nominal value of £25,000, or any firm in which they are a partner, or any company of which they are a director
- any body of a type described in (a) above

Agenda

1 Apologies for Absence

2 Minutes of the Previous Meeting 1 - 24

To confirm as a correct record, the minutes of the previous meeting of the Council held on Monday 22 November 2021.

3 Declarations of Interest

Members are invited to declare at this stage of the meeting, the nature and existence of any relevant disclosable pecuniary or personal interests in the items on this agenda and to specify the item(s) to which they relate.

4 Mayor's Announcements (including any petitions received)

To receive any announcements from the Mayor.

5 Appointments to Committees and Outside Bodies and Appointment of Chairs/Vice Chairs (if any) 25 - 26

To agree any appointments to Committees, Joint Committees, Forums, Panels and Outside Bodies in accordance with Standing Order 30(g).

(Agenda republished to include an updated list of appointments on 22 February 2022)

6 Budget and Council Tax 2022/2023 27 - 230

6.1 Budget & Council Tax 2022-23

This report sets out the Council's budget proposals for 2022/23. It also details the results of the consultation, scrutiny and equalities considerations in relation to the budget proposals. The report also sets out the overall financial position facing the Council for the medium term and highlights the significant risks, issues and uncertainties.

Members are asked to note that the recommendations in the report were approved by Cabinet on 7 February 2022 for reference on to Council.

(Agenda republished to include a revised version of Appendix P to the main budget report (Pay Policy Statement 2022-23) on 22 February 2022)

6.2 Conservative Group amendments to the Budget & Council Tax proposals 2022-23 231 - 236

To consider the proposed amendments submitted by the Conservative

Group in relation to the Council's budget proposals for 2022-23.

(Agenda republished to include the Conservative Group's alternative budget proposals on 22 February 2022)

Ward Affected: All Wards
Contact Officer: Ravindar Jassar, Deputy Director of Finance
Tel: 020 8937 1487
Ravinder.Jassar@brent.gov.uk

7 Auditor's Annual Report on the London Borough of Brent 237 - 272

This report presents the Council's External Auditor's Annual Report on value for money as part of the 2020/21 audit of the year end accounts. It also sets out the key recommendations made within the Annual Report.

Members are asked to note that a representative of the Council's External Auditor's (Grant Thornton) will be present at the meeting to respond to any issues raised.

Ward Affected: All Wards
Contact Officer: Minesh Patel, Director of Finance
Tel: 020 8937 6528
Minesh.Patel@brent.gov.uk

8 Brent Local Plan 2022 Adoption 273 - 282

This report summarises the key stages since Full Council approved submission of the draft Brent Local Plan for Examination on 19th February 2020. These include the examination and associated hearings and the recommendations of the Inspectors appointed on behalf of the Secretary of State to examine the Local Plan. The Inspectors' report recommends that, subject to incorporation of their main modifications, the draft Brent Local Plan can be regarded as legally compliant and sound.

Full Council is therefore being asked to consider the report and incorporate the main modifications, other non-'main' modifications and modifications to the policies map to the draft Brent Local Plan submitted for examination, prior to formally approving its adoption. As part of this process Full Council is also being asked to formally revoke parts of the existing Brent Development Plan which the new policies will supersede.

Ward Affected: All, excluding parts of Harlesden, Kensal Green, Stonebridge and Tokyngton
Contact Officer: Paul Lewin, Team Leader, Planning Policy.
Tel: 020 8937 6710
Email: paul.lewin@brent.gov.uk

where Old Oak and Park Royal Development Corporation is the Local Planning Authority.

9 External Audit Appointment for 2023/24 to 2028/29 283 - 290

This report sets out proposals for appointing the external auditor to the Council for the five-year period from 2023/24.

Members are asked to note that the proposals were endorsed for referral on to Council by the Audit & Standards Advisory Committee on 31 January 2022.

Ward Affected: All Wards
Contact Officer: Minesh Patel, Director of Finance
Tel: 020 8937 6528
Minesh.Patel@brent.gov.uk

10 Treasury Management Mid-Year Report 2021-2022 2291 - 302

This report provides an update on treasury management activities for the first half of the financial year 2021-22.

Members are asked to note that the report was noted by Cabinet on 17 January 2022 and has been referred on to Council for consideration in compliance with CIPFAs Code of Practice on Treasury Management.

Ward Affected: All Wards
Contact Officer: Amanda Healy, Head of Finance
Tel: 020 8937 5912
Amanda.Healy@brent.gov.uk

11 Members' Allowance Scheme Annual Review (including changes to Dependants' Carers' Allowance; and Maternity, Paternity, Adoption and Sickness Pay) 303 - 314

This report outlines the annual review of the Members Allowance Scheme undertaken for 2022/2023. As part of the review Full Council is also being asked to consider updating the provisions included within the Scheme for councillors with dependants, maternity, paternity, adoption and sickness payments.

Ward Affected: All Wards
Contact Officer: Katie Smith, Head of Executive & Member Services

Tel: 020 8937 1399
Katie.Smith@brent.gov.uk

12 Urgent Business

At the discretion of the Mayor to consider any urgent business, in accordance with Standing Order 30(s).

In accordance with the provisions outlined above it has been agreed to receive the following as an urgent item at this meeting:

12.1 Council Tax Reduction Scheme Amendment for 2022/23 – 315 - 330 Energy Rebate Grant

This report seeks approval to make the required changes to the Council's Council Tax Reduction Scheme for 2022/23 as prescribed by central government. This follows the announcement on 3 February 2022 regarding Energy Bill Rebates, which included provision for most properties in Council Tax Bands A to D to receive a £150 rebate payment. Only Full Council has the power to make or amend the Council's Council Tax Reduction Scheme.

The reasons for urgency are as detailed within section 1.2 of the attached report.

(Agenda republished to include this item on 18 February 2022)

Ward Affected:
All Wards

Contact Officer: Peter Cosgrove, Head of Revenues & Debt
Tel: 020 8937 2307
peter.cosgrove@brent.gov.uk

Guidance on the delivery of safe meetings at The Drum, Brent Civic Centre

- We have revised the capacities and floor plans for event spaces to ensure they are Covid-19 compliant and meet social distancing guidelines.
- Attendees will need to maintain the necessary social distancing at all times.
- Signage and reminders, including floor markers for social distancing and one-way flow systems are present throughout the Civic Centre and need to be followed.
- Please note the Civic Centre visitor lifts will have reduced capacity to help with social distancing.
- The use of face coverings is encouraged with hand sanitiser dispensers located at the main entrance to The Grand Hall and within each meeting room.
- Those attending meetings are asked to scan the coronavirus NHS QR code for the Grand Hall upon entry. Posters of the QR code are located in front of the main entrance.
- Although not required, anyone attending in person is also encouraged to

undertake a lateral flow test in advance of the meeting. These are available at the Civic Centre and can be booked via the following link: <https://www.brent.gov.uk/your-community/coronavirus/covid-19-testing/if-you-dont-have-symptoms/>

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LONDON BOROUGH OF BRENT

Minutes of the ORDINARY MEETING OF THE COUNCIL held in the Grand Hall,
Brent Civic Centre on Monday 22 November 2021 at 6.00 pm

PRESENT:

The Worshipful the Mayor
Councillor Lia Colacicco

The Deputy Mayor
Councillor Abdi Aden

COUNCILLORS:

Afzal	Agha
Ahmed	S Butt
Chan	Chohan
Colwill	Conneely
Crane	Daly
Dar	Dixon
Donnelly-Jackson	Ethapemi
Ezeajughi	Farah
Gbajumo	Georgiou
Grahl	Hirani
Hylton	Johnson
Kabir	Kansagra
Knight	Lo
Mahmood	Maurice
McLeish	McLennan
Miller	Murray
W Mitchell Murray	Naheerathan
Nerva	M Patel
Sangani	Shah
Shahzad	Ketan Sheth
Krupa Sheth	Stephens
Thakkar	

1. **Mayor's Introductory Statement**

The Mayor welcomed all those present to the meeting and thanked everyone for their attendance.

2. **Apologies for Absence**

The Mayor reported that apologies for absence had been received from Councillors Muhammed Butt, Chappell, Choudhary, Choudry, Denselow, Hassan, Hector,

Kelcher, Kennelly, Lloyd, Long, Mashari, Ramesh Patel, Perrin, Southwood & Tatler.

3. **Minutes of the Previous Meeting**

It was **RESOLVED** that the minutes of the previous meeting held on Monday 20 September 2021 be approved as a correct record.

4. **Declarations of Interest**

There were no declarations of interest made at the meeting.

5. **Mayor's Announcements (including any petitions received)**

The Mayor made the following announcements:

- (i) Minutes silence in memory of Sir David Amess MP and former councillor Mike Grabiner

The Mayor advised that it was with sadness she needed to begin her announcements with reference to the death of Sir David Amess MP who had been attacked and tragically lost his life whilst holding a constituency surgery in Leigh-on-Sea on 15 October 2021. The tragic nature of the incident had unfortunately required all councillors to reflect and think carefully about how they would continue to conduct business locally.

At the same time as remembering Sir David Amess, the Mayor announced it was also with regret she had to report the death of Mike Grabiner, a former Councillor for St Raphael's in Brent who had served on the Council between 1978 and 1982. Members were informed that his death, aged 71, had followed a long illness with him being survived by his wife, four children, two brothers and a sister.

The Mayor, on behalf of the Council, expressed condolences to both Sir David's and Mike's family and friends and then invited all members to observe a minutes silence in memory of both Sir David Amess and Mike Grabiner.

At this stage the meeting was paused to observe a minutes silence.

- (ii) Remembrance Sunday

The Mayor advised members she had been honoured to attend the recent ceremony held to commemorate Remembrance Sunday and all those who had lost their lives in various conflicts throughout the world.

The ceremony had been held at the Barham Park Memorial with the Mayor thanking everyone who had attended in order to pay tribute.

- (iii) Visit by Navel Clarke

The Mayor advised that she, along with the Chief Executive, Leader and Deputy Leader, had been delighted to host a recent visit to Brent by Mr Navel Clarke for Black History Month.

Members were advised that Mr Clarke had been part of the original Committee in 1965 responsible for the merger of the former boroughs of Willesden and Wembley to form Brent and had also, that same year, been appointed the TGWU delegate to the Brent Trade Council. Along with his other achievements the Mayor informed members she had been interested to learn that Mr Clarke had also written a book called Necktie Man.

(iv) 100th Birthday Celebration

The Mayor advised she had been fortunate to join the recent 100th birthday celebrations for Mrs Bertina Brown, which had taken place in October 2021. Mrs Brown had left Jamaica in 1954 and settled in Brent with her family who now included six children, 22 grandchildren and 10 great grandchildren. She had also worked for a number of local companies in Brent over the years although her main passion had always remained dressmaking.

(v) Recent Mayoral Events

The Mayor then outlined the range of events she had attended over the previous two months, with specific highlights including:

- A visit to Metroland Studio's - open-house Day of Visibility;
- A Theatre performance at Willesden library;
- Beyond Brent 2020 - to celebrate the success of Brent 2020;
- Visiting Park Lane Primary School for their School Council elections;
- The launch of St Raphael's Family Wellbeing Centre;
- Black History Month at Brent Mencap;
- Faith Covenant Celebration Event;
- A Tree presentation to London's Mayors by The Lord-Lieutenant at a special presentation in Hyde Park to mark HM The Queen's Platinum Jubilee, as part of The Queen's Green Canopy.

(vi) Mayors Civic Ceremony

Highlighting the success of her Civic Ceremony in September, the Mayor took the opportunity to thank all those who had attended for their support. The event had been held to celebrate her Civic Year and its dedication to her two chosen charities – Parkinson UK and Cricklewood Library.

(vii) Zadie Smith's Play "The Wife of Willesden"

The Mayor advised she was also keen to draw attention to a play written by Zadie Smith called "The Wife of Willesden". This was a twenty first century translation of Geoffrey Chaucer's classic "The Wife of Bath's Prologue" with the play having been commissioned to celebrate Brent's year as Borough of Culture 2020 and currently being performed at the Kiln Theatre.

(viii) Petitions

Finally, the Mayor referred members to the list of current petitions tabled at the meeting, in accordance with Standing Orders which also detailed the action being taken to deal with them.

6. **Appointments to Committees and Outside Bodies and Appointment of Chairs/Vice Chairs (if any)**

The Mayor advised that there were no membership changes to be considered at the meeting so moved straight on to the next item.

7. **Deputations (if any)**

The Mayor advised that no request for any deputations had been received at the meeting.

8. **Questions from Members of the Public & Brent Youth Parliament**

8.1 Questions from the Public

The Mayor advised that the following four questions had been received from members of the public:

Question 1 from Martin Francis to Councillor Krupa Sheth, Lead Member for Environment, regarding a review of flood management arrangements within the borough.

Question 2 from Rimal Shah addressed jointly to Councillor McLennan, Deputy Leader and Lead Member for Resources, and Councillor Krupa Sheth, Lead Member for Environment, regarding the impact of Council Tax increase and traffic fines on levels of poverty across the borough.

Question 3 from Julia Lefene to Councillor Tatler, Lead Member for Regeneration, Property & Planning, regarding the impact of planning developments on infrastructure, sewers and access to housing across the borough.

Question 4 from Philip Grant to Councillor Tatler, Lead Member for Regeneration, Property & Planning, regarding the level of affordable housing being provided within the development on the former Copland School site on the corner of Cecil Avenue and Wembley High Road.

Members noted the written responses provided on each of the questions, which had been circulated with the agenda. The Mayor advised that each member of the public had been invited to attend the meeting. Whilst Rimal Shah and Julia Lefene had been unable to attend, members were advised that Martin Francis was present in order to ask a supplementary question on both his question and that submitted by Philip Grant, who had been unable to attend the meeting. The Mayor welcomed Martin Francis to the meeting and the following supplementary questions were asked of the relevant Lead Member(s).

Question 1: Supplementary Question from Martin Francis to Councillor Krupa Sheth, Lead Member for Environment

Having noted the written response provided, Martin Francis felt this had not directly covered all points raised in his original question. Referring to a response provided at a scrutiny meeting earlier in November where members had been advised a review of the 2015 Flood Risk Management Strategy was required within the context of climate change (for example the forecast 59% increase in winter rainfall) and necessary local mitigations, he asked the Lead Member for Environment:

- If a timetable could be provided for the review along with details of the partnership members that would be involved; and
- Whether the review, as recommended by the London Flood Risk Management Strategic Partnership, would include an assessment of the accumulative impact of developments across the borough on flooding and drainage infrastructure systems.

Given the detailed nature of the issues raised Councillor Krupa Sheth advised that she would arrange for a written response to be provided following the meeting.

Question 4: Supplementary Question presented on behalf of Philip Grant by Martin Francis to Councillor Tatler, Lead Member for Regeneration, Property & Planning.

Referring to the urgent need for more affordable Council homes in the borough the supplementary question presented by Martin Francis on behalf of Philip Grant began by querying why only 37 of the 250 properties in the plans for the Cecil Avenue site would be for affordable rent whilst 152 had been identified for private sale by the developer. Reference was also made to use of GLA grant, which it was felt could also be used to provide social rent housing on the site rather than being directed towards infill development schemes on existing housing estates, many of which would take time to deliver. As a result the Lead Member was asked about the justification for this approach, given the impact it was felt this would have on the provision of homes for those families in need and on existing residents in terms of the potential loss of green space on their estates.

The Mayor advised that as Councillor Tatler, Lead Member for Regeneration, Property & Planning, had unfortunately needed to submit her apologies for absence a written response would be provided on the supplementary question following the meeting.

Having noted the responses provided, the Mayor thanked Martin Francis and Philip Grant for their supplementary questions and then moved on to deal with the questions submitted by Brent Youth Parliament.

8.2 Question from Brent Youth Parliament

The Mayor advised that the following question had been received from Brent Youth Parliament:

Question 1 from Ben Maher to Councillor Mili Patel, Lead Member for Children's Safeguarding, Early Help and Social Care regarding the Ofsted review of sexual harassment in schools and colleges and the approach being adopted in Brent to address the issues identified.

Members noted the written response provided on the question with the Mayor welcoming Ben Maher (as a representative from Brent Youth Parliament) to the meeting in order to ask a supplementary question. The supplementary question from Brent Youth Parliament was as follows:

Supplementary Question from Ben Maher to Councillor Mili Patel, Lead Member for Children’s Safeguarding, Early Help and Social Care.

Having thanked Councillor Mili Patel for the written response provided, Ben Maher asked if the Lead Member would be willing to attend a future Youth Parliament session in order to update them on the work being undertaken with schools and to consider how it was felt the Council and Youth Parliament could work together in order to address the issue of sexual harassment within schools.

In response, Councillor Mili Patel advised that she would welcome attending a future Youth Parliament session in order to update them on the work being undertaken within schools and more widely in relation to safeguarding and look at ways of working more closely together in tackling these issues, which it was pointed out was also a responsibility shared by everyone.

Having noted the response provided, the Mayor thanked Ben Maher for his question and for attending the meeting. As there were no further questions the Mayor concluded the public question session.

9. Petitions (if any)

The Mayor advised that no requests for debates on any petitions had been received for consideration at the meeting.

10. Reports from the Leader and Cabinet

As a result of Councillor Muhammed Butt (Leader of the Council) having had to submit his apologies for absence, the Mayor invited Councillor McLennan, as Deputy Leader, to introduce the report updating members on the work being undertaken across each Cabinet portfolio. As part of the update, Councillor Nerva, as Lead Member for Public Health, Leisure & Culture, provided an update on the progress being made with the roll out of the covid and winter flu vaccination programmes across the borough, including use of the vaccine bus and drop in vaccination clinics being used to support the programme. In recognising the achievements which had been made, all staff and partners involved in delivery of the programme were thanked for their efforts.

In ending the update, members were also asked to note the list of Executive decisions tabled at the meeting which had been taken under the Council’s urgency procedures.

The Mayor thanked the Deputy Leader for the report and it was **RESOLVED** to formally note the update provided.

11. Questions from the Opposition and other Non-Cabinet Members

Before moving on to consider the questions submitted by non-Cabinet members, the Mayor reminded Members that a total of 30 minutes had been set aside for this item, which would begin with consideration of the written questions submitted in advance of the meeting along with any supplementary questions. Once these had been dealt with, the remaining time available would then be opened up for any other non-Cabinet members to question Lead Members (without the need for advance notice) on matters relating to their portfolio.

The Mayor advised that four written questions had been submitted in advance for response by the relevant Lead Member. The written responses supplied had been circulated within the agenda. The Mayor then invited supplementary questions on the responses which had been provided:

11.1 As Councillor Kelcher had submitted his apologies for absence no supplementary question was raised on the joint written response provided by the Lead Members for Community Safety & Engagement and Regeneration, Property & Planning to his question regarding the action being taken to prevent the proliferation of Adult Gaming Centres across the borough.

11.2 Councillor Johnson thanked Councillor McLennan, as Deputy Leader and Lead Member for Resources, for the written response in relation to his question on the social value commitments being generated through the Council's Procurement Strategy and way in which the Strategy was being used to support the response to the Climate and Ecological Emergency. In welcoming the way in which the Procurement Strategy was being used to support social value and community wealth building, Councillor Johnson, as a supplementary question, asked for further details on the work being undertaken to develop this approach in conjunction with other London Boroughs.

In response, Councillor McLennan advised of the success of the Strategy in using the Council's purchasing power to ensure suppliers were aligned with the Council's aims and objectives. In terms of the focus on the climate and emergency strategy and work with other London Boroughs she highlighted the activity being undertaken through the West London Alliance (involving Brent and the other Local Authorities covering West London) to deliver a Carbon Reduction Charter in order to achieve the ambition of net zero. The Charter included a number of innovative initiatives such as working with suppliers to encourage the use of lower carbon sources of power; to improve the energy efficiency of their equipment; to delivery digital social value and provide clearer data on levels of greenhouse gas emissions all designed to support the move towards carbon net zero. Under the Charter, suppliers would also be asked to provide details on their carbon reduction strategies meaning that once in place, this would provide an opportunity to ensure work being undertaken across the Alliance towards sustainability and securing carbon net zero was also being supported by suppliers across West London.

11.3 Councillor Sangani thanked Councillor Stephens, as Lead Member for Schools, Employment and Skills, for the written response to her question regarding measures being undertaken by the Council to expand SEND school places and provision across the borough. As a supplementary question further details were sought on the extent of lobbying being undertaken with

Government in order to ensure the necessary level of funding was provided to support the delivery of SEND provision within the borough.

In response, Councillor Stephens highlighted the extensive lobbying being undertaken by both himself, the Lead Member for Children's Safeguarding, Early Help and Social Care and the Deputy Leader at national and regional level (through London Councils) both in terms of the wider funding allocation for schools in Brent and to ensure a fair allocation for the High Needs Block within the Dedicated Schools Grant. Alongside these efforts the Council had recognised the need to invest in local SEND provision in Brent giving the growing level of demand, with proposals currently being finalised for a programme of investment designed to deliver an increase of almost 50% on current local available spaces. Alongside the lobbying for a fairer funding allocation, this would reduce the need for out of borough placements whilst increasing the level of good quality SEND provision for local residents in Brent.

- 11.4 Councillor Maurice acknowledged the response to his written question provided by Councillor Tatler, as Lead Member for Regeneration, Property & Planning regarding the planning consent and development work on the Preston Library site. In commenting on the outcome of the Judicial Review process relating to the planning appeal and work which had commenced on site, Councillor Maurice, as a supplementary question, sought further details on why work had been permitted to go ahead on the development.

In response to this question the Director of Legal, HR, Audit & Investigation clarified the position in relation to the outcome of the legal challenges regarding the granting of planning consent for the development, with it being noted that the Council's decision to grant planning permission had been upheld enabling the development to proceed.

The Mayor thanked members for their written questions and Lead Members for the responses provided to the supplementary questions. She then advised that the remainder of the time available would be used for an open question time session to the Cabinet. The following questions were raised and responses provided:

- (i) Councillor Mahmood regarding the impact and Council's response to the Nationality and Border Bill currently being considered by Parliament.

In response, Councillor Knight, Lead Member for Community Safety & Engagement, advised that she along with the Council were aware of the significant and detrimental impact the Bill, if passed, would have on residents across Brent and as such assured Councillor Mahmood of the robust response that would be made on behalf of the Council as part of the consultation process.

- (ii) Councillor Agha regarding problems being experienced with delays in the notification of covid test results and difficulties in being able to clarify these by phone and in details being available regarding those who had received the booster vaccine.

In response, Councillor Nerva in recognising the concerns expressed felt it was important to start by reminding members that the Council was not responsible for delivery of the national vaccine programme. Concerns had already been raised regarding the availability and way in which data from the programme was being shared with both Local Authorities and local health services to support them in being able to engage with and reach out to local communities where take up of the vaccine was lowest. Concerns had also been raised in relation to the level of data available on the number of children within Brent having received the vaccine and fact that details on those having received a booster vaccine was also not available through the NHS App given the increasing requirements for access to Covid passports in order to travel and gain entry to certain venues. In sharing the concerns raised, Councillor Nerva advised that he would be seeking to raise the issues identified with local MP's and the relevant Government Ministers.

- (iii) Councillor Chan regarding the support available from the Council in seeking to address, with TfL, concerns raised following a local campaign by residents in Kensal Green and parents of children who attend Kenmont Primary School (which included a number of families who lived within Kensal Green) about the crossing and traffic related issues at the Harrow Road junction with Wrotesley Road.

In response Councillor Krupa Sheth, Lead Member for Environment, advised that she would be willing to liaise further with the local ward councillors on the issue and support that could be provided to promote walking, cycling and other more active forms of travel in the area.

- (iv) Councillor Georgiou who advised he was awaiting a full response to his previous question raised at the September Council meeting from the Lead Member for Regeneration, Property and Planning, highlighted concerns regarding the ongoing development of tall buildings particularly within Alperton ward and wider impact in terms of addressing the Climate Emergency. Given the concerns raised, further details were sought on the steps being taken to acknowledge and act on the issues outlined within the report from the GLA Planning and Regeneration Committee on the impact of tall buildings. In addition clarification was sought on the Council's policy in relation to the ongoing development of tall buildings, taking account of concerns expressed by local residents and whether the Council would commit to undertaking a full environmental assessment on each planning application involving a tall building in advance of any decision being made.

In response to the concerns raised in relation to resident engagement and the Climate Emergency Councillor Krupa Sheth, as Lead Member for Environment, highlighted the success achieved in terms of engagement on the Strategy with over 1000 individuals now having joined the Brent Environmental Network. As the Lead Member for Regeneration, Property and Planning, had needed to give her apologies for the meeting Councillor Georgiou was advised that a written response would be provided on the wider planning issues raised.

- (v) Councillor Miller regarding the steps being taken to address the issues highlighted in the findings of a recent Ombudsman complaint regarding a case involving disabled access within temporary accommodation.

The Mayor advised that as the Lead Member for Housing and Welfare Reform had needed to submit her apologies for the meeting a written response would be provided.

- (vi) Councillor Chan regarding the process undertaken in developing the Council's tree felling and replanting programme, particularly given the challenge arising from insurance claims.

In recognising the balance needing to be maintained and difficulties identified when dealing with insurance issues relating to trees Councillor Krupa Sheth, as Lead Member for Environment assured members of the replacement planting undertaken should any tree need to be removed as the result of an insurance related issue.

- (vii) Councillor Kansagra seeking further clarification on the outcome of the legal challenges in relation to the granting of planning consent for the Preston Road library development.

As the Lead Member for Regeneration, Property & Regeneration had needed to submit her apologies for the meeting the Director of Legal, HR, Audit & Investigations advised that she would arrange for a written response to be provided clarifying the position.

Councillor Kansagra also requested a copy of the written response to be provided in relation to the supplementary public question asked earlier during the meeting on behalf Philip Grant.

- (viii) Councillor Miller regarding the measures being undertaken to support the recruitment and retention of both adult and children's social care staff.

In response Councillor Farah, Lead Member for Adult Social Care, confirmed that suppliers being commissioned to provide care were already required to pay care workers the London Living Wage. Councillor Stephens, as Lead Member for Schools, Employment and Skills, also referred to the Good Work for All programme provided through Brent Start and funded by the GLA, which included a specific focus in supporting the development of carers across the care sector and on which he would be willing to provide further details outside the meeting.

- (ix) Councillor Maurice seeking clarification as to whether the Council was developing proposals for introduction of a borough wide Controlled Parking Zone (CPZ).

In response Councillor Krupa Sheth, as Lead Member for Environment, confirmed that no plans were being developed for the introduction of a borough wide CPZ although consideration was being given to the ways in which parking could be made more efficient across the borough whilst also supporting schemes to enhance Active Travel.

At this stage in the proceedings, the Mayor advised that the time available for the open question session had expired. She therefore thanked all members for their contributions and advised that she would now move on to the next item.

12. **Report from Chairs of Scrutiny Committees**

Before being presented with the updates from each Scrutiny Committee, the Mayor reminded members the time set aside for this item was 12 minutes, with each Chair having up to three minutes in which to highlight any significant issues arising from the work of their Committees. Once these updates had been provided, the remaining time available would then be opened up for any other non-Cabinet members to question (without the need for advance notice) the Scrutiny Committee Chairs on matters relating to the work of their Committee.

Councillor Ketan Sheth was then invited to introduce the update report on the work being undertaken by the Community and Wellbeing Scrutiny Committee, with the following issues highlighted:

- The ongoing work being undertaken by the Scrutiny Committee focussed around the health and wellbeing of residents across Brent. As part of a busy work programme the Committee had met in September 2021 to review the support and services being delivered for families in the borough who were homeless or at risk of becoming homeless. At that same meeting the operational performance of Brent Housing Management had also been subject to detailed review, including the framework for resident engagement. The final recommendations had also been confirmed from the extraordinary meeting of the Committee held in August in response to the CQC inspection of Maternity Services at Northwick Park Hospital.
- The Committee had held a further extraordinary meeting in October 2021 in order to undertake pre decision scrutiny and review the implications for Brent Housing Management and the Housing Revenue Account in relation to the proposals for ownership and refurbishment of the Granville New Homes Blocks, prior to their consideration by Cabinet. A number of recommendations were made by the Committee focussed around ensuring the necessary due diligence had been undertaken in terms of the assessment of options and in procuring and monitoring the design and build quality of any similar types of construction work in the future, which Cabinet had agreed to take forward, as appropriate, with the relevant services across the Council.
- The Committee had also meet in November 2021 to review the Brent Safeguarding Adults Annual Report 2020-21 and focus on multi-agency partnership arrangements, the interim report from their GP Access Task Group and to agree the scope and terms of reference for an upcoming Transitional Safeguarding Task Group.
- The ongoing engagement of the scrutiny function in the North West London Joint Health Overview & Scrutiny Committee with the next meeting due to be hosted by Harrow in December 2021 including consideration of the transitional arrangements for introduction of the Integrated Care System.
- As a final comment Councillor Sheth also welcomed (given the remit of the Community Wellbeing Scrutiny Committee) the commitment highlighted earlier in the meeting by Brent Youth Parliament in seeking to engage with the

Council to tackle issues relating to safeguarding and sexual harassment within schools.

The Mayor thanked Councillor Ketan Sheth for his update and advised that as Councillor Mashari had given her apologies the report on the activity of the Resources and Public Realm Scrutiny Committee would be noted as submitted.

As a result it was therefore **RESOLVED** that the contents of both update reports be noted.

Following the updates provided, the Mayor advised that the remainder of time available would be open for questions from non-cabinet members to the Scrutiny Chair in attendance. As no questions were raised the Mayor moved on to the next item.

13. **Report from the Vice-Chair of the Audit & Standards Advisory Committee**

The Mayor invited Councillor Lo, as Vice-Chair of the Audit & Standards Advisory Committee, to introduce the report updating members on the work of the Committee.

In terms of issues highlighted, Councillor Lo drew members attention to the work undertaken by the Committee since the previous update in September 2021 which had included a focus on finalising the Councils Statement of Accounts and Audit Findings as well as on performance of i4B Holdings Ltd and First Wave Housing Ltd, Counter Fraud and Internal Audit activity and Member complaints and conduct.

The opportunity was taken to thank all those involved in submission of the Council's Statement of Accounts for their efforts in ensuring Brent was one of the first local authorities to have completed the process within the required deadline. Members were also advised that the focus at the Committee's next meeting would be on cyber security and the Council's Treasury Management Strategy.

The Mayor thanked Councillor Lo for the update provided and it was **RESOLVED** that the report be noted.

14. **Non Cabinet Members' Debate**

In accordance with Standing Order 34, the Mayor advised that the next item on the agenda was the non-cabinet member debate, with the subject chosen for consideration being Brent's pledge to tackling Violence against Women and Girls in Brent.

Members were advised that the motion submitted as the basis for debate had been circulated with the agenda and that the time available for the debate was 25 minutes.

The Mayor then invited Councillor Thakkar to introduce the motion. As context for the debate, Councillor Thakkar highlighted the unacceptable nature of violence against women and girls (VAWG) given the suffering caused in what was felt to be a hidden element of the pandemic. In highlighting the different forms of violence and abuse, Councillor Thakkar outlined how whilst they would all have their own

distinct causes and impact on victims and survivors the common theme remained how they cut across society regardless of background or circumstance, with many victims often not heard. In seeking to highlight the issue as an urgent priority, Councillor Thakkar advised that the motion put forward for debate also sought to outline the work already being undertaken by the Council in tackling violence against women and girls and empowering victims of abuse. These initiatives included Brent having incorporated the VAWG strategy in to the Safer Brent Community Partnership strategy; signing the Mayor of London's Women's Night Safety Charter; developing services and projects to support victims of VAWG and their families; coordinating the IRIS project; providing additional funding and investment for independent domestic violence advisor services and the Brent perpetrator programme and commissioning three Women's Refuges.

It was, however, pointed out that more work was needed in order to eradicate violence against women and girls in all its forms, with Councillor Thakkar commending the motion to Council by re-iterating that although Brent had committed to tackling violence against women and girls, there could be no complacency. The need was identified to continue raising awareness in order for government and other institutions of all kind to address the issues highlighted as a priority.

The Mayor thanked Councillor Thakkar for her powerful message in introducing the motion and opened up the debate to other members, with the following comments made during the discussion that followed.

Councillor Kabir, in supporting the motion, agreed that violence against women and girls was an issue that could not be tolerated and highlighted a need to acknowledge the magnitude of the problem, with religion and culture being used too often as ways to excuse acts of violence against females.

Councillor Colwill also advised that he fully supported the motion.

Councillor Dixon highlighted both the damaging psychological and potentially fatal impact of violence against women and girls and emphasised the increased risk women faced when they were pregnant or trying to leave a violent relationship. Councillor Dixon felt that by supporting the empowerment of women, the borough would be able to prosper even further and expressed her full support for the motion.

Councillor Donnelly-Jackson also welcomed the motion, but in so doing also highlighted the additional difficulties faced by women with disabilities experiencing violence or abuse in being able to access support. In response to this concern, Councillor Donnelly-Jackson suggested an amendment to the motion designed to ensure that as part of the action identified within the motion any information publicised to support women was also made available in an accessible format for deaf and disabled women.

Councillor Grahl then spoke to highlight her support of the motion and reflected upon personal experience and the entrenched attitudes that continued to support a culture of violence and abuse against women and girls. Councillor Grahl also thanked Brent Youth Parliament for having raised the issue of sexual harassment in schools earlier in the meeting and highlighted the continued need to challenge all examples of gender based inequality in order to effectively tackle the issues raised

and drive the change required so that women and children could feel safe and live without fear of harm.

Councillor Daly also supported the motion and highlighted, as a concern, the increased challenges during the winter months when it was darker which would decrease access to public spaces as a means of seeking refuge. In order to increase safety in these outdoor spaces the Council was therefore urged to ensure outdoor lighting was adequate and bushes or hedgerows were maintained to increase visibility so that women could feel safer in accessing these areas.

Councillor Georgiou also expressed his support for the motion and the need identified for further urgent action to tackle the various forms of violence and abuse against women and girls which had been highlighted, referencing recent high profile cases across London and in Brent. As a result Councillor Georgiou advised that he would like to see more community work to educate and spread awareness of respect, consent and equality supported by specific work in Brent to enhance CCTV and lighting, tackle cultural based concerns and provide further training for councillors to support and advocate on behalf of constituents in tackling these issues.

Councillor Maurice also expressed his supported for the motion highlighting concerns in relation to safety on public transport and the need to improve the effectiveness of lighting used in public spaces to enhance safety.

Councillor Afzal also spoke to express his full support for the motion and share his concerns about what he felt to be multiple systemic failures from institutions such as the media, police and government to effectively challenge violence and abuse against women and girls. Highlighting the impact of Government austerity on the funding available to provide support and focus on preventative strategies he also felt it was unacceptable to remain silent and avoid tacking action.

Councillor Sangani also took the opportunity to express her full support for the motion. Echoing the sentiments highlighted by Councillor Dixon earlier in the debate she also supported the need to reduce fear and empower women and girls in tackling the issues raised which it was felt would lead to a more prosperous future for all Brent residents.

At this stage in proceedings the Mayor advised that the time available for the debate had expired and therefore asked Councillor Thakkar, as the member who had introduced and moved the motion, if she would be willing to accept the suggested amendment put forward by Councillor Donnelly-Jackson regarding support also being made available for deaf and disabled women in an accessible format. Councillor Thakkar agreed that the support being provided needed to be accessible to all women and advised she therefore welcomed and supported the amendment.

The Mayor then invited Councillor Knight as Lead Member for Community Safety and Engagement, to sum up and close the debate.

Councillor Knight began by thanking members for highlighting the challenges faced in tackling violence against women and girls, which despite its impact still remained one of the least prosecuted crimes. In condemning any form of violence or

harassment she pointed out the Council, despite the initiatives already taken, was aware there was more to do especially in seeking to challenge the culture which allowed these types of behaviours to go unchallenged. In seeking to ensure that the memories of those affected by such violence, including Bibaa and Nicole Henry, were not forgotten she reiterated the Council's commitment to breaking the cycle of violence and abuse which would include ongoing efforts in commissioning support services, working with cultural specific organisations in the community and in partnership with the Metropolitan Police to ensure justice was delivered for all those who had been affected and exposed to this type of violence and abuse, recognising its ongoing prevalence in society. She therefore urged all members to support the motion presented as the basis for debate.

Councillor Knight ended by drawing attention to two events that all members and residents were invited to attend as part of Brent's 16 Days of Activism including a candle vigil on 25 November in respect of victims of violence and domestic abuse and a Time to Talk event focussed on women's safety taking place on 29 November.

The Mayor thanked all members for their contributions and as an outcome of the non-cabinet member debate it was unanimously **RESOLVED** to approve the motion (as amended) set out below:

"This Council notes:

Violence against women and girls (VAWG) is an unacceptable and preventable issue which needlessly blights millions of lives. Crimes of violence against women and girls are many and varied. They include rape, sexual assault, stalking, domestic abuse, 'honour based' abuse (including female genital mutilation and forced marriage and 'honour' killings), 'revenge porn' and 'up skirting', as well as many other heinous acts. While different types of violence against women and girls have their own distinct causes and impacts on victims and survivors, what these crimes share in common is the way that they cut across society regardless of background or circumstance.

The crimes committed in Fryent Park are appalling beyond comprehension. We send our thoughts, prayers and solidarity to Mina Smallman. We will keep Bibaa and Nicole at the forefront of all our work to redress the injustices this tragedy has cruelly exposed.

VAWG must be an urgent priority for this government and institutions of all kind.

To this end, Brent Council believes in meeting words, with action.

We have:

- Incorporated the VAWG strategy into the safer Brent Community Safety Partnership Strategy. This strategy (for all agencies in Brent) will focus on tackling all forms of violence and abuse that disproportionately affect women in Brent.
- Signed the Mayor of London's Women's Night Safety Charter, and continue to work alongside local night-time economy venues to improve the safety of

female customers and staff within their premises. We are developing and commissioning bespoke vulnerability training for businesses in Brent to help identify and support women as a result.

- Developed and continue to develop various services and projects to support victims of VAWG and their families. These include the Brent Chrysalis Centre, Advance, NIA, Global thinking and the Brent domestic abuse housing team.
- Coordinated the IRIS project – which offers direct support to GPs for identification and referral of patients who may be victims of abuse and trafficking. In consultation with specialist support organisations, Brent Council has developed guidance on appropriate VAWG language, encouraging its use whenever there are discussions or communications regarding those impacted by VAWG.
- Provided additional funding and investment into independent domestic violence advisor (IDVA) services and the Brent perpetrator program in partnership with Barnet and Enfield. The Council is liaising with the Home Office to increase local support to address gaps in culturally appropriate services for perpetrators of domestic abuse in minorities and/or marginalised groups.
- Commissioned three Women’s Refuges of 19 units, with work underway to procure further spaces as soon as possible.

In light of the deeply disturbing figures showing that in 2020, only 1.5% of all rape cases led to charge or summons this Council believes that much more urgent work is needed to eradicate violence against women in all its forms.

With this in mind, the Council pledges to:

- Make the safety and support of victims of any form of gender-based violence a priority at every level and with every partner in this borough.
- Work alongside stakeholders, in particular the Metropolitan Police to improve safety for women and girls in Brent. Where they fail to do so, we will not hesitate to call for changes to the model of policing in this borough.
- Work with all our partners to continue raising awareness for victims of VAWG including everyday sexism that precipitates into the most aggressive forms of violence.
- Secure further wrap-around support for women escaping domestic abuse – and to undertake steps to publicise this help available to anyone in need which (as an amendment unanimously agreed at the meeting) will also be provided in formats which are accessible to deaf and disabled women.”

15. **Brent Black Community Action Plan - Annual Report**

The Mayor then invited Councillor McLennan, Deputy Leader, to introduce a report from the Assistant Chief Executive providing an update on the progress being made

against the Brent Black Community Action Plan (BCAP). In introducing the report the Deputy Leader highlighted the key activities undertaken during 2021/22 to deliver the priority themes within the Action Plan along with key successes. These had included development of the Harlesden Curriculum, the introduction of a Youth Advisory Group, delivery of an Insight Day and work to establish a Black Business Network and Excellence Quality Mark.

The report also highlighted the challenges which had been identified to date in delivering the BCAP along with the approaches being developed to overcome these as delivery continued to be progressed during 2022/23. The measures included activity designed to deliver systemic change e.g. establishing a senior officers delivery group, further investment in community facilities, introduction of a programme of Civic Life opportunities and development of a new Brent Council Black Graduate Scheme; the introduction of a number of roles across the community to amplify BCAP work and development of an enhanced communications strategy. In commending the report to Council the Deputy Leader thanked all members, officers and key stakeholders within the local community for their ongoing support in delivery of the Action Plan.

Whilst no members indicated they wished to speak on the report, Councillor McLennan in exercising her right of reply once again thanked everyone involved for their engagement and efforts in development and delivery of the Action Plan. The Mayor then put the recommendations in the report to the vote and they were unanimously declared **CARRIED**.

Council therefore **RESOLVED**:

- (1) To note the progress against the Black Community Action Plan delivery plans 2021/22.
- (2) To note the identified challenges and action planned to overcome them.
- (3) To note the emerging areas of focus for the Black Community Action Plan in 2022/23.

16. **Proposed renewal of the Council's Current Gambling Act 2005 Statement of Principles (Policy Statement)**

The Mayor invited Councillor Knight, Lead Member for Community Safety & Engagement, to introduce a report from the Strategic Director, Regeneration & Environment, seeking approval to renew the Council's existing Gambling Policy in its current form for a maximum period of a further 24 months until 31st January 2024.

In introducing the report, Councillor Knight advised members of the requirement under the Gambling Act 2005 for the Council to publish a statement of principles (policy statement) to be applied in exercising its functions under the Act. In December 2020 the Department for Digital, Culture, Media and Sport (DCMS) had launched a major and wide ranging review of the Act to consider the increase in online gambling along with advertising, marketing rules and the powers of the Gambling Commission and to ensure the necessary protections were available within the regulatory framework in order to protect children and vulnerable people,

prevent gambling related crime and keep gambling fair in the digital age. The Council had made representations in response to the consultation seeking to secure more control over the number of Adult Gaming Centres (AGCs) able to be established within the borough given the detrimental impact they were felt to have on local communities, particularly in areas of deprivation. Given the need for the Council to review and prepare a new or revised gambling policy and statement of principles that would align with any new legislation framework introduced as a result of the review, it had been recommended that the current policy be renewed for up to a further two year period in order to allow this process to be undertaken. Confirmation was provided that the current policy had been reviewed and remained fit. An assurance was also provided regarding the robust and hostile stance being maintained by the Council against the establishment of AGCs in Brent given the detrimental impact they were felt to have on town centres, local communities and in targeting the most vulnerable and deprived neighbourhoods, particularly within the south of the borough.

As no members indicated they wished to speak and Councillor Knight had confirmed she did not need to exercise her right of reply the Mayor then put the recommendations in the report to the vote and they were unanimously declared **CARRIED**.

Council therefore **RESOLVED** to approve the renewal of the current Gambling Policy and Statement of Principles for a maximum period of 2 years until 31st January 2024, as had been recommended by Cabinet on 8 November 2021.

17. **Motions**

Before moving on to consider the motions listed on the summons, the Mayor advised members that a total of 30 minutes had been set aside for the consideration of the three motions submitted for debate, based on an initial allocation of 10 minutes per motion. Should the time taken to consider the first motion be less than 10 minutes she advised that the remaining time available would be rolled forward for consideration of the remaining motion.

17.1 1st Motion (Conservative Group) – Granville New Homes Independent Inquiry

The Mayor invited Councillor Kansagra to move the first motion which had been submitted on behalf of the Conservative Group. Councillor Kansagra, in moving the motion, highlighted the Conservative Groups concern regarding the issues outlined within the Ridge Report on the Granville New Homes Block development. Referring to the potential cost in addressing the issues and defects identified he also highlighted the wider inconvenience caused by the delays in undertaking these works for residents living in the blocks. Whilst recognising the issues had been subject to consideration at the Community & Wellbeing Scrutiny Committee and Audit and Standards Advisory Committee it was not felt this had provided sufficient opportunity to fully explore the matters needing to be considered with a number of concerns still to be addressed. Concerns were also expressed at the delay in members being advised of the report and issues in relation to the blocks, with the Conservative Group therefore calling on the Council to request that Cabinet commission an independent inquiry into the matter.

The Mayor then invited other members to speak on the motion, with the following contribution received.

Councillor McLennan, in responding to the motion, began by recognising the impact on residents within the blocks and highlighting the Council's commitment towards addressing the issues and works identified in order to ensure the provision of a building that was safe, secure and fit for purpose. In outlining the background and history to the construction and ownership of the blocks, she highlighted that approval of the original development had been subject to planning permission granted by Planning Committee in 2008 when Councillor Kansagra had been chair. Commenting on the background to the Ridge Report, Councillor McLennan advised this had been commissioned once the extent of the works required to rectify the original construction defects had become clear in order to enable a full assessment of the options and costs of the works required. Confirmation was provided regarding the consultation and engagement with those residents affected, who members were advised had been fully supportive of the approach now agreed by Cabinet to rectify the defects and undertake the works required.

As no further members had indicated that they wished to speak the Mayor invited Councillor Kansagra to exercise his right of reply.

In summing up, Councillor Kansagra felt it was important to clarify that as Chair of the Planning Committee his remit had been to consider the planning application rather than assess the construction of the blocks. He therefore urged members to support the call for an independent inquiry in order to establish what had gone wrong and how these issues could be addressed moving forward.

The Mayor then put the motion, as set out below, to a vote by show of hands which was declared **LOST**.

"This Council notes with grave concern the issues raised by the Ridge Report on the Granville New Homes build by Brent Council.

This matter was briefly discussed at the Community & Wellbeing Scrutiny Committee and Audit and Standards Advisory Committee. Because of time constraints, the matter has not been fully aired. There still remains very large and serious questions the Administration needs to answer, for example:

- When and who commissioned the Ridge Report?
- When did the serious defects in the structure of the construction come to light?
- What was the Building Contractors and Councils Building Control Department's involvement during construction and issue of Completion Certificate?

There are various estimates circulating as to the amount of money required to remedy the defects. One source reports that £18.4 million will be required. This amount is larger than the Council potentially lost by investment in Icelandic Banks.

This Council therefore agrees to request that the Cabinet commissions an independent inquiry into the matter”.

Councillors Colwill, Kansagra and Maurice voted in favour of the above motion.

All other members present at the meeting voted against the above motion.

17.2 2nd Motion (Labour Group) – The Big Issue Campaign – Stop Mass Homelessness

The Mayor then invited Councillor Johnson to move the second motion which had been submitted on behalf of the Labour Group. Councillor Johnson in moving the motion began by highlighting the number of families who were either classified as homeless or threatened with homelessness, which had been further impacted as a result of the pandemic and changes introduced to the welfare system. Given the importance of access to safe and secure housing in terms of residents health and wellbeing, employment and education opportunities he advised the motion was seeking support from the Government as part of a Big Issue campaign to prevent any further increase in homelessness by taking action to address issues such as rent arrears; suspend no fault evictions; make permanent the Universal Credit uplift; improve access to Discretionary Housing Payment; unfreeze Local Housing Allowance; improve support for financial literacy education and investing to create new green jobs. Referring to the action already taken by the Government during the pandemic through the “Everybody In” initiative the motion was seeking to lobby for continued support from Government in order to protect those most at risk.

The Mayor then invited other members to speak on the motion, with the following contributions received.

Councillor Kansagra whilst broadly supportive of the motion felt care need to be taken in use of phrases such as “mass homelessness” which were felt to be unhelpful as a means of highlighting the issue or securing support.

Councillor McLennan then spoke in support of the motion and in addressing the comments made by Councillor Kansagra regarding the scale of the issue, highlighted the large number of people presenting at the Civic Centre and Community Hubs on a daily basis due to homelessness or the threat of it. The problem, she felt, had been made even worse by the detrimental impact of the changes and removal in Universal Credit uplift introduced by the Government as part of its welfare reforms. Whilst the Council, through delivery of its Council House building programme and initiatives designed to increase the supply of Affordable Housing, was actively seeking to prevent homelessness and provide support for those most in need or at risk of homelessness Councillor McLennan felt these actions needed to be matched by Government and therefore urged all members to support the motion.

Councillor Donnelly-Jackson also spoke in support of the motion, reinforcing the importance in having access to safe, secure homes and the challenges faced by the local authority in providing the level of support required due to the lack of funding from central government and wider challenges within the planning system. As a result of her own personal experience, Councillor Donnelly-Jackson felt the comments made by the Leader of the Opposition in speaking on the motion had

highlighted a lack of empathy towards those experiencing or at risk of homelessness and again urged all members to support the motion.

As a final comment, Councillor Thakkar also highlighted the importance in all members acknowledging the reality and magnitude of the current issues relating to homelessness needing to be addressed and expressed her support the motion.

As no further members had indicated that they wished to speak the Mayor invited Councillor Johnson to exercise his right of reply.

In summing up, Councillor Johnson queried the approach being taken by Central Government in response to the issues highlighted within the motion and in terms of their support for those most vulnerable members of society, especially given the positive impact of the “Everyone In” initiative. In commending the approach being taken by the Council in terms of the support provided for its most vulnerable residents he hoped all members would support the motion and urge the Government to reconsider their approach in order to address the housing crisis and prevent issues in relation to homelessness being made even worse.

The Mayor then put the motion, as set out below, to a vote by show of hands which was declared **CARRIED**.

“This Council notes:

That thousands of families are facing evictions and repossessions as measures to protect residents put in place during Covid-19, end; Universal Credit is reduced; the furlough scheme ends; and electricity, gas and the cost of living rises at pace.

This Council believes that:

Now is not the time to unravel the interventions that the government has introduced to protect people during this unprecedented period.

Unless urgent action is taken by this government, the UK will face a homelessness crisis this winter, on a shameful scale.

Over the last year, nearly 6,000 residents approached Brent Council because they feared being made homeless. While our officer’s work tirelessly to offer assistance to as many residents as possible, the sheer scale of demand sadly outstrips supply. The pandemic has shown that mass homelessness is a political choice – the government averted it once with the Everybody In initiative and they can do so again; simply by making additional funding available to this Council.

This Council resolves to:

1. Support the Big Issue’s plan to Stop Mass Homelessness and call on the Lead Member for Housing & Welfare Reform to write to the relevant Secretaries of State asking them to keep people in their homes and in sustainable jobs. They could do this by committing to pay off £360m in rent arrears; suspend no fault evictions until a Renters’ Reform Act is passed; make permanent the £20 Universal Credit uplift; improve access to Discretionary Housing Payment; unfreeze Local Housing Allowance; improve support for financial literacy

- education and invest to create new green jobs.
2. Express its support for a Wellbeing of Future Generations Act requiring public bodies to consider how decisions made now affect future needs, and tackle persistent problems such as poverty, homelessness, health inequalities and climate change.
 3. Call on the Lead Member for Housing & Welfare Reform to Commission a report to be heard at the appropriate committee outlining options to amend the decision-making process to ensure that the impact of Council decisions on future generations are properly considered.
 4. Tackle the root problem head on, by forging ahead with our ambitious programme to build 1700 council homes by 2028 and to maximise affordable housing options through the council's own company I4B, pan-London Capital Letters scheme and by working with trusted developers across the borough."

Councillors Colwill, Kansagra and Maurice abstained from voting on the above motion.

17.3 3rd Motion (Labour Group) – Towards Greener Energy

The Mayor then invited Councillor Dixon to move the final motion which had been submitted on behalf of the Labour Group. In moving the motion Councillor Dixon was pleased to be able to draw members' attention to the successes achieved by the Council since declaring a climate emergency being delivered through the Climate Emergency Strategy. This included the efforts being made to actively work towards carbon neutrality and promoting more renewable and greener forms of energy, which had been recognised within the motion, along with the levels of community engagement and support from local residents in seeking to create more sustainable and responsible lifestyles. As a result Councillor Dixon advised the motion was seeking the support of all councillors in terms of the Council's continued approach and in seeking to secure local and more greener and renewable forms of energy.

The Mayor then invited other members to speak on the motion, with the following contributions received.

Councillor Krupa Sheth, as Lead Member for Environment, thanked Councillor Dixon for moving the motion and again highlighted the important role being played by the Council in terms of leading the drive towards net zero and also in terms of seeking to promote more sustainable and local renewable sources of energy. This was felt to be even more relevant given the recent surge in energy prices and pressures being created on household bills. Given the challenges identified in terms of addressing the current energy crisis, the support being sought through the motion for introduction of a Local Electricity Bill, including establishing and promoting the right to local supply was welcomed as a means of reducing reliance on the main energy suppliers and providing a boost to the local economy and residents as potential customers.

Councillor Maurice also spoke on the motion and whilst supportive felt there was a need to be aware of the technical challenges involved in both establishing and providing access to local energy supplies.

As no further members had indicated that they wished to speak the Mayor invited Councillor Dixon to exercise her right of reply.

In summing up, Councillor Dixon reassured members about the level of technical expertise and advice available in order to promote the development of local energy supplies, with the motion designed to support the Council's positive focus on activity being undertaken across the borough and to maintain the momentum in moving towards the provision of more sustainable renewable and greener energy in Brent.

The Mayor then put the motion, as set out below, to a vote by show of hands which was declared **CARRIED**.

“This Council notes:

In July 2019, Brent Council declared a climate and ecological emergency and committed to do all in its gift to strive for carbon neutrality by 2030. This target is borough-wide, not just council-only emissions, because of how urgent this issue is – and therefore more ambitious goals are required. We are one of only 12 councils in London who have adopted this 2030 target.

This council has recently joined the UK100, a network of radical local authorities that wish to do more to confront the climate emergency and call on government for urgent action.

Brent Council has cut its emissions by 63.7% since this Labour Administration took control – this exceeds the government's targets and our own ambitious goals.

This Council further recognises:

- the efforts that this Council has made to reduce greenhouse gas emissions and promote renewable energy;
- the surge in wholesale gas and electricity prices to almost five times the level of a year ago has resulted in suppliers defaulting and putting pressure on household bills;
- that currently, very large financial setup and running costs are involved in selling locally generated renewable electricity back to local customers, making it near impossible for local renewable electricity generators to get a foothold in the market,
- that making these financial costs proportionate to the scale of a renewable electricity supplier's operation would create significant opportunities for local companies and community groups to be providers of locally generated renewable electricity directly to local people, businesses and organisations;

- that revenues received by such local companies or community groups that chose to become local renewable electricity providers could be used to help improve the local economy, local services and help reduce local greenhouse gas emissions; and
- the House of Commons Environmental Audit Committee, recommended that a Right to Local Supply for local energy suppliers be established to address this.

This Council resolves to:

- Support the Local Electricity Bill, currently supported by a cross-party group of 266 MPs. If made law, this would establish a Right to Local Supply and promote local renewable electricity supply by making the setup and running costs of selling renewable electricity to local customers proportionate to the size of the supply company.
- Turbo-charge the transition to renewable energy in the Council, by bringing forward a report to outline options to fully switch to sustainable energy sources significantly in advance of our 2030 target.
- To support residents with grant funding for projects to confront the climate & ecological emergency through the Brent Together Towards Zero Grant and the recently launched Carbon offset fund, called for by this chamber.”

18. **Urgent Business**

There were no urgent items of business raised at the meeting so the Mayor, in closing the meeting, thanked all members for their co-operation and support and advised that she looked forward to seeing everyone again in person at the next Full Council which would be the Budget Setting meeting on Thursday 24 February 2022.

The meeting closed at 7.50 pm

COUNCILLOR LIA COLACICCO
Mayor

FULL COUNCIL – 24 FEBRUARY 2022

AGENDA ITEM 5 – APPOINTMENTS TO COMMITTEES AND OUTSIDE BODIES

Standing Order 30(g) states that, if necessary, Full Council is required to agree appointments to committees and outside bodies.

Such appointments are set out below:

1. Councillor Mili Patel to be replaced as a full member and Chair of the Corporate Parenting Committee by Councillor McLennan (having noted her appointment as Interim Lead Member for Children’s Safeguarding, Early Help and Social Care).
2. Councillor Mitchell-Murray to be replaced as a full member of the Brent Pension Fund Sub Committee by a vacancy
3. Councillor Mitchell-Murray to be replaced as a substitute member on both the Audit & Standards Advisory Committee and Audit & Standards Committee by a vacancy.

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 Brent	Full Council 24 February 2022
	Report from the Director of Finance
Budget and Council Tax 2022/23	

Wards Affected:	All
Key or Non-Key Decision:	Council
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	20 – See list attached
Background Papers:	Draft Budget 2022/23, Cabinet 6 December 2021
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Minesh Patel Director of Finance Tel: 020 8937 6528 Email: Minesh.Patel@brent.gov.uk</p> <p>Rav Jassar Deputy Director of Finance Tel: 020 8937 1487 Email: Ravinder.Jassar@brent.gov.uk</p>

1.0 Purpose of the Report

- 1.1 The purpose of this report is to set out the Council's budget proposals for 2022/23. It also sets out the results of the consultation, scrutiny and equalities processes. Following consideration by Cabinet on 7 February 2022 these proposals now form the basis of the budget to be agreed by Full Council. The report also sets out the overall financial position facing the Council for the medium term and highlights the significant risks, issues and uncertainties.
- 1.2 Members are reminded that at the Council meeting of February 2021, the budgets for 2021/22 and 2022/23 were agreed based on the delivery of £11.2m of savings in order to deliver balanced budgets over the two year period. The savings are profiled £8.5m in 2021/22 and £2.7m in 2022/23. Update reports

have been brought to Cabinet throughout the year, most recently in July and December 2021. Although the provisional local government finance settlement, announced just before Christmas, contained some unexpected changes (discussed below) the position remains that a balanced budget for 2022/23 can be agreed by reconfirming those savings proposals accepted by Council in February 2021: no new savings proposals are introduced by way of this report.

- 1.3 Brent has delivered total cumulative savings of £185m since 2010, and it is clear that over the remainder of the Spending Review period into 2023/24 and 2024/25 further savings will be required. The lack of clarity about the future of local government financing makes it hard to be precise about future financial targets, but the working assumption is that further savings of around £12m will need to be identified for those two years.
- 1.4 Brent, like most well-run local authorities, seeks to avoid making substantial new proposals in the last budget of any Administration, as it will be for whatever Councillors are elected in May 2022 to determine longer-term financial policy. Therefore, no new budget proposals are recommended by way of this report.
- 1.5 However, the provisional local government finance settlement unexpectedly set the 'referendum limit' for Council Tax at 2.99% (where 1% is ring fenced for Adult Social Care). Like last year, the Government's financing assumption is that all Councils would act on this. The previous intention was to raise Council Tax by 3.99%, which at the time of the February 2021 Council report was consistent with the then prevailing legislation. The decision on Council Tax will be taken by Full Council, but the budget has been constructed on the basis of a 2.99% rise in the Brent element of Council Tax, which is consistent with the previous position of increasing Council Tax by the maximum amount allowable under the legislation. In addition, this is based on taking into account the rising inflationary pressures that the Council is subject to, the financial position in the round and the results of consultation through the Brent Connects and other meetings held by the date of despatch of this report. The Mayor of London has announced plans for an increase in his precept of 8.8% (slightly different rules on the limits for the Greater London Authority (GLA) apply due to its role as the police authority) making the overall increase in Council Tax 4.2%. This equates to £1,815.07 at Band D, or the equivalent of £34.91 per week, and the overall increase equates to £1.41 per week.
- 1.6 Given the significant financial uncertainties that have been highlighted throughout this process, this is a balanced and proportionate approach to the demanding choices that have to be confronted in budget setting. It should be recognised, however, that forecasting over the medium term has been, and continues to be, extremely difficult. There is a high level of uncertainty over the medium term due to the delays in funding reforms, the continuing impacts of COVID-19 on residents and businesses in the borough and the impact of BREXIT. The significance of the financial challenge cannot be underestimated, however the measures outlined in this report aim to ensure that the Council continues to operate in a financially sustainable and resilient way.
- 1.7 Agreeing the proposals in this report, all of which were consulted on and agreed in February 2021, will enable the Council to set a balanced budget in 2022/23

in accordance with its statutory obligations and consistent with the Borough Plan. The plan focuses on how the Council will take forward delivery in the five priority areas, agreed in 2019, as being of fundamental importance to Brent and its people:

- Every Opportunity to Succeed
- A Future Built for Everyone, An Economy Fit for All
- A Cleaner More Considerate Brent
- A Borough where we can all feel safe, secure, happy and healthy
- Strong Foundations

1.8 This includes refocussed actions against each priority reflecting work since adoption of the previous version of the Plan and drawing on experience of tackling the challenges of the past two years. These include actions to tackle key cross-cutting areas such as homelessness, reducing health inequalities, providing youth opportunities, the climate emergency and delivering employment and training support.

1.9 During 2022, work will be undertaken to develop the Borough Plan for 2023-2027. This gives the Council an opportunity to refresh and update its vision and ambitions and to outline how it will work with communities and partners to deliver them over the four years covered. Engagement and consultation will be fundamental in the development of the Borough Plan. As a result, the MTF5 will need to ensure it provides a framework to enable and support the delivery of these programmes.

1.10 Aside from the usual updating of and adjustments to various technical assumptions the key features of this budget are:

- A Council Tax rise of 2.99% for the Brent element, making a Band D Council Tax of £1,419.48. Additionally, the Council will levy a Council Tax precept currently expected to be £395.59, a rise of 8.8%, at Band D on behalf of the GLA. Therefore, the total Council Tax at Band D is expected to be £1,815.07, which is an overall increase of 4.2%.
- New budget savings proposals (all of which were agreed by Council in February 2021) with an aggregate value of £2.7m, as set out in Appendix C (i).

1.11 This report is structured as follows:

- Officer recommendations for Cabinet and Full Council to approve;
- Strategic overview of the financial and macro-economic climate;
- The forecasts against the current year's (2021/22) revenue budgets are summarised;
- Summary of the processes taken to develop the budget;
- The results of consultation, scrutiny and equalities are set out;
- Updates from the Council's ring fenced budgets, specifically the Housing Revenue Account (HRA) and the Dedicated Schools Grant (DSG); and

- The capital programme is set out, along with the associated capital strategy, investment strategy and treasury management strategy.

2.0 **Recommendation(s)**

- 2.1 Agree an overall 2.99% increase in the Council's element of Council Tax for 2022/23, with 1% as a precept for Adult Social Care and a 1.99% general increase.
- 2.2 Agree the General Fund revenue budget for 2022/23, as summarised in Appendices A and B.
- 2.3 Agree the savings proposals for 2022/23, as set out in Appendix C.
- 2.4 Note the report from the Budget Scrutiny Panel in Appendix D.
- 2.5 Agree the HRA budget for 2022/23, as set out in section seven of this report.
- 2.6 Agree the Dedicated Schools Grant, as set out in section eight of this report.
- 2.7 Agree the changes to the existing Capital Programme in relation to additions of new schemes and reprofiling, as set out in section 10 of this report and Appendix E, and note the Capital Pipeline Schemes in Appendix F.
- 2.8 Agree the Capital Strategy, the Investment Strategy, the Treasury Management Strategy and the Minimum Revenue Provision Statement as set out in Appendices G, H, I and J.
- 2.9 Agree the Reserves Strategy and schedule of reserves, as set out in Appendix K.
- 2.10 Note the action plan to implement CIPFA's Financial Management Code, as set out in Appendix L.
- 2.11 Agree the schedule of fees and charges, as set out in Appendix M.
- 2.12 Note the results of the budget consultation, as set out in section six and detailed in Appendix N.
- 2.13 Note the advice of the Director of Legal, HR, Audit and Investigations, as set out in Appendix O.
- 2.14 Agree the Pay Policy Statement for 2022/23, as set out in Appendix P.

Council Tax recommendations

These recommendations only include a provisional Council Tax level for the GLA as its final budget was not agreed when this report was despatched. This means that the statutory calculation of the total amount of Council Tax under Section 30(2) of the Local Government Finance Act 1992 cannot be carried out until the final GLA precept has been received.

2.15 In relation to the Council Tax for 2022/23 we resolve:

That the following amounts be now calculated as the Council's element by the Council for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:

- (a) £1,067,562,055 being the aggregate of the amount that the Council estimates for the items set out in Section 31A(2) of the Act.
- (b) £927,416,795 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £140,145,260 being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.
- (d) £1,419.48 being the amount at (c) above, divided by the amount for the tax base of 98,730, agreed by the General Purposes Committee on the 6 December 2021, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

(e) Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
946.32	1,104.04	1,261.76	1,419.48	1,734.92	2,050.36	2,365.80	2,838.96

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

2.16 That it be noted that for the year 2022/23 the proposed GLA precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, in respect of the GLA, for each of the categories of dwellings are as shown below. The GLA intends to agree its precept on 24 February 2022.

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£

263.73	307.68	351.64	395.59	483.50	571.41	659.32	791.18
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- 2.17 That the Council establishes a Council Tax setting committee, to set the Council Tax for the year 2022/23, in accordance with section 67(3) of the Local Government Finance Act 1992, and agrees the terms of reference, size and political composition as set out in Appendix Q.
- 2.18 That the Council appoints Councillors to serve on the Council Tax setting committee and appoints a chair and vice-chair of the Council Tax setting committee.
- 2.19 That the special Council Tax setting committee meet as soon as possible after 24 February 2022 to allow Council Tax notices to be issued in line with the normal statutory timetable.
- 2.20 That it be noted that the Director of Finance has determined that the Council element of the basic amount of Council Tax for 2022/23 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.
- (a) That the Director of Finance be and is hereby authorised to give due notice of the said Council Tax in the manner provided by Section 38(2) of the 1992 Act.
- (b) That the Director of Finance be and is hereby authorised when necessary to apply for a summons against any Council Tax payer or non-domestic ratepayer on whom an account for the said tax or rate and any arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.
- (c) That the Director of Finance be and is hereby authorised to collect revenues and distribute monies from the Collection Fund and is authorised to borrow or to lend money in accordance with the regulations to the maximum benefit of each fund.

3.0 Strategic Overview

- 3.1 In February 2021, Council agreed a Medium Term Financial Strategy (MTFS) that sought to provide the financial framework for the years 2021/22 to 2022/23. The programme, developed through a combination of effective financial management and cost control and more innovative approaches to investment and demand management, set out the delivery of £11.2m of savings (profiled £8.5m in 2021/22 and £2.7m in 2022/23) in order to deliver balanced budgets over the two year period. This follows a period of 10 years where, as a result of significant reductions in government funding and the challenges posed by new legislation, the Council had been obliged to make an unprecedented £185m of savings, despite an increase in demand for key services.
- 3.2 At the time the MTFS was agreed in February 2021, it was recognised that the Council was already operating in a significantly challenging financial

environment prior to the outbreak of COVID-19. Most notably, these were around the uncertain funding outlook for local government, uncertainty around long term funding for adult social care and emerging pressures in children's services.

3.3 In addition to the uncertainty, there is also the potential for significant spending pressures from demand-led services, specifically in children's and adult social care, new burdens which impact on the budget and new pressures as a result of COVID-19. Although growth has been built into the MTFS to help alleviate some of these pressures, they continue to present a significant budget risk, particularly in respect of the demographic and contractual pressures. For example:

- The impact of COVID-19, and the new Omicron variant, is not fully known or how the pandemic will play out for the remainder of the year. Therefore, there is a level of risk when setting the budget that the Council may be exposed to unfunded financial pressures in-year.
- The income loss compensation scheme for Council Tax and Business Rates does not fully cover the losses the Council is estimating and only applies to losses incurred in 2020/21. In addition, the sales, fees and charges compensation scheme ended in July 2021, while the 'Plan B' restrictions will have a further adverse impact on business rates and fees & charges income as footfall reduces. Overall, income losses can pose a considerable budget pressure.
- The level of 'scarring' that has occurred, for example pent up demand in children's social care, long Covid and the mental health impact on adult social care. In addition, the extent to which current circumstances will become the 'new normal', for example greater domestic waste if more people continue to work from home and a larger role for Public Health. The rise in demand for key services caused by the pandemic, particularly adult social care, public health, homelessness and rough sleeping and children's social care will most certainly continue into 2022-23 and beyond.

If these were to transpire, without any further government support, they could expose the Council to a liability that may require it to put in place further savings and/or expenditure reductions in order to balance the overall budget and MTFS.

3.4 COVID-19 has had a significant impact on the Brent economy, specifically:

- It is estimated that the Brent economy had contracted by 9% in 2020, losing 3,800 jobs (a fall of 2.6% compared with 1.9% for West London as a whole and 1.5% for the UK). For 2021, a further loss of 3,700 jobs was forecast with slow job growth afterwards, adding 2,600 jobs by 2025 – an average 0.3% per year, the second-lowest rate across the seven WLA boroughs. It is expected that employment will not return to its pre-pandemic level until 2024.

- According to Official Labour Market Statistics, the unemployment rate in Brent was 4% in September 2019, lower than the London average of 4.6%. However, this rose to 5.8% in June 2020 and to 7.6% in June 2021 (London average for June 2021 was 6.5%). The pandemic has had an adverse impact on unemployment levels in the borough, increasing unemployment levels from below the London average to above the London average, indicating that Brent residents have been particularly impacted by COVID-19. Furthermore, whilst the London average gross weekly pay increased from £714.30 in 2020 to £728.40 in 2021, it decreased for Brent residents, falling from £639.50 to £623.80.
- 3.5 Clearly the pandemic has created significant economic damage that is likely to amplify existing local economic challenges, and these statistics highlight the acute hardship faced by Brent residents and businesses. It is for this reason that, on 12 July 2021, Full Council agreed £17m of funding to facilitate the delivery of programmes in priority areas identified as essential to secure a sustainable and inclusive recovery from the COVID-19 pandemic. These projects are themed around supporting communities, supporting businesses, reducing health inequalities and a green recovery. Further details on the delivery of these projects were set out for Cabinet in January 2022 as part of the Q3 Financial Forecast report.
- 3.6 The audited Statement of Accounts for 2020/21 show the full financial impact of COVID-19, reporting an overspend of £42m in the year, comprising of £29.1m of additional expenditure and £12.9m of income losses to services, which was funded from emergency grants from government.
- 3.7 The financial impact of COVID-19 has clearly continued to have a significant impact into 2021/22 and will most likely continue into 2022/23. The Q3 Financial Forecast report for 2021/22 that was presented to Cabinet on 17 January 2022 reported a General Fund overspend of £1.5m, excluding the impact of COVID-19. Total COVID-19 related pressures are estimated at £25.1m in 2021/22, however this was the position before 'Plan B' restrictions were introduced following the outbreak of the Omicron variant. Therefore, this figure is likely to grow further.
- 3.8 Management actions continue to be considered, and implemented, to mitigate these pressures (additional expenditure, income losses and non delivery of savings) as much as possible to achieve a balanced budget position for the year. At this stage it is expected that these pressures can be funded from the growth allocated to service areas and specific COVID-19 grants from central government.

Local Government Finance Settlement

- 3.9 On 27 October 2021 the three year Spending Review was announced and on 16 December 2021 the Provisional Local Government Finance Settlement was announced.
- 3.10 Whilst the 2021 Spending Review covered three years, the provisional Local Government Finance Settlement is for one year only, the fourth one-year settlement in a row. Clearly, this is not helpful for medium term financial planning. The settlement itself is frontloaded, meaning that the risk of additional service pressures from 2023/24 onwards will fall to the Brent taxpayer.
- 3.11 In summary, the provisional settlement confirms the funding announced in the Spending Review. Members will recall that there was no need to materially change the Medium Term Financial Strategy assumptions as a result of the Spending Review announcements. The current position was reported in the draft budget agreed by Cabinet on 6 December 2021. Therefore, no further changes are required to the financial planning assumptions and the budget presented by way of this report is unchanged from the draft budget.
- 3.12 Further details of the technical elements of the settlement and the impact on the 2022/23 budget are set out in section five of this report.
- 3.13 Overall, the headline announcement is that core spending power will increase by 2.99% each year. However, this assumes that all Councils will increase Council Tax by the maximum amount allowable of 3% without triggering a referendum. In addition, much of the new money is tied to social care reforms, meaning other services will benefit less. Removing the funding for the social care reforms, the increase is actually 1.8% compared to 3.3% for the average government department.
- 3.14 Nevertheless, while the additional funding announced for Local Government is welcome, the funding available overall is unlikely to be sufficient to withstand the increased demand for services, in particular social care services that are still recovering from the impact of COVID-19. The recent Omicron variant, rising inflation, and the adult social care funding reforms have added further financial risks. Therefore, Brent, like all Local Authorities, will need to make significant savings over the next few years to deliver balanced budgets. Furthermore, another one year settlement means that it is unknown if the additional funding announced will be maintained. This creates financial planning uncertainty, which is clearly not conducive to good financial management and long term financial planning.
- 3.15 The settlement also included a one-off grant, called the Services Grant, which is intended to cover various new burdens, such as National Insurance Contribution increases for Brent and suppliers and other expected inflationary pressures. It is worth noting that the distribution method that was used will see the most deprived local authorities in England receive a real-terms funding increase of 4.9% in 2022-23, compared with a 3.8% rise for the least deprived

councils. This indicates the Government's future priorities with regards to the 'Levelling Up' agenda and future funding reforms. In addition the single year settlement would give the government the time to assess how it will share out resources in future years, which is another clear indication that the 'Levelling Up' agenda will influence future distribution mechanisms. It is widely expected that this means resources being shifted away from London to other parts of the country, in part evidenced by the Levelling Up Fund announced in the Spending Review where London received just 3.8% of the total funding across the UK and received the lowest amount of any English region.

- 3.16 With regards to social care, there are a concerns about the financial risks that the adult social care funding reforms could bring. While additional funding has been provided to support councils in preparing their markets to deliver the fair cost of care reforms, delivering these reforms will redirect resources away from frontline social care at a time when the pandemic is exerting major pressure on staff capacity. In addition, it is currently unknown whether the new funding will be sufficient to cover the cost of reforms, for example the increase in employers National Insurance Contributions (for both the Council's pay bill and supplier costs), the cost of the cap on personal care costs and inflationary pressures expected in the social care market. Early modelling suggests the additional cost of increasing National Insurance Contributions alone could be in the region of £2m per annum. There will no doubt be a long queue of claims on this tranche of funding. Any shortfall in social care funding will, therefore, mean that Council Tax will end up taking the strain. This may mean that Brent, like all other local authorities, will need to continue to plan with little or no funding certainty.
- 3.17 Whether the overall funding increases are enough to keep pace with the rising demands over the medium term remains to be seen and will depend on how inflation affects the Council's costs. In addition, with the Office for Budget Responsibility predicting inflation could rise between 4.4% and 5.4% next year, which would be the highest rate seen in the UK for three decades, that will create further financial pressures, particularly for social care where the cost of placements presents a significant financial risk.
- 3.18 Therefore, at this stage, in the absence of any detailed information on the cost of new burdens and future uncertainty on the impact of rising inflation, these new grant allocations are assumed to be revenue neutral for budget setting purposes. In other words, these new grant allocations, that were not previously part of the Council's MTFs, will need to be allocated to meet new demands, such as the Adult Social Care reforms, and cost pressures that they are intended to address. This is a prudent position, which is appropriate given the significant financial risks, which will be reviewed once the implications of the new burdens are known.

Value For Money and the Financial Management Code

- 3.19 The Council's external auditors, Grant Thornton, are now required to report in more detail on whether the Council has put in place proper arrangements to secure Value for Money (VFM) in respect of economy, efficiency and

effectiveness in its use of resources. This includes taking properly informed decisions and managing key operational and financial risks so that the Council can deliver its objectives and safeguard public money. This is assessed under the following areas: Financial Sustainability; Governance; and Improving economy, efficiency and effectiveness.

- 3.20 As part of the auditor's fieldwork, the audit findings report that was presented to the Audit & Standards Advisory Committee on 22 September 2021 concluded that no significant weaknesses were identified in the Council's VFM arrangements and only improvement recommendations were made. Overall, the commentary from the auditors in respect of financial sustainability is positive from a budget setting point of view. The report notes that the Council has a track record of strong financial management, in particular balancing its budget, delivering savings and managing risks to ensure financial resilience and financial sustainability.
- 3.21 As part of the new VFM arrangements, the report is expected to be issued to all members and therefore the full report will be presented to Full Council on 24 February 2022, alongside the final 2022/23 budget.
- 3.22 CIPFA's Financial Management (FM) Code was launched in October 2019 as the first professional code for general financial management in local authorities. It sets out the principles by which local authorities should be guided in managing their finances and the specific standards that they should, as a minimum, seek to achieve. The FM Code has been introduced because the exceptional financial circumstances faced by local authorities has revealed concerns about fundamental weaknesses in financial management, particularly in relation to organisations that may be unable to maintain services in the future.
- 3.23 Implementing the FM Code is a major piece of work that the Council is obliged to undertake by having in place detailed implementation plans by the end of the 2021/22 financial year. Much work has already been done and the Council is in a sound position.
- 3.34 Implementation of the FM Code will provide the chance to adopt cutting edge financial management arrangements that drive value for money and ensure long-term financial sustainability. These are sound foundations on which members can build their policy objectives, safe in the knowledge that these are affordable and sustainable both now and into the future. This assurance, coupled with effective risk management, means that the Council can plan for the future in a way that is simultaneously ambitious and cost effective, yet also prudent and sustainable.
- 3.35 Appendix L sets out the work areas and the Action Plan that Brent has adopted to deliver the FM Code. Updates on the implementation to this action plan will be regularly provided to the Audit & Standards Advisory Committee as part of their role in advising on governance matters.

4.0 Budget Development Process 2022/23

4.1 The Council set its budget and council tax for 2021/22, and its business plans for 2022/23, at the 26 February 2021 Full Council meeting. As a reminder, the budget development process was as follows:

- Meetings involving Cabinet and Corporate Management Team members to consider the key service and budget issues likely to affect the council in future years;
- Development of budget proposals by officers and relevant Lead Members for individual services within the context of the Borough Plan and the overall resources available;
- Development of the budget approach, based on the updated medium term financial outlook, which was considered by the Cabinet on 6 December 2021;
- The publication of a detailed list of savings proposals at Cabinet in December 2021 for the purposes of consultation, scrutiny and equality analyses;
- Debates through the Budget Scrutiny Task Group of the Resources and Public Realm Scrutiny Committee;
- Presentations and question and answer sessions at a virtual Brent Connects meeting on 25 January 2022;
- Review of the schools budgets by the Schools Forum;
- Considering feedback from residents, businesses and other key stakeholders, whether received from the online consultation portal, the general 'consultation@brent.gov.uk' email address or other direct representations; and
- Conducting individual equality impact assessments on the budget proposals and a cumulative equality impact assessment on the overall budget in order to ensure that their consequences were properly understood.

4.2 This report updates the position on the core estimates that drive the Medium Term Financial Strategy assumptions, including the outcome of the provisional settlement and the consultation, scrutiny and equalities analyses processes.

5.0 Update/Review of Key Budget Assumptions

5.1 The provisional 2022/23 Local Government Finance Settlement was announced on 16 December 2021 and provided details of the core funding allocations for local authorities in 2022/23 only. The settlement confirmed the funding announced in the October 2021 one year Spending Review. The key

headlines that are relevant for Brent from a budget setting point of view are set out below.

Revenue support grant (RSG) and other relevant grants

- 5.2 As expected, the 2022/23 RSG amount of £25.8m has been determined using the 2021/22 amount plus the September CPI inflation increase of 3%.
- 5.3 On social care funding, as announced at the Spending Review 2021, the provisional settlement sets out the proposed amounts and allocation methodologies. For Brent, this includes £13.3m Improved Better Care Fund and £13.7m Social Care Grant. Both have been inflated by 3% for CPI inflation at September 2021. The Social Care Grant includes an additional allocation of £3.3m for new burdens and cost pressures expected across Adults and Children's social care. In previous years, the ASC precept was at least 2%, but this year it is only 1% - this grant helps to fund the resulting gap.
- 5.4 There is a new grant entitled Market Sustainability and Fair Cost of Care Fund. Brent's allocation is £0.91m. The national £162m fund is intended to support Local Authorities prepare their markets for reform and move towards paying providers a fair cost of care. This grant therefore covers new burdens arising from reform of the care system and is therefore fully committed to fund anticipated additional expenditure.
- 5.5 A new one-off 2022/23 Services Grant of £822m was announced with Brent being allocated £6.1m of funding. This grant is not ring fenced but is intended to cover new burdens, such as National Insurance Contributions increases for Brent and suppliers as a result of the Health and Social Care levy and other expected inflationary pressures. Again, similar to the new grant above, it is therefore assumed to be revenue neutral. Whilst described as one-off grant, the provisional settlement papers say that there will be future allocations, which will be subject to consultation and may well follow a different allocation methodology. The level of future allocations may change to reflect the 'Levelling Up' agenda. There is every prospect that Brent's allocation may go down.
- 5.6 New Homes Bonus will reduce from £3.78m in 2021/22 to £3.1m in 2022/23, a reduction of 18.1%. This is a smaller reduction than the average across London (30%), but higher than the national average (11%). This does not have an impact on the revenue budget currently being consulted upon as the grant forms part of the funding for the Council's capital programme.
- 5.7 The Public Health Grant allocations were announced on 8 February 2022, with a rise of 2.8%. Brent's allocation will increase from £22.3m to £22.9m. Given the ongoing pandemic pressures, service backlogs and increasing need, these allocations are effectively a cut to public health funding in real terms.
- 5.8 The Homelessness Prevention Grant is a grant that combines what was previously the Flexible Homelessness Support Grant and Homelessness Reduction Grant. Brent's overall allocation has increased from £7.0m to £7.1m.

Similar to the Public Health Grant, this represents a real terms cut to funding of homelessness services. No explanation has been made available as to why this grant did not increase by CPI, like most other core grants.

Council Tax

- 5.9 The settlement confirmed that Local Authorities will be able to increase Council Tax by up to 1.99% without a local referendum. In addition, local authorities will be able to levy a 1% adult social care precept.
- 5.10 Like last year, the Government's financing assumption is that all councils will act on this and increase Council Tax by the maximum amount possible. It should be noted that the additional income generated through the Adult Social Care precept alone does not cover the total growth requirement for Adult Social Care pressures. However, the increase would permanently increase the council tax base income and it would also help to reduce the significant funding pressures in 2022/23 and beyond. Taking into account the unprecedented pressures within social care and the financial position in the round, the recommendation of this report is that the budget should be constructed on the basis of a Council Tax increase of 2.99% in 2022/23.
- 5.11 While it is acknowledged that increasing Council Tax will be difficult for some households, it should also be recognised that the Council continues to invest in the Council Tax Support scheme, which provides over £30m of support for around 28,000 households who are financially vulnerable. In addition, the Council's Resident Support Fund has made available additional funds for residents who are having difficulty due to unforeseen financial circumstances as a result of COVID-19.
- 5.12 All other budget assumptions for Council Tax remain unchanged to those presented as part of the draft budget with regards to CTS expenditure, short and long term collection rates and growth in the tax base.
- 5.13 Each financial year, the Mayor and London Assembly must prepare and approve a budget for each of the constituent bodies and a consolidated budget for the authority as a whole. On 22 December 2021, the Mayor of London published his draft revenue budget for 2022/23 for consultation and following the announcement of the police grant settlement proposed to increase the precept by £31.93 (or 8.8%) to £359.59 per Band D property in the 32 London Boroughs. This comprises of an additional £10 for the Metropolitan police, £20 for Transport for London and £1.93 for the London Fire Brigade. These figures are subject to change following the consultation process and confirmation of London Boroughs' tax bases. However, it should be noted that the precept proposal assumes that the government accepts to the Mayor's request to adjust the Council Tax excessiveness principles for the GLA (i.e. referendum limits) to accommodate an additional £20 rise to fund transport services in the final local government settlement, to offset the losses in income as a result of the drop in passenger travel due to COVID-19. If this is not agreed then the final precept figure may change. The final GLA budget will be considered by the London

Assembly on 24 February 2022. As the GLA's budget will be considered on the same day as the Council considers its budget, a committee will be established to finalise the overall Council Tax setting process.

Business Rates

- 5.14 The three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Top Up amounts) have all remained the at 2021/22 levels, due to the government's decision to freeze business rates nationally; however an additional grant will be available to compensate for inflation.
- 5.15 As considered in detail in the draft budget report, the Government has allowed Local Authorities with a geographic link to form a business rate pool. The settlement confirmed the Eight Authority Business Rates Pool (involving the City of London Corporation as well as Tower Hamlets, Hackney, Haringey, Waltham Forest, Brent, Barnet and Enfield) is able to proceed in 2022/23 and a Memorandum of Understanding has been signed by all boroughs. In forming a pool, the group of authorities are seen as a single entity from a business rate perspective and in doing this, should retain more of the business rate income generated locally.
- 5.16 The City of London will act as lead authority and during 2022/23 a working group will be set up to closely monitor each borough's financial forecasts with respect to collectible amounts, collection rates, growth, revaluations, etc. All other budget assumptions for Business Rates remain unchanged to those presented as part of the draft budget

Expenditure Assumptions

- 5.17 It is clear that the impact of COVID-19 will be felt beyond 2021/22 and will have a significant legacy impact on the MTFs making it highly unlikely that a number of budgets, albeit income or expenditure, will return to their pre COVID-19 levels.
- 5.18 Managing ongoing demand-led pressures remains a key aspect of the MTFs. The draft budget report set out in detail the existing annual growth assumptions, or estimated increases in unavoidable expenditure, that are built in to the MTFs, for example contract inflation, pay inflation, meeting the cost of providing existing services for a growing population, etc. In addition, the report set out the scenario analysis undertaken against key demand led services and activities that were judged to be particularly sensitive to the impact of COVID-19 and related government interventions. Regarding the latter, it is reasonable to assume that a proportion of the COVID-19 related growth allocated to services in 2021/22 can be reduced in 2022/23.
- 5.19 Forecasting growth under normal circumstances is challenging and the task has only increased as a result of COVID-19. Scenario modelling of assumptions continues to be undertaken across all income and expenditure budgets, in particular demand led services. In many cases, and in particular on income

lines, estimates are based on evidence available at the time of writing this report. Further details are set out in Appendix B.

- 5.20 That being said, given the uncertainty inherent in the pandemic and the general economy it is difficult to confidently predict the impact of inflation in 2022/23, and this will remain a financial risk that has to be monitored. The ONS reported CPI of 5.1% in December and the Governor of the Bank of England has suggested it may reach 6% in the next few months. The Department for Levelling Up, Housing and Communities (DLUHC) forecast CPI falling back to 2.6% in 2023 and 2.1% in 2024. Some forecasters consider that there is a material risk of inflation staying higher for longer, which would potentially further erode the benefit of the additional funds announced in the Spending Review. Brent is in regular discussions with its providers on the uplifts to contract prices to reflect a number of inflationary issues including NICS, energy, minimum wage and general inflation. These discussions are complex and whilst the Council has set aside inflationary growth for next year, sustained high inflation remains a risk. Nevertheless, the growth assumptions set out in the draft budget have been reviewed and at this stage are judged to be reasonable.

Overall summary of the budget position

- 5.21 The main general fund revenue budget for 2022/23 was essentially set at the Council meeting of February 2021, where savings of £2.7m were agreed. Provided that the key assumptions set out in this report hold true then expenditure in 2022/23 should also be contained within budget. Further details are set out in Appendices A and B.

Adequacy of reserves

- 5.22 As referenced in section three of this report, the Financial Management Code (FM) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code sets standards of financial management, which include improved long and medium term financial planning. As part of its implementation of the FM Code, the Council has reviewed its approach to reserves. It has produced a Reserves Strategy, set out in Appendix K, which establishes a formal policy to determining the purposes for which reserves will be held and how the amount of those reserves will be calculated. This is closely aligned to the MTFs.
- 5.23 Whilst reserves are held for a variety of purposes, they can be grouped under two main headings: reserves held for planned and specific purposes and those held to hedge against the unexpected.
- 5.24 Planned reserves are an intrinsic part of the Council's medium and long term financial planning processes, as they enable funds to be carried across years to fund planned expenditure and to smooth demand that may be uneven over time. Within this heading also fall reserves required by statute or the accounting code of practice. The Council's financial plans will determine the nature and level of these reserves.

- 5.25 Contingency reserves provide funds to cover uncertain events that may transpire. This includes holding a working balance to cover bumps in the Council's cash flow. Unlike planned reserves, the level of contingency reserves is subjective and requires professional judgment. Indeed Section 25 of Local Government Act 2003 places a duty on the Director of Finance to report to Council his/her view of the adequacy of the reserves so that the Council can make an informed decision. To do this, consideration needs to be given to the risks facing the Council, such failure to deliver savings, overspending due to demand pressures, uncertainty over future funding and potential natural disasters. These need to be considered from the perspective of likelihood and impact. Past experience and comparison with similar local authorities, such as other London boroughs, are a means to assess the level at which reserves need to be held. Also, it would not be prudent to set a level of reserves that would guard against all possible eventualities. Some events, like major natural disasters or a second pandemic, are of such calamitous impact that no local authority could be expected to weather them without assistance from central government. Indeed, this is why the government has the Bellwin scheme to support such events and also why substantial support has been provided to alleviate the financial effects of COVID-19 pandemic.
- 5.26 The Council has taken these factors into account and has decided that as a principle 5% of net expenditure should be held as generally usable reserves. The details of this assessment are explained further in the Reserves Strategy. It is the Director of Finance's opinion, as required by Section 25 of the Local Government Act 2003, that this level of general usable reserves constitutes the amount that is sufficiently robust to maintain the Council's financial sustainability.
- 5.27 Appendix K sets out the Council's schedule of earmarked reserves, their purpose and a forecast for the use of the reserve. The Council determines, via this report, the use of these reserves for these purposes in the context of the Council's financial regulations and scheme of transfers and virements. In addition, should an overspend arise, it can be set against the general fund balance or the service pressures reserve, which are defined as the Council's generally usable reserves for these purposes. Again, approval of these arrangements are to determine compliance with the Council's financial regulations and scheme of transfers and virements.
- 5.28 Setting a formal Reserves Strategy and reviewing the current and future level of reserves will set the Council in good stead when it comes to undertaking a Financial Resilience Assessment (FRA) as required by the FM Code. The FRA assesses how effective the Council is at routine financial management, planning and managing capital resources, using performance information effectively, setting clear plans for the delivery of savings and managing reserves. These are all activities that the Council currently undertakes well. The work on the FM code will document this via a formal FRA and will also look to recommending improvements. Progress on this work and revisions and updates to the Reserves Strategy will be periodically reported to Cabinet and the Audit & Standards Advisory Committee.

Approach to budget proposals for 2023/24-2024/25

- 5.29 As mentioned earlier in the report officers' best estimate of the budget gap between 2023/24-2024/25 is £12m. Nonetheless, the exact gap is inherently uncertain, simply because of the number of variables to be estimated and the difficulty of doing so over longer periods of time. In the current circumstances, with a lack of a clear national policy direction on many aspects of local government finance it is even more difficult to do so.
- 5.30 The most significant uncertainties within the local government finance system are:
- Ongoing impact of COVID-19: the rise in demand for key services caused by the pandemic - particularly adult social care, public health, homelessness & rough sleeping and children's social care - will continue beyond 2022-23.
 - Inflation uncertainty: The ONS reported CPI of 5.1% in December and the Governor of the Bank of England has suggested it may reach 6% in the next few months. The anticipated spike in wholesale gas prices will have direct and indirect cost implications for local authorities, and the rise in national insurance contributions to fund the health and social care reforms is expected to add further costs to supply chains next year. There will be similar pressures on contracts from the rise in the National Living Wage.
 - Certainty: Local authorities need certainty over how they will be resourced. Medium-term funding certainty produces robust decision making and more strategic and efficient use of resources. Four single-year Spending Reviews have had a detrimental impact councils' ability to plan for the future.
 - Fair Funding Review and reforms to business rates: these reforms have been delayed for many years and are expected to fundamentally change how, and to what level, all Local Authorities are to be funded. This will therefore create shifts in the pattern of funding and so the impact is likely to be substantial but which cannot reliably be forecast.
- 5.31 The total savings target for 2023/24 and 2024/25 is expected to be £12m, as set out above. The accuracy of this is probably at best +/- 20%, and wider variations are entirely plausible. The actual figure required will not be known until a longer term Spending Review for Local Government is announced, expected in the autumn of 2022.
- 5.32 The 2023/24 budget proposals will need to be consulted upon by autumn 2022, leading in to a February 2023 budget setting meeting at Council. It is therefore proposed to develop and consult on budget proposals for 2023/24 and 2024/25 after the elections in May 2022.

6.0 Statutory process of consultation, scrutiny and equalities analyses

Equalities

- 6.1 The Council has a duty to pay due regard to the need to eliminate unlawful discrimination and advance equality of opportunity and foster good relations between those who have a protected characteristic and those who don't when making decisions. Each of the budget proposals set out in Appendix C have been subject to an initial equality impact assessment (EIA) to assess their potential or likely impact on service users and employees with protected characteristics. Where the EIA process identified a disproportionately negative impact with no reasonable mitigation, the proposals were subject to a full EIA. In addition to individual EIAs, a cumulative (or overall) EIA has been produced to assess and understand the potential cumulative and compounding impact on groups with a protected characteristic that arise from either changes across a range of services or a group of savings proposals. These EIA reports were reported to Council in February 2021 when the 2021/22 budget and business plans for 2022/23 were agreed. Since then, the individual EIA reports have been reviewed and remain unchanged and the cumulative EIA has been updated to reflect the proposed increase in Council Tax. This is set out in Appendix C (ii). In summary, it has been concluded that all of the proposals are considered reasonable and have shown due regard to the Public Sector Equality Duty.

Scrutiny

- 6.2 A Budget Scrutiny Task Group was convened after the Cabinet published the draft budget proposals in December 2021. The task group, made up members of the two scrutiny committees (Resources & Public Realm and Community Wellbeing) reviewed the proposals, as well as the budget development process, with relevant Lead members and officers. The task group's report and recommendations, attached in full at Appendix D, were noted by the Resources & Public Realm scrutiny committee on 18 January 2022 as part of the Cabinet's decision making process.

Consultation

- 6.3 The Council recognises consultation as a key part of policy formulation, and makes considerable effort to ensure that the views of residents, businesses and other key stakeholders are taken into account. The Council has consulted on the budget options in a variety of ways. Legally, the results of consultation are something that Members must have due regard to in making budget decisions. However, consultation need not legally be the single or even most significant determining factor in choosing between difficult options, although at Brent considerable emphasis is usually placed on the results of consultation.
- 6.4 The Council conducted an extensive consultation process between December 2020 and February 2021 where the savings proposals for 2021/22 and 2022/23 were presented. This included attendance at two virtual Brent Connects

meetings where over 200 people attended and an online consultation on the specific budget proposals.

- 6.5 On 25 January 2022, a further Brent Connects meeting was attended to present the budget proposals for 2022/23, where over 111 people attended. At this event a presentation was delivered by the Leader and Deputy Leader of the Council and supported by officers, followed by a question and answer session.
- 6.6 The detailed budget proposals were published on the Council's website, inviting comments and feedback through the online consultation portal. A number of people accessed the online consultation and provided responses. Appendix N contains further information about the results of consultation and sets out a summary of emerging themes and other key findings.
- 6.7 There are a number of business forums and associations that the Council regularly engages with that include a wide range of both small and large local businesses. These include West London Business (a non-profit business membership organisation), the Federation of Small Businesses and a number of town centre business associations. The consultation on the budget was published in the weekly newsletter sent to over 12,500 local businesses, explaining why the views of local businesses were important and how they could have their say.
- 6.8 The local voluntary sector is closely engaged with Brent's communities and has considerable experience of the impact of the Council's difficult choices against a background of funding reductions. Engagement with the local voluntary sector has therefore been an important part of the consultation process. Invitations to participate in the consultation were sent to all Brent voluntary and community sector organisations. In addition, the consultation was publicised in the CVS Brent newsletter, inviting responses through the online portal.
- 6.9 In order to maximise the opportunity for comment the consultation was kept open to 31 January 2021. The comments above, and summarised in Appendix N, reflect the position shortly before that date to fit in with the despatch deadlines for this report. In the event that significant numbers of new comments are received subsequent to this, an update will be provided to Cabinet.
- 6.10 Overall, the most commented theme was the proposed increase in Council Tax. It is acknowledged that increasing Council Tax will be difficult for some households to manage in the current circumstances and sections 5.9 - 5.12 of this report sets out the rationale the Council considered as part of its decision making. In summary, the additional income will provide much needed funding to limit the impact of COVID-19 pressures expected in 2022/23, in particular for the Adult Social Care department, as well as preventing the wholesale cuts to the key services the Council provides that many other Councils are having to consider. In addition, it should be recognised that the Council continues to invest in the Council Tax Support scheme, which provides over £30m of support for around 28,000 households who are financially vulnerable.

- 6.11 One of the main aims of the consultation and communications strategy was to raise awareness of the Council's financial position, inform residents on how the Council spends its budget and ensure residents, businesses and other key stakeholders were fully aware of the opportunities to have their say, by knowing how to respond and when the consultation events were taking place. This was delivered through a variety of communication channels, including publicity on the Council's website, media briefings and use of the Council's Facebook and Twitter accounts to disseminate reminders and encourage residents to participate.
- 6.12 All of these consultation responses are important. Legally, the results of consultation are something that Members must have due regard to, alongside other relevant considerations, when making decisions.
- 6.13 Finally, looking ahead to 2023/24 and 2024/25, it is currently estimated that the Council will need to deliver savings of around £12m to balance the budget. It is therefore proposed to develop a consultation strategy that brings together resident and key stakeholder engagement for the forth-coming budget and Borough Plan. The Council wants to ensure there is early community input in to our future financial and strategic priorities.

7.0 Housing Revenue Account (HRA) Budget

- 7.1 The proposed HRA annual budget for 2022/23 sets out proposed expenditure for housing management services, stock investment, maintenance work and new council housing development programmes, as well as rent and service charge setting proposals for 2022/23.
- 7.2 After four consecutive years of rent reductions, between 2016/17 to 2019/20, the Government has set out its rent policy, which allows rent levels to be increased by CPI plus 1% for the next five years starting from April 2020.
- 7.3 The table below shows a snapshot of current average rent levels from occupied properties and the proposed increase of CPI plus 1%, which equates to 4.1% for 2022/23. All new re-lets are charged at Formula rent and new builds are charged at Formula or Affordable rent, updated rent levels are reflected in the current average rent for 21/22, therefore average rent can change depending on time of reporting. The average proposed rent rate for 2022/23 is £4.87 per week (4.1%) higher than the current financial year.

Tenant Rents for 2022/23

Bed Size	Current Average Rent 2021/22	Proposed Average Rent 2022/23 (4.1%)	Proposed v Current Rent
	£	£	£
Bedsits	88.51	92.14	3.63
1	103.95	108.21	4.26
2	120.61	125.55	4.94
3	132.20	137.62	5.42
4	144.61	150.54	5.93
5	156.82	163.24	6.43
6+	176.23	183.46	7.23
Average Rent	118.74	123.61	4.87

- 7.4 A rent increase of 4.1% is estimated to result in an additional £2.0m of income when compared to 2021/22. This due to national inflation increasing by 2.6% compared to last year, which is a reflection of current economic climate.
- 7.5 Brent Housing Management provide support to tenants who are struggling to pay their rent. The primary objective is to ensure that tenants have all the support that they can get, rather than pursuing an eviction. Support options include assessing whether the tenant is claiming all the welfare benefits that they are entitled to, assisting them to claim from the Council's resident support fund and arranging a suitable payment plan. After the onset of the COVID-19 pandemic, Brent Housing Management endeavoured to identify vulnerable tenants and have since kept in contact with tenants in order to ensure that they continue to get the required support to sustain their tenancy.
- 7.6 The net rent amounts exclude service charges. The service charges are recharges to tenants and leaseholders, which are based on the actual costs incurred for providing specific services, such as estate cleaning.

Tenants Service Charges 2022/23

- 7.7 Individual service charge elements are adjusted to bring them in line with the estimated contract costs of providing these services to tenants in 2022/23. The tables below show a snapshot of the current average service charges from occupied properties, compared to proposed rates, this is analysed below for services provided to tenants. The current average can change depending on time of reporting, to reflect re-lets and stock movements such as new additions.

Service charge frozen for 2022/23

- 7.8 Grounds maintenance service is included within the Council's wider corporate contract. The annual contribution from the HRA is estimated to offset against the HRA's proportion of the contract cost through existing charges.
- 7.9 The cost of maintenance and servicing for the laundry room and TV aerials is forecasted in line with service charges. Therefore, no increases are proposed for this charge for 2022/23.

Service	No. of Properties	Average Charge 2021-22 (£/Week)	Recommended Average Charge 2022-23 (£/Week)	Estimated Increase / (Decrease) %
Grounds Maintenance	4,705	1.33	1.33	0.00%
Laundry	25	2.59	2.59	0.00%
TV Aerial	3,273	0.74	0.74	0.00%

Service charge increases for 2022/23

- 7.10 The estate cleaning service was transferred in-house in 2019/20, with a commitment to pay staff at the London Living Wage before being integrated into LGPS pay scales. The cost of bringing the service in-house and the associated costs for vehicles, machinery and material is projected to be under recovered by £0.1m. The proposed increase of £0.29 per week in 2022/23 will not fully offset this, and therefore a phased approach to cost recovery has been modelled to allow charges to increase over a four-year period, whilst balancing in-year budget shortfalls at the same time.
- 7.11 The concierge service charge is currently £10.68 per week on average. An increase of £0.44 is estimated to result in a break-even position for 2022/23. This service will be re-procured in 2022/23 to ensure that the best value for money is being achieved.
- 7.12 The helpline monitoring service charge is currently £1.67 per week on average. An increase of £0.07 per week is estimated to result in a break-even position for 2022/23.
- 7.13 Unmetered communal lighting, heating and hot water charges are adjusted annually in line with the forecasted energy supplier inflations for 2022/23, reflecting increased global wholesale price of energy. The bulk energy contract is due for renewal during 2022/23.

Service	No. of Properties	Current Average Charge 2021-22	Estimated Average Charge 2022-23	Recommended Increase / (Decrease)
		(£/Week)	(£/Week)	%
Estate Caretaking	4,394	7.19	7.48	4.10%
Concierge	471	10.68	11.12	4.10%
Helpline Monitoring	50	1.67	1.74	4.10%
Communal Lighting	5,194	1.59	1.88	18.10%
Communal Heating	388	9.08	11.87	30.70%
Communal Hot Water	19	2.59	3.39	30.70%

District Heat Network

7.14 Unity Place in South Kilburn hosts the energy centre for the local district heat network for metered billing. It currently supplies heat and hot water to 235 properties and tenants are billed based on actual usage. The district energy contract is on a two-year fixed rate. It is separate to the bulk housing energy contract and is due for renewal in 2022/23. The current tariff is £0.03 p/kWh and a standing charge is £0.38 per day. Based on current energy market prices, the 2022/23 tariff is estimated to be £0.04p/kWh with a standing charge of £0.44 per day, in order to recover costs.

Service	No. of Properties	Current Charge per kWh 2021-22	Estimated Charge per kWh 2022-23	Recommended Increase / (Decrease)
		(£p/kWh)	(£p/kWh)	%
Heating Tariff	235	0.03	0.04	55%
Standing Charge	235	0.38	0.44	16%

Brent Supported Living

7.15 In November 2020, tenants moved in to 11 new independent living homes at Peel Road. These homes are all one-bedroom, self-contained residential flats developed as part of previous New Accommodation for Independent Living (NAIL) programme and are held within the HRA. The properties are fully adapted and the homes benefit from communal facilities, including a garden area. There is access to 24-hour care, allowing residents to contact care staff from anywhere in the building.

7.16 The table below compares the current gross rent levels (including service charges) for these homes against the proposed increase of CPI+1 (4.1%) for 2022/23. This equates to an increase of £12.23 per week when compared to the current financial year.

Current Gross Rent 2021/22	Proposed Gross Rent 2022/23 (4.1%)	Proposed v Current Rent
(£/Week)	(£/Week)	(£/Week)
298.25	310.48	12.23

Garage Rent for 2022/23

7.17 HRA currently has 277 occupied garages with an estimated annual income of £0.2m for 2021/22, consistent with previous year. Cabinet approved a standard rate of pricing during last year budget setting, along with a three-year phased increase for existing occupancies (2022/23 will be year 2).

7.18 The table below shows the current standard rate and the proposed uplift of CPI +1 (4.1%) for all re-lets.

Garage Charge (Net)	Current Standard Rate 2021/22 (£/Week)	Proposed Standard Rate 2022/23 (4.1%) (£/Week)
LBB Tenants & Leaseholder	15.00	15.62
LBB Resident	20.00	20.82
Non - Resident	25.00	26.03

HRA Forecast Outturn 2021/22

7.19 The overall forecast for the HRA is a break-even position for 2021/22. This is a net result of a £0.2m overspend being mitigated by a £0.2m underspend. The individual variances consist of:

- £0.2m additional costs over budget related to disrepair claims and placing tenants in emergency accommodation
- £0.2m in-year underspend on staffing costs due to vacancies

7.20 Since the early 2000s, a large number of councils in London, including Brent, entered into agreements with water companies to collect payments from their social housing tenants towards the water and sewerage charges. The councils were operating under the assumption that they were entitled to a discount from the water providers when they bought the water rates, on the basis that they were acting as their agent in collecting the water rates. The discount was to cover for bad debts, void loss and commission. However, following court rulings involving Southwark and Kingston-Upon-Thames, it was ruled that the Councils were providing these water collection services as a 'water reseller', and not as an 'agent' of the water companies, as initially assumed. This means that the councils were only allowed to levy a small administration charge on top of the amount charged by the water undertaker, and therefore, councils were deemed to have overcharged their tenants for water and sewerage.

- 7.21 Brent had similar agreements with regional water companies, where the discounts received were re-invested in the HRA towards providing a landlord service such as repairs. Following Cabinet decision to refund Brent Council tenants, refunds were applied in December 2021 to tenant rent accounts totalling £7.1m, this is funded through reductions in revenue contributions towards capital works.
- 7.23 Refunds are applied to each tenants rent accounts to offset against any unpaid rents. Tenant rent accounts that result in overpayments after the refund is applied will have the option to claim the overpaid balance into their bank accounts, or leave the balance in their rent account to pay weekly rent due.
- 7.24 Letters from the Post Office are being issued to all current tenants who have an overpayment on their account. Tenants can take this letter with its unique barcode, to any Post Office within three months of the date on letter, to receive payment into personal bank account. Former tenants have a two-year period to contact Brent Housing Management and claim any refunds for overpayments.

HRA Budget 2022/23

- 7.25 The proposed budget for 2022/23 is set out in the table below and shows a net balanced budget. The budget movements are as a result of the items summarised below.

Technical Adjustments	£m
Rent Increase of 4.1% (CPI+1) on current stock	(2.0)
Service charge uplifts to reflect cost incurred	(0.1)
Reduction in service charges for major works in line with profiled works completed	0.5
Growth	
Pay and operational cost inflation	0.4
Repairs contract inflation	0.5
Cyclical maintenance of fire safety monitoring devices	0.3
Disrepair and associated temporary accommodation	0.2
Increased major voids	0.1
Increased volume of waste removal through in-house caretakers	0.2
Communal utility supplier inflation	0.2
Leaseholders insurance contract inflation	0.1
Council tax uplift on voids	0.1
Savings Target	
Efficiency savings across housing management	(0.2)
Efficiency savings across repairs and maintenance	(0.3)
Total Net Movement	0.0

- 7.26 The proposed 2022/23 HRA budget will ensure that the HRA will continue to hold £1.3m in reserve balances as part of the 30 year HRA business plan as shown in table below.

HRA Budget 2021/22 v Draft Budgets for 2022/23

HRA Budget 2020/21 v Draft Budgets 2021/22	(1) Final Budgets 2021/22	(2) Draft Budgets 2022/23	(2-1) Variance	Variance Explanation (2-1)
Description	£'000	£'000	£'000	
Rents and Service Charge	(50.8)	(52.8)	(2.0)	Tenant rents and service charges offset by rent loss through voids and RTB sales
Non Dwelling Rents	(0.5)	(0.5)	0.0	
Leaseholders' Charge for Services and Facilities	(2.6)	(2.7)	(0.1)	Uplift to reflect increased cost of rechargeable services
Major Works and Other Contribution Towards Expenditure	(2.0)	(1.5)	0.5	Service charge reduction based on profiled major works completion
Total Income	(55.9)	(57.5)	(1.6)	
Repairs and Maintenance	12.6	13.6	1.0	repairs contract uplifts, provision for cyclical maintenance, disrepairs and voids offset by efficiency savings target
Supervision and Management	12.0	12.2	0.2	operational cost inflations offset by efficiency savings target
Special Services	4.7	4.9	0.2	communal utility supplier inflation
Rent and Rates and Others Charges	1.2	1.4	0.2	Council tax and insurance contract inflation
Depreciation of Fixed Assets	15.5	15.5	0.0	
Bad or Doubtful Debts	0.7	0.7	0.0	
Capital Financing and Debt Management	9.2	9.2	0.0	
Total Expenditure	55.9	57.5	1.6	
(Surplus)/or Deficit for the Year on HRA	0.0	0.0	0.0	

Housing Revenue Account brought forward	(1.3)	(1.3)	0.0	
(Surplus)/or Deficit on HRA	0.0	0.0	0.0	
Closing balance	(1.3)	(1.3)	0.0	

HRA Stock Improvement and Major Works Budgets 2022/23 and 2023/24

- 7.27 Planned works include refurbishments such as new roofs, windows, lifts, kitchens, bathrooms, heating systems and planned fire safety works.
- 7.28 The Asset Management Strategy (AMS) and budget availability are required to be closely aligned. Planned improvement works on existing homes in 2022/23 consists of a baseline budget of £15m. The baseline budget includes £0.4m earmarked towards various estate improvement schemes identified in consultation with residents, such as improving security on estates.
- 7.29 To ensure the efficient delivery of the multi-year capital programme, it is considered prudent to allocate an indicative 2023/24 major works capital budget, which is estimated to be £15m, in line with projected affordability in the HRA business plan. In total, this results in a £30m investment in existing Council homes over the next two years.
- 7.30 The updated Asset Management Strategy report to Council will be setting out options for further level of capital investment identified for high rise blocks and kitchen and bathroom refurbishments, with a view to achieve long-term revenue savings as result. Budget implications will be updated once five-year programme is approved.

New Council Homes Programme 2022/23

- 7.31 The development and management of new council homes and affordable housing remains a key priority in the Council's Housing Strategy and the HRA Asset Management Strategy. Brent has committed to an ambitious strategic housing target to deliver 5,000 new affordable homes over the five-year period between 2019 - 2024. The 5,000 new affordable homes includes the provision of 1,000 to be delivered directly by the Council by the 31st March 2024. As of November 2021, 563 homes have already been delivered, with more in pipeline. The forecast capital investment on acquisitions and building new council homes in 2021/22 is £47.9m, with a capital budget in 2022/23 set at £32.1m.

Housing General Fund

Hillside Rent Setting

- 7.32 In addition to the dwellings contained within the HRA, the Council also continues to hold dwellings in the General Fund (GF). These dwellings were

formerly held by the Stonebridge Housing Action Trust (HAT) and were transferred to Brent Council in August 2007 when the HAT was dissolved. The Council currently owns 324 properties under this scheme and Hillside Housing Trust (part of Hyde Housing Group) manages these properties on the Council's behalf.

- 7.33 The table below sets out the rent levels for 2021/22, with an average increase of £5.18 per week for 2022/23.

	Weekly Rent 2021/22 (£)	Weekly Rent 2022/23 (£)	Increase (£)	Increase (%)
1 Bed Flat	103.56	£107.81	£4.25	4.1%
2 Bed Flat	122.60	£127.63	£5.03	4.1%
1 S/croft Elders	103.56	£107.81	£4.25	4.1%
2 S/croft Elders	122.60	£127.63	£5.03	4.1%
2 Bed House	133.16	£138.62	£5.46	4.1%
3 Bed House	145.94	£151.92	£5.98	4.1%
4+ Bed House	153.63	£159.93	£6.30	4.1%

- 7.34 Hillside are also responsible for setting service charges across the stock, including those retained by the council. The average service charge per week for 2022/23 is set at £7.09 per week, an increase of £0.28 from the 2021/22 average, based on an uplift of 4.1% (CPI + 1%).

Housing Private Finance Initiative (PFI)

- 7.35 The Housing PFI refers to 364 units of rented accommodation managed by Hyde under a PFI contract. The stock is made up of a mixture of Temporary Accommodation, Affordable Rent and Discounted Market Rent properties. As per the cabinet decision on the 17 January 2017 in regards to PFI Housing Tenancy Conversions, Temporary Accommodation units are being phased out with the units being converted into Affordable Rent and Discounted Market Rent properties.
- 7.36 The proposal is to hold the rents at the current levels, with no increase for the coming year.

Travellers' Site Pitch Rent

- 7.37 The current weekly pitch rent is £150.26. It is proposed to increase this by CPI + 1% (4.1%) to £156.42 for 2022/23. Travellers' site pitch rent is estimated to generate an annual income of £0.24m.

8.0 Schools Revenue Budget

- 8.1 The Dedicated Schools Grant allocations were announced on 16 December 2021, and the proposed budget, as described below, will be presented to the Schools Forum for endorsement on 20 January 2022. The main Schools Block funding which supports mainstream schools has been confirmed at £249.7m. This represents a comparable increase to 2021/22 of £2.0m (0.8%). The overall increase of 0.8% represents Brent's share of a national minimum increase of 2% in per pupil funding, with an increase in the number of secondary phase pupils. The number of primary phase pupils funded in the formula has reduced by 2% compared to last year, and the overall mainstream pupil numbers in Brent reduced from 41,641 to 41,249.
- 8.2 Following consultation with Schools and Schools Forum endorsement, the Free Schools Meals (FSM) funding factor was introduced to the local funding formula with a 10% adjustment to last year's local formula rates, in order to commence a gradual move towards the National Funding Formula which is set to become compulsory from 2023/24. The Age-Weighted Pupil Unit (AWPU) element has been applied at last year's rates and the Minimum Funding Guarantee (MFG) has been applied to mitigate against any losses schools may face as a result of these changes.
- 8.3 All schools will receive a minimum 1.5% per pupil funding increase. The report on the mainstream funding formula recommends that 0.5% (£1.2m) of the mainstream schools funding block be transferred to the High Needs Block which provides for pupils with Special Educational Needs or Disability (SEND). This was recommended as a measure to continue to address the increasing demand for SEND provision.
- 8.4 Following the 2021 Spending Review, the government has announced that it will provide a Schools Supplementary Grant of £1.2bn, in addition to the Schools Block DSG for mainstream schools. The grant will be provided to fund the 1.25% Health and Social Care Levy (increased National Insurance Contributions) effective from 2022/23 and wider cost pressures as defined by the Department for Education. Maintained nursery schools funded from the Early Years Block of the DSG will also receive an element of this grant. Brent is estimated to receive £6.9m of this grant and school-level allocations will be published in Spring 2022.
- 8.5 The allocation for the High Needs Block has been announced at £71.9m. This is £5.5m more than received in 2021/22 and represents an 8.3% increase compared to a 12% increase nationally. The government has also announced an additional £325m in 2022/23 for Special schools and other providers funded from the High Needs Block, through a top up to the High Needs Block of the DSG. Brent is estimated to receive an additional £2.9m of this grant.
- 8.6 Like most authorities Brent is facing substantial pressures on the High Needs Block and is currently in deficit of £10.5m carried forward from 2020/21. Coupled with an in year forecast pressure of £5.4m, this deficit at the end of

2021/22 is forecast to be £15.9m. The £5.5m additional funding and the £2.9m top up funding, together with the proposed £1.2m Schools Block transfer will be allocated against these pressures across the High Needs Block budget for 2022/23, in consultation with the Schools Forum High Needs sub group. The increase in allocation is not sufficient to fund increasing demand as well as mitigate the deficit. The DfE makes it clear that deficit positions can be carried forward against the grant for future years and require a multi-year deficit recovery plan to be in place with termly updates of the plan taken to the Schools Forum.

- 8.7 The Early Years Block funding was announced at £22.0m, a decrease of £1.4m (6.1%) compared to 2021/22. Although there are marginal increases to the hourly funding rate allocations for 2 year olds and 3 and 4 year olds, the overall decrease is as a result of the drop in the number of children requiring early years provision, following the repeated lockdowns from March 2020, as a result of the Covid-19 pandemic.
- 8.8 The Central Schools Services Block funding is allocated to local authorities to carry out central functions on behalf of pupils in maintained schools and academies. The Central Block funding is split into two elements: funding for ongoing responsibilities and funding for historic pension costs for centrally employed teachers. The Central School Services Block income was confirmed at £2.1m, a decrease across both elements of £155k compared to 2021/22. This brings the total 2022/23 core DSG allocation for Brent to £345.7m.

9.0 Pay Policy Statement 2022/23

- 9.1 Section 38 of the Localism Act 2011 requires local authorities to publish an annual 'Pay Policy Statement', setting out their policies in respect of chief officer remuneration and other specified matters. Regard must be had to guidance to be published by the Secretary of State in preparing the statement, which must be approved by Full Council. The Council is then constrained by its pay policy statement when making determinations on chief officer pay, although the statement may be amended at any time by a further resolution of the Full Council. No new guidance has been published since the statement was adopted for 2021/22 and so there are no proposed changes to the statement related to the guidance. The Draft Pay Policy Statement, attached as Appendix P, contains minor updating and cosmetic changes from the Statement adopted by full Council for the last financial year. It also contains changes to reflect the withdrawal of the statutory cap on payments made by the Council to staff exiting the Council by the Restriction of Public Sector Exit Payments Regulations 2020.

10.0 Capital Programme Budget 2022/23 – 2026/27

- 10.1 The Capital Programme is a key part of the overall budget setting process. It is focused on supporting the delivery of the Council's statutory responsibility in relation to ensuring there are sufficient school places available for children and young people whilst, investing in new affordable housing and in our existing housing stock, town centres, public realm and community facilities across Brent.

- 10.2 A key element of the Council's successful financial strategy has been to expand the capital investment programme and enable it to deliver substantial revenue savings over the medium term financial planning (MTFP) period and beyond.
- 10.3 The Capital and Investment Strategies (Appendix G & H) provide further details on the overall capital strategy, which sets out how capital investment supports the delivery of the Council's objectives. It sets out the main objectives for the Council over the Medium Term Financial Plan (MTFP) period 2022/23 – 2026/27.
- 10.4 In the past, the use of internal resources in lieu of borrowing was considered the most cost effective means of funding the capital programme. However, the Council's internal resources have been reduced over the last few years so future capital projects will have to be financed from new external borrowing if not already funded from other sources. Affordability remains an important influence on the Council's borrowing strategy. The programme has a mixture of invest to save, grant funded and self-financing projects to help reduce the treasury risk. Hence our strategy is to undertake external borrowing to fund projects as a last resort.
- 10.5 The Capital Programme schemes which are funded using a combination of external grants and borrowing will only be undertaken once the external funding is secure; amounts of council borrowing shown are indicative. Appendix E shows the Council will require c£410m of borrowing over the 5 year period to fund the Capital Programme of which the interest costs will be charged to the revenue capital financing budget.
- 10.6 S106/Community Infrastructure Levy (CIL) will be used to undertake major infrastructure projects meeting the conditions or terms for funding. The capital programme includes CIL funded schemes totalling £15m which includes contributions to CCG towards the fit out cost of 3 medical centres, funding for the College of North West London for a new facility in Wembley and the new Morland Gardens educational facility.
- 10.7 The Council has embarked on an extensive Capital Programme to invest c£709m over 5 years, 2022/23 to 2026/27. The investment includes significant spend across the General Fund and Housing Revenue Account (HRA) to support the strategic vision of the Council across the borough. Since the capital budget was agreed by Council in February 2021 the pipeline projects approved and promoted during the year have been included in the 2021/22 to 2025/26 Capital Programme. The balance of provisional schemes held in the pipeline is currently £420m for 22 projects. The pipeline provision has not been included in the Capital Programme set out in Table 1 and Appendix E but are shown as a separate summary in Appendix F.
- 10.8 A summary of Capital Programme arranged according to portfolio for the 5 year period 2022/23 to 2026/27 is set out in Table 1. The detailed Capital Programme and financing is set out in Appendix E.

- 10.9 The 2021/22 current revised budget is £220m. The revised budget is subject to change as new schemes are approved prior to Council in February 2022. Any budget changes post the Quarter 3 monitoring report will be updated in subsequent budget report to Cabinet.
- 10.10 The UK markets and economy has slowed down due to the impact of the COVID-19 pandemic and associated lockdown since March 2020. The ability of businesses to operate including the construction industry has been limited from the lockdown and social distancing measures implemented. Council officers have undertaken and will continue to undertake risk assessment regularly to evaluate and report the impact on our capital programme delivery, and take appropriate mitigating actions to reduce any long term impact.

Table 1 – Summary Capital Programme

Portfolio	BOARD (PROGRAMME)	2021/22 (Revised Budget)	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	TOTAL 2022/23 to 2026/27
		£m	£m	£m	£m	£m	£m	£m
Resources: Cllr Margaret McLennan	Corporate Landlord	18.985	5.912	53.333	22.600	-	-	81.845
Regeneration, Property & Planning: Cllr Shama Tatler	South Kilburn	15.288	22.476	10.445	9.892	2.780	11.522	236.250
	Regeneration	11.758	48.399	66.996	63.740	-	-	
St Raphael's: Cllr Shama Tatler	St Raphael's	2.570	2.205	-	-	-	-	16.870
Regeneration, Property & Planning: Cllr Shama Tatler	Public Realm	23.144	6.875	5.645	2.145	-	-	
Public Health, Culture & Leisure: Cllr Neil Nerva	Public Realm	0.472	-	-	-	-	-	17.120
Environment: Cllr Krupa Sheth	Public Realm	1.641	5.064	3.056	3.000	6.000	-	
Schools, Employment & Skills: Cllr Tom Stephens	Schools	10.755	10.524	24.100	14.000	-	-	48.624
Housing & Welfare Reform: Cllr Eleanor Southwood	Housing GF	35.295	71.410	19.597	55.172	4.548	-	290.205
	HRA	58.521	47.067	35.000	19.064	-	-	
	i4B – Phase 1 & 2	24.395	19.750	18.597	-	-	-	
Adult Social Care: Cllr Harbi Farah	NAIL	16.817	13.147	4.725	0.300	-	-	18.172
	Total	219.639	252.828	241.494	189.913	13.328	11.522	709.086

10.11 The Capital Programme is comprised of projects approved annually by Cabinet as well as new approvals in year. New capital schemes and projects will usually be added to the Capital Programme as part of the annual budget setting process, however, the governance arrangements allow for new schemes and projects including those promoted from the pipeline provision to be added in year, subject to appropriate approval.

10.12 The Capital Programme detailed in Table 1 above currently excludes slippage from the 2021/22 Capital Programme. Estimated slippage and re-profiled projects are detailed in the quarter 3 capital monitoring report to Cabinet in January 2022. The potential slippage from 2022/23 will be reviewed at the end of the financial year and reported to Cabinet in July 2022.

10.13 There are a number of key projects supported in the 2022/23 – 2026/27 Capital Programme, including:

Corporate Landlord

Oracle Cloud - Phase 2

10.14 The next phase of the Oracle project approved in September 2021 allows for a further £2.5m of expenditure to deliver the Finance Transformation, Oracle Service Management and Human Capital Management services possible within the Oracle Cloud system.

Regeneration

South Kilburn Estate Regeneration

10.15 Our multi-award winning 15-year programme that will deliver 2,400 new high quality homes of which around 1,400 will be made available to existing South Kilburn secure tenants including new larger high quality urban park, improved public realm, new primary school and health facilities, and improved environmental standards and a site-wide energy solution.

10.16 Over 1,100 homes have been delivered to date with approximately 60% of those being affordable rent for existing secure tenants of South Kilburn. With over 512 homes currently on site and a further c626 homes going to planning this year.

10.17 The planned expenditure from 2022/23 over 5 years is £48.9m for the delivery of homes including in infrastructure improvements. The programme is self-financing and is expected to be fully funded by a combination of capital receipts and grants.

CIL contribution towards Three Medical Centres

10.18 In April 2020, Cabinet approved a capital contribution from Strategic Community Infrastructure Levy (SCIL) of up to c£3.5m for use towards the fit out costs of three new medical centres, in Wembley Park, South Kilburn and

Alperton. The expansion of the healthcare facilities will help meet the needs of the borough's growing population.

10.19 Harlesden Gateway High Streets Heritage Action Zone

In August 2020, Cabinet approved the investment for this project. Brent will provide match funding of £0.455m towards the S106 and Neighbourhood CIL projects and has secured £0.438m of capital funding from Historic England as part of The High Streets Heritage Action Zone ("HSHAZ") for shop front improvements, and community space provision, within the designated conservation area in Harlesden town centre.

10.20 Wembley Housing Zones **(NEW)**

In August 2021, Cabinet approved the investment of a total of £133m, being £3.3m from Greater London Authority funding, £86.6m from capital receipts and the remainder from prudential borrowing. This scheme allows for council-led mixed use regeneration of the eastern end of Wembley High Road within the Wembley Housing Zone.

Public Realm

10.21 There will be continued investment in public realm to ensure the infrastructure is fit-for-purpose and achieves our vision of making use of the opportunities presented by developments within the borough.

Highways and Infrastructure **(NEW)**

10.22 The Highways Capital Scheme Programme includes an investment of £4.5m to maintain carriageways and structures.

Integrated Street Cleansing & Waste Contract Fleet **(NEW)**

10.23 In August 2021 Cabinet provisionally approved £15m to finance both the fleet required to deliver the Integrated Street Cleansing & Waste Contract and the fleet required to deliver grounds maintenance.

10.24 The Council receives a fixed block of capital funding annually from TfL. £2.1m planned expenditure is proposed for the 2021/22 programme of LIP Corridors, Neighbourhoods and Supporting Measures schemes. Its delivery is subject to confirmation of the TfL funding allocation for 2022/23 and for future years. A provisional sum of £6.4m (£2.1m per annum over the subsequent 3 years to 2024/25) has been included in the programme. The programme will be amended accordingly in line with the outcomes from the prioritisation matrix should the final funding allocation change. TfL's financial situation could also reduce future funding.

Parks Improvement Programme **(NEW)**

- 10.25 The Parks Service has been awarded £1.43m to invest and improve various areas of aging infrastructure across the borough's parks; including pathways and playgrounds. They are also seeking to install a number of new welcome notice boards with improved maps of each location, wildflower meadow information boards and to make infrastructure improvements to allotments with new fencing, pathways and new sustainable toilets.

Schools

Special Educational Needs and Disabilities (SEND) Schools **(NEW)**

- 10.26 A £44.2m investment has been approved in order to provide 427 additional school places for the growing number of children in the borough with SEND. The Council has statutory responsibilities in relation to children and young people with special educational needs and disabilities (SEND), that require the Council to ensure that there is suitable provision to meet their needs.
- 10.27 The Programme is proposed to meet this demand via a number of work-streams, including construction of a new build SEND School, Additionally Resourced Provision (ARP), expansion of existing SEND schools and capital improvement projects.

Schools Capital Improvement

- 10.28 The Council is responsible for 39 nursery schools, community and foundation primary schools, special schools and pupil referral units spread across 42 sites: Nursery (4), Primary (34), Special (1) and PRU (3). The Council has a statutory duty to undertake major projects at these schools to ensure the buildings are weather tight and provide a safe environment for education.
- 10.29 Funding is provided to carry out these works by the Education and Skills Funding Agency (ESFA) via the School Condition Allocation (SCA). This funding is provided each year based on an assessment by the ESFA of high level building condition need and is provided to meet Brent's local condition priorities across its schools. The Council places SCA monies in a specific capital budget, the School Asset Management Programme (AMP) budget, to meet its statutory requirement.
- 10.30 The approved 2018 – 2023 AMP Programme includes over 100 school condition improvement projects across the 39 schools and a sum of £1.7m remaining in 2022/23.

Housing Programme (NEW)

- 10.31 The development and management of new affordable council homes remains a key priority of the council's Housing Strategy and of the HRA Asset Management Strategy. Alongside this housing building programme, there is continuing investment in housing repairs, maintenance and improvements.

- 10.32 The Council received a further allocation of £111m from the Greater London Authority's Affordable Homes Programme 2021-26 following the bidding process with the objective of delivering a further 701 homes in addition to the existing programme by 2028.

General Fund Housing

- 10.33 Continued investment of £124m in mixed development and sites' feasibility and will deliver 586 homes for General Fund. Where GLA grant is utilised the properties will transfer to HRA upon completion of the scheme. An investment of £109m is planned in NAIL (Adult Supported Living) over 4 years to deliver 129 homes and investment of £20m for strategic priorities.

i4B Holdings

- 10.34 i4B is acquiring units across the borough and purchasing street properties as affordable rented homes to alleviate the housing pressures, reduce the financial pressure and number of families in temporary accommodation with the Council acting as lender for the balance of the funds. The Council provides a mix of equity investment and loan to supplement the existing i4B street purchases programme.
- 10.35 Current plans include provision of 60 street properties annually to increase the Council's temporary accommodation provision and identification of new build opportunities. The programme includes expenditure of c£43m during 2022/23 and 2023/24.

New Council Homes Programme (HRA)

- 10.36 Continued investment of £75.4m in the New Council Homes Programme is planned including sites feasibility over the next 4 years.

RTB Affordable Housing

- 10.37 The Council retains capital receipts from Right-to-Buy (RTB) sales after deducting debt repayment and other costs. The Council has 3 years to spend the receipts on affordable programmes, capped at 30% of the construction cost. The Right-to-Buy receipts cannot be combined with other funds provided by the GLA.
- 10.38 The Council is required to spend £14.4m within 3 years to meet its RTB targets. £9.7m will be utilised towards new build programme to increase the provision of New Council Homes. £4.7m has been set aside over 3 years (2021/22 to 2023/24) for affordable housing provision in the borough and property acquisition.

Acquisition of Affordable Homes in Alperton

- 10.39 In April 2020, Cabinet agreed the acquisition of 114 new homes to be delivered by St George Ltd (Berkeley Group) at the Grand Union site in Alperton, with the

homes expected to be handed over within three years. Right to Buy (RtB) Receipts are being used to part fund the scheme costs of £29m.

Major Repairs & Maintenance of council stock

- 10.40 A key aim for the Council has been the government target of bringing 100% of social homes up to the decent home standard. The Council has invested in its HRA properties to ensure that it meets, and continue to achieve the decent homes standard.
- 10.41 The Council continues to invest in repairs, maintenance and improvement works in order to maximise the life of the assets. The HRA Capital Programme shows planned expenditure of £15m for 2022/23.

Statutory Capital & Treasury Reports

- 10.42 In recognition of the importance of capital investment in asset and treasury management to Council activities, CIPFA and central government have compiled codes of practice and regulations for Councils to follow. These ensure that Councils have effective processes and practices in place to control, manage and govern capital investment decisions, that include borrowing and treasury management practices.
- 10.43 The requirement on local authorities in relation to this statutory guidance is that they should “have regard” to such guidance and each year must produce a number of documents/strategies for approval by council or a nominated body.
- 10.44 The various statutory reports are as follows:
- Capital Strategy (high-level report covering the basics of capital programme, treasury management and investments for service commercial reasons) – Appendix G.
 - Investment Strategy (disclose the contribution that investments make “towards the service delivery objectives and / or place making role of the local authority – Appendix H.
 - Treasury Management Strategy (the Chartered Institute of Public Finance and Accountancy’s Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) requires the Council to approve a treasury management strategy before the start of each financial year. The strategy outlines a framework within which the Council manages its cash flows, borrowing and investments, and the associated risks – Appendix I.
 - Minimum Revenue Provision (the process for calculating the annual charge to the revenue account of provision to repay debt incurred in respect of capital expenditure financed by borrowing or other long term credit arrangements (such as PFI) – Appendix J.

11.0 Financial Implications

- 11.1 The Council's financial position has been set out in this report and Members are under a legal obligation to set a balanced budget. In doing so they are obliged, under normal administrative principles, to take into account the various relevant factors, particularly in respect of consultation and equalities. In doing so Members are, of course, entitled to exercise their political judgement, paying regard to the relevant factors rather than being absolutely determined by them.
- 11.2 The budget report sets out a comprehensive picture of the council's finances over the short, medium and long term to assist in the decision making process in setting the 2022/23 budget.
- 11.3 In considering the budget report, a key consideration should be the delivery of the saving programme as it presents substantial management challenges. Again, considerable management attention has been, and is being, devoted to ensure that these can be delivered, but it is important to stress again the inherent risks in delivering such a complex programme.
- 11.4 In addition to the risk of delivery of the savings programme, there remains considerable uncertainty on the future of Local Government funding from 2023/24. In consequence, and following a comprehensive review of budget assumptions, the general reserve is expected to remain at £15m. This level is still relatively low for London, but is not unreasonable.
- 11.5 That said, the budget now proposed is realistic and affordable, albeit challenging. The increases in Council Tax set out, if agreed, will generate significant additional revenue over time, minimising the number of difficult new decisions about funding for specific services to be proposed. If agreed, this budget would provide for affordable services in 2022/23.
- 11.6 Formally, this section of the report is the report of the Section 151 officer to which the Council is required by Section 25 of the Local Government Act 2003 to have regard confirming that if the budget as proposed were to be agreed the estimates made for the purposes of the calculations are robust and the proposed financial reserves are adequate.

12.0 Legal Implications

- 12.1 These are set out in Appendix O.

13.0 Equality Implications

- 13.1 Section six of this report provides more details of the approach to complying with the Equalities Act 2010 and the outcome of equalities impact assessments.

14.0 Consultation with Ward Members and Stakeholders

- 14.1 Section six of this report provides more details of the statutory consultation process with regards to setting the 2022/23 budget.

15.0 Human Resources

- 15.1 Of the proposals identified in Appendix C, there are some where there is a potential impact on staffing and could be subject to redundancy. However, the number of redundancies is not expected to be significant as a result of the voluntary redundancy scheme that took place in 2021.
- 15.2 The Council will apply its Managing Change Policy and Procedure in the application of all restructuring arrangements which have an impact on staff, consulting with staff and trade union representatives accordingly.

Report sign off:

Minesh Patel
Director of Finance

LIST OF APPENDICES

Appendix A	Overall Revenue Budget 2022/23
Appendix B	Medium Term Financial Strategy Model
Appendix C (i)	Savings Delivery Tracker
Appendix C (ii)	Updated Cumulative Equalities Assessment
Appendix D	Budget Scrutiny Report
Appendix E	Capital Programme 2022/23 – 2026/27
Appendix F	Capital Programme – Pipeline Categorisation
Appendix G	Capital Strategy 2022/23
Appendix H	Investment Strategy 2022/23
Appendix I	Treasury Management Strategy 2022/23
Appendix J	Minimum Revenue Provision (MRP) Statement 2022/23
Appendix K (i)	Reserves Strategy 2022/23
Appendix K (ii)	Schedule of reserves
Appendix L	CIPFA Financial Management Code
Appendix M (i)	Fees & Charges Policy
Appendix M (ii)	Fees & Charges Schedule
Appendix N	Summary of Budget Consultation
Appendix O	Legal Advice
Appendix P	Pay Policy Statement 2021/22
Appendix Q	Council Tax setting committee

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Appendix A: Overall Revenue Budget 2022/23

The table below sets out the revenue budget for each directorate in 2022/23 and how this has changed from the 2021/22 budget.

	2021/22 Current Budget* £m	Growth £m	Savings £m	Technical Adjustments £m	2022/23 Approved Budget £m
Service Area Budgets					
Community Wellbeing	124.7	0.0	(0.7)	0.0	124.0
Children & Young People	52.8	0.0	(0.3)	0.0	52.5
Regeneration & Environment	43.5	0.0	(0.3)	0.0	43.2
Customer & Digital Services	22.9	0.0	(0.6)	0.0	22.4
Assistant Chief Executive	9.0	0.0	(0.1)	0.0	8.9
Chief Executive's Departments	16.3	0.0	(0.3)	0.0	16.0
Total Service Area Budgets	269.2	0.0	(2.2)	0.0	267.0
Central Budgets	37.1	** 29.1	(0.5)	(9.6)	56.1
Total Budget Requirement	306.3	29.1	(2.7)	(9.6)	323.1
Funding					
Business Rates	95.0	0.0	0.0	0.6	95.6
Revenue Support Grant	25.1	0.0	0.0	0.7	25.8
Specific Grants	50.5	0.0	0.0	11.5	61.5
Council Tax	135.7	0.0	0.0	4.5	140.1
Total Funding	306.3	0.0	0.0	17.3	323.1

* Current budget excludes one-off adjustments in 2021-22, for instance transfers to and from reserves

** Departmental growth to be allocated during 2022/23

Taxbase - Band D Equivalent	98,730
Brent Council Tax Requirement at Band D	£1,419.48
Brent % Increase	2.99%
GLA Precept	£395.59
GLA % Increase	8.78%
TOTAL BAND D including Precepts	£1,815.07
TOTAL % Increase	4.20%

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Appendix B: MTFS Model

CHANGES TO THE BUDGET YEAR-ON-YEAR	BUDGET	ADJUSTMENTS			BUDGET	Relative Changes
	2021/22 £m	Growth £m	Savings £m	Technical £m	2022/23 £m	
Base Budget	306.3				306.2	
Growth						
Demography		3.5			3.5	
Allocation of Existing Grants		2.2			2.2	
Allocation of New Grants		7.5			7.5	
Inflation						
- Payroll		3.0			3.0	
- Contracts		3.5			3.5	
Technical		1.4			1.4	
Transport		0.8			0.8	
Social Value		1.5			1.5	
Capital Financing		0.2			0.2	
COVID-19		(4.0)			(4.0)	
		19.6				
Savings						
Community and Wellbeing			(0.7)		(0.7)	
Regeneration and Environment			(0.3)		(0.3)	
Children and Young People			(0.3)		(0.3)	
Assistant Chief Executive			(0.1)		(0.1)	
Chief Executive			(0.3)		(0.3)	
Customer and Digital Services			(0.6)		(0.6)	
Corporate			(0.5)		(0.5)	
			(2.7)			
	306.3				323.1	
Funding						
RSG	(25.1)			(0.7)	(25.8)	
Business Rates	(95.0)			(0.6)	(95.6)	
Council Tax	(135.7)			(4.5)	(140.2)	
Specific grants	(50.5)			(11.1)	(61.5)	
	(306.3)				(323.1)	

MTFS ASSUMPTIONS	
Growth	The growth proposals in the budget are largely responsive in nature rather than introducing new service provision. This is in line with the policy outlined in the main report that a well-run council does not implement policies in an election year that will tie the hands of the incoming administration.
Demographic Growth	This largely relates to changes in the make up of the population due to ageing (CWB) and demand pressures on the placements, transitions/homecare and children with disabilities budgets (CYP).
Allocation of Existing Grants and other technical adjustments	Previously, additional grants over and above core funding for the Improved Better Care Fund and Social Care Grant were allocated in-year as one-off transfers to avoid the risk to the base budget, if there were a reduction in grant in future years. Experience indicates that this is unnecessarily prudent. The additional grant amounts have therefore been allocated as part of budget setting to CWB and CYP. Other technical adjustments include reprofiling adjustments necessary as part of balancing the two year 20/21-22/23 budgets. Therefore, this is not new or additional funding.
Allocation of New Grants	This is the expenditure to be funded by the 2022/23 Services Grant (£6.1m), Lower Tier Services Grant (£0.9m) and Market Sustainability and Fair Cost of Care Fund (0.9m) announced as part of the Local Government Finance Settlement. It is unclear whether this funding will be available in future years.
Indexation	
- Pay	This assumes that pay increases, both due to the annual pay award and grade drift, equate to 2.5% of the payroll each year of the MTFS.
- Contracts	General contract inflation is assumed to average 2% in 2022/23, which will cost £3m, with a higher amount forecast to be required in future years. A further £0.5m has been allocated for the cost of paying providers for the uplift caused by the annual increases to bring the national living wage up to 60% of median earnings.
Technical Growth	These relate to additional public health expenditure to match the increase in grant, pension fund contributions and growth in levies.

Transport	The Council's largest requirement for passenger transport comes from the provision of home to school transport for children and young people with Special Educational Needs (SEN) who have a statement requiring the provision of a specific type of education, normally at a special school or unit catering for their particular educational need. Where the statement identifies a need for the learner to be transported to and from school, the Authority has a statutory duty to provide the required transport. The projection is that there will be an estimated 8% annual net increase in passenger numbers. £0.8m has been assumed as needed to meet these additional costs in 2022/23.
Social Value	The Council has a commitment to paying LLW where possible, including enabling contractors/providers to pay their workers LLW. This has a particularly large impact on the provision of homecare, which is expected to utilise the majority of this growth. The remainder will be utilised on planned reprocurments in the coming year where LLW is required.
Capital Financing	Interest and debt repayment costs for the capital programme.
COVID-19	The credit amounts shown here represent the phased reversal of growth allocated to departments in 2021/22 to manage the financial impact of COVID-19.
Savings - Full Details in Appendix C	There are no new savings in this budget. The £2.7m shown here is made up of £1.77m of savings agreed in February 2020 and £0.95m of savings agreed in February 2021. The MTFS indicates that £12m of savings will need to be identified across 2023-24 and 2024-25.
Funding	
RSG	The 2022/23 RSG amount of £25.8m has been determined using the 2021/22 amount plus the September CPI inflation increase of 3%. It is anticipated that future years will be calculated in the same way.
Business Rates	The three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Top Up amounts) have all remained at their 2021/22 levels, due to the government's decision to freeze business rates nationally; however, an additional grant will be available to compensate for inflation. The £0.6m increase shown here relates to an additional grant that will be available to compensate for inflation.
Council Tax	The increase in Council Tax income arises from a 2% increase in Council Tax and a 1% adult social care precept. This is coupled with other changes which increase the tax base and reduce the assumed collection rate.
Specific grants	The Government has largely increased existing specific grants based on the September CPI rate of 3%. A new one-off 2022-23 Services Grant has been provided to cover various new burdens, such as the increase in employer's national insurance contributions. For social care, the government has provided an additional amount of Social Care Grant and a new Market Sustainability and Fair Cost of Care Fund. These cover New burdens arising from reform of the care system and are therefore fully committed to fund anticipated additional expenditure. As all of the additional funding relates to new burdens, it does not provide any additional unallocated resources.

Appendix C (j): MTFS Savings Delivery Tracker 2021/22 - 2022/23

Department	Index	Reference	2021/22 original saving (£000)	2022/23 original saving (£000)	Savings on track to be delivered (£000)	Slippage on delivery but still achievable (£000)	Description	RAG Status	Comments / Mitigating Actions
Community Wellbeing	2021-23 CWB 001	Reablement	460	120	320	260	Delivering the outcomes of the Newton Europe project, to increase the number of people going through Reablement, create better quality Reablement and clearer pathways, and minimise costs. Make further savings by reducing local authority contributions to rehab (health) element of the service.	Green	£200k of this has already been achieved through no longer contributing to the pooled budget. The remaining £380k will be achieved through improved reablement care practices which should reduce the need for ongoing adult social care packages after reablement care packages have been completed. Currently it is likely that reablement will be delivered in-house, however the implementation timeline has been been delayed.
Community Wellbeing	2021-23 CWB 003	Placement Review	250		250		Continuing robust challenge of individual package costs based on evidence as part of annual placement reviews.	Green	These savings will be achieved throughout the year as care placements are reviewed and fee reductions achieved through re-negotiated fees and step downs in care requirements
Community Wellbeing	2021-23 CWB 004	Deprivation of Liberty Safeguards (DoLS) provision	30		30		Best Interest Assessments (BIAs) could be done internally; cost savings based on options including payment to staff vs external BIAs.	Green	On track to deliver this saving.
Community Wellbeing	2021-23 CWB 005	Community Care recommissioning	750		750		Recommissioning all external day care / homecare provision, restructuring provision into a new, lower cost model and inclusion of Public Health (PH) outcomes into new model of delivery which will be part funded from the PH grant.	Green	Will be achieved through homecare reprocurement which will be completed by January 2021.
Community Wellbeing	2021-23 CWB 006	Properties to relieve Temporary Accommodation	1,430	560	1,990		Additional properties obtained which reduce demand for Temporary Accommodation.	Green	Savings are on track to be delivered
Community Wellbeing	CWB C2	Salaries Capitalisation	100		100		Capitalising more salaries spend within the Housing Partnerships Service.	Green	Savings are on track to be delivered
Community Wellbeing	CWB C3	Concessionary Fares / Freedom passes	1,000		1,000		Freedom Passes cost the Council £15m per annum and the charge in based on usage over the last two years. A reduction in charges are anticipated as a result of the pandemic. The current estimates from TFL indicate a 2-year benefit of £1m which is the midpoint of the best and worst case scenarios provided by TFL.	Green	Savings are on track to be delivered
Sub Total			4,020	680	4,440	260			
Regeneration & Environment	2021-23 R&E 001	General Efficiencies across R&E	215		215		A review of the forecast underspends across the department to identify underspends that are recurring.	Green	On track to deliver this saving, though may be subsumed into a larger extended savings exercise now necessary as part of the medium term financial strategy (MTFS).
Regeneration & Environment	2021-23 R&E 002	Lighting Maintenance	140		140		10% efficiency saving from new lighting maintenance contract	Green	Savings are on track to be delivered
Regeneration & Environment	2021-23 R&E 003	Schemes/Drainage fees	100		100		Increase the level of fees applied to the delivery of large scale funded infrastructure improvement projects	Green	The Highways revenue budget is reliant on TfL LIP (Local Implementation Plan) funding which has been significantly reduced due to severe financial pressures. The ability to increase income from fees now very limited. Covid budget growth has been received to offset the non-delivery of this saving.

Department	Index	Reference	2021/22 original saving (£000)	2022/23 original saving (£000)	Savings on track to be delivered (£000)	Slippage on delivery but still achievable (£000)	Description	RAG Status	Comments / Mitigating Actions
Regeneration & Environment	2021-23 R&E 004	Damage Cost Recovery		50	50		Deploying an officer to more proactively recover the cost of repairs from developers and builders causing damage to the public highway.	Green	Savings are on track to be delivered
Regeneration & Environment	2021-23 R&E 005	Building Control Fees Review	50			50	a) Charge more - increase Building Control (BC) published fees by 10% (up to 15 dwellings) b) more business from in-house	Green	One-off covid growth funding has been allocated for 2021/22 which will cover the slippage of this saving. On track to be achieved in 2022/23.
Regeneration & Environment	2021-23 R&E 006	Brent Transport Services move		150		150	Relocating buses back to Brent from Harrow to reduce operating times and costs	Amber	There is a risk of delay to this saving being achieved due to a delay in appointing a consultant to review the service and identify where savings can be made
Regeneration & Environment	2021-23 R&E 007	Pre-app service; review basic and enhanced offer	5		5		Review fees and charges for 'place making' advice as part of enhanced pre-app service	Green	Still achievable in that fees will increase; however covid impact on volume of work unknown
Regeneration & Environment	2021-23 R&E 009	Apprenticeship levy commercial offer	15	30	45		Offer to businesses on how to use the apprenticeship levy	Green	Alternative savings will be found within R&E. Not achievable in the initially intended form. There are proposals nationally to reform the Apprenticeship Levy. We will await these changes before progressing any proposals.
Regeneration & Environment	2021-23 R&E 011	Facilities Management contract review	70		70		Utilise 12 month contract extension (July 2010 - June 2021) agreement to explore opportunities and impacts linked to savings.	Green	On track to be delivered
Regeneration & Environment	R&E A1	Capitalisation	340		340		Allocating activity to capital projects enabling costs to be transferred from General Fund (GF) to capital	Green	Savings are on track to be delivered
Regeneration & Environment	R&E A2	Brent Transport Service		100		100	A review of the commercial aspects of the service to identify operational efficiencies, particularly with respect to route rationalisation, parking arrangements and on-bus support requirements. This will extend to a joint review with Children and Young People (CYP) of what opportunities there might be to promote and facilitate better take-up of independent travel by pupils.	Amber	There is a risk of delay to this saving being achieved due to a delay in appointing a consultant to review the service and identify where savings can be made
Sub Total			935	330	965	300			
Children & Young People	2021-23 CYP 001	Clawback of unused Direct Payments	25		25		Implementation of card payments for Direct Payment clients means the service will be able to reclaim unused or overpaid funds immediately. For a variety of reasons direct payments may no longer be required by a family for the purposes of supporting their child. At present there is a risk that payments can continue for several months before they are amended. The card system will allow officers to identify overpayments and reclaim these rapidly. CWD Direct Payments value £500k per year. A 5% clawback rate would equal £25K.	Green	Savings on track to be delivered. Regular reviews will be undertaken to identify funds to be clawed back.

Department	Index	Reference	2021/22 original saving (£000)	2022/23 original saving (£000)	Savings on track to be delivered (£000)	Slippage on delivery but still achievable (£000)	Description	RAG Status	Comments / Mitigating Actions
Children & Young People	2021-23 CYP 002	Short Breaks Centre	50			50	It is proposed that existing spare capacity of respite beds/nights at the Ade Adepitan Short Breaks Centre (SBC) will be sold to neighbouring authorities at market rates. The intention is to sell the beds at £730 per night for planned stays and £910 for emergency bookings. Selling the nights will reduce voids at relatively low marginal cost as payments for the management, building and other operational costs are met from within the existing budget.	Amber	Due to the impact of the Covid-19 pandemic there have been fewer children using the facilities. The saving is dependent on neighbouring authorities purchasing beds at the centre.
Children & Young People	2021-23 CYP 003	Adjusting resources in demand led budgets	150			150	The rate of Looked After Children per 10,000 of population is historically low in Brent and the current rate is low when compared to statistical neighbours. Although with expected population growth this number is likely to increase, it should however be in line with the current statistical measure. With the assumption that this low rate continues over the next 18 months a reduction in the budget in line with posts currently being held vacant could be implemented to align resource to demand.	Amber	Saving assumption to be reviewed due to an increase in caseloads in the the LAC & Permanency service.
Children & Young People	2021-23 CYP 004	Review and zero base other service area budgets	100		100		Review and zero base other service area budgets to achieve and accumulate minor savings. Budget analysis to be carried out on non-staff and non-frontline service budgets across CYP. The exercise will concentrate on those budgets which have historically underspent or which represent discretionary spend. For example; 1. The CYP Learning and Development budget is centralised in the SQA service area, and has underspent in recent years. A costed plan could be designed to meet key requirements, such as ensuring Continuous Professional Development for social workers, and deliver a saving.	Green	On track to be delivered
Children & Young People	2021-23 CYP 005	Increased income target for the Gordon Brown Centre	50			50	Increased income target for the Gordon Brown Centre. The Centre has benefitted from recent capital investment, and successful summer trading in 2019 indicates a forecast surplus of £50k against the current net zero budget.	Amber	There has been reduced income due to Covid-19 restrictions which limited the centre's capacity and the activities that it could offer between April and June 2021. For example, there were no residential visits. This led to a significant fall in income. Since June, following the lifting of some restrictions in May, the centre has been able to host residential visits, albeit within some continuing restrictions. With the lifting of nearly all restrictions from 19 July, the centre is now able to operate at full capacity.
Children & Young People	2021-23 CYP 006	10% saving on commissioning	50		50		10% saving on commissioning when contracts become due. The CYP procurement forward plan identifies a number of contracts which are due to go out to tender for new contracts to commence for April 2021, including for Speech and Language Therapy services and Mental Health and Wellbeing services.	Green	On track to be delivered

Department	Index	Reference	2021/22 original saving (£000)	2022/23 original saving (£000)	Savings on track to be delivered (£000)	Slippage on delivery but still achievable (£000)	Description	RAG Status	Comments / Mitigating Actions
Children & Young People	CYP A3	Gordon Brown Centre		300	300		An expanded use of the Centre, either supporting families with children at risk of being taken into care or as a residential provision for Looked After Children, would realise either cost avoidance or additional income.	Green	This project is underway. A cross-departmental working group is in place to identify options and plan for the additional provision.
Children & Young People	CYP B1	Integration with health	180		180		Opportunities to deliver more efficient commissioning and service delivery, building on established joint commissioning, have previously been identified with health partners. It is proposed that these opportunities are revisited by Brent Council commissioning and/or directly providing provision on behalf of Brent Clinical Commissioning Group (CCG) to deliver more efficient services and achieve savings.	Amber	CYP Commissioning & Resources team is working with Health and Public Health colleagues to review commissioning approaches with the aim to realise efficiencies.
Sub Total			605	300	655	250			
Assistant Chief Executive	2021-23 CE 003	Efficiency savings		100	100		Efficiency savings within Assistant Chief Executive	Green	Savings are on track to be delivered
Assistant Chief Executive	ACE A1	Executive support team	52		52		Delete 1.5 scale 4 posts (Executive support asst)	Green	Savings are on track to be delivered
Assistant Chief Executive	ACE A2	Governance	10		10		Deletion and realignment of post (NB: this is contingent on staying with virtual or physical meetings i.e. not moving to hybrid meetings)	Green	Savings are on track to be delivered
Assistant Chief Executive	ACE A3	Chief Executive Office	30		30		Reduce various small budget lines	Green	Savings are on track to be delivered
Sub Total			92	100	192	-			
Chief Executive	2021-23 CE 001	Efficiency savings		100	100		Efficiency savings within Legal, Human Resources (HR), Audit & Investigations	Green	Savings are on track to be delivered
Chief Executive	2021-23 CE 002	Efficiency savings		100	100		Efficiency savings within Finance	Green	Savings are on track to be delivered
Chief Executive	CE A1	Reduce an assistant account post		50	50		This saving can be achievable through efficiencies expected from the Oracle Cloud implementation, for example through more efficient working practices	Green	Savings are on track to be delivered
Chief Executive	CE A2	Energy savings	100		100		Savings are expected from reduced energy usage from council owned buildings.	Green	Savings are on track to be delivered
Chief Executive	CE B2	Restructure in a Legal Team	60		60		Reduce Principal Lawyer posts by 1 enabling a team restructure	Green	Savings are on track to be delivered
Chief Executive	CE B5	Restructure in an HR team	50		50		Delete two roles and redistribute essential functions. Cease routine Occupational Health (OH) checks on new recruits.	Green	Savings are on track to be delivered
Sub Total			210	250	460	-			
Customer & Digital Services	2021-23 CDS 001	ICT Client and Application support - Income generation	80		80		Increase in income generated from charging for IT support	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 003	ICT Client and Application support - Printing Costs	40		40		Expected reduction in printing costs	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 004	ICT Client and Application support - Salaries		160	160		ICT Client & Applications staffing efficiencies	Green	Savings are on track to be delivered

Department	Index	Reference	2021/22 original saving (£000)	2022/23 original saving (£000)	Savings on track to be delivered (£000)	Slippage on delivery but still achievable (£000)	Description	RAG Status	Comments / Mitigating Actions
Customer & Digital Services	2021-23 CDS 005	ICT Client and Application support - Oracle changes budget	20		20		Reduction in changes to the current Oracle system	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 006	Merger of Housing and BCS contact centre	50	50	100		Merger of Housing and Brent Customer Service (BCS) contact centre	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 007	Reduction in Postal Costs		30	30		Reduction in Postal Costs	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 008	Savings from new Council Tax Support scheme	50		50		Staff saving arising out of the new, simplified, Council Tax Support scheme	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 009	Increased automation in Customer Services	50	50	100		Increased automation in Customer Services	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 010	Replace IEG (on line benefits form)		75	75		Replace IEG (IEG is external company) (on line benefits form)	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 011	Staffing efficiencies in Customer Services	50	95	145		Staffing efficiencies in Customer Services	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 012	Transformation - Staffing efficiencies		100	100		Staffing efficiencies	Green	Savings are on track to be delivered
Customer & Digital Services	CDS A2	Customer Service Operations	75		75		A full review of the customer front face offer in the Civic Centre would take place from autumn 2020 onwards. The intention would be to retain a 4 hours a day 5-day week service managed by customer services (as has been the case since July 2020). In addition to this, it is proposed to establish an additional Hub in the Civic Centre in line with the current 5 community hubs. This would enhance the support on offer at the civic centre to our most vulnerable residents.	Green	Savings are on track to be delivered
Customer & Digital Services	CDS A4	Revenue and Debt	75		75		Reduction of vacant Enforcement Service Manager P06 post. Post is currently vacant.	Green	Savings are on track to be delivered
Customer & Digital Services	CDS A5	Resilience contract	100		100		Review of benefits assessment process, review of the Scale 6 Assessment Officer posts and reduction in use of the resilience contract.	Green	Savings are on track to be delivered
Sub Total			590	560	1,150	-			
Corporate	CORP A1	Reduction in procurement spend	500	500	1,000		This new work stream consists of an ongoing procurement and contract management review, covering new procurement activity, re-scoping of contracts and reviewing inflationary uplifts.	Green	This saving is expected to be delivered following a review of procurement spend and upcoming contract renewals by the Commissioning and Procurement Board
Corporate	CORP A2	Voluntary Redundancy Scheme	1,500		1,500		The voluntary redundancy scheme closed in October 2020 and based on the number of accepted applications c£1.5m can be saved from the budgeted establishment.	Green	Savings have been delivered

Department	Index	Reference	2021/22 original saving (£000)	2022/23 original saving (£000)	Savings on track to be delivered (£000)	Slippage on delivery but still achievable (£000)	Description	RAG Status	Comments / Mitigating Actions
Sub Total			2,000	500	2,500	-			
Grand Total			8,452	2,720	10,362	810			

Appendix C (ii): Cumulative Equalities Assessment: Budget Proposals 2021/22 – 2022/23

1 INTRODUCTION

The purpose of this equality assessment is to provide an analysis of the likely impact of the council's budget savings proposals on residents and community groups with 'protected characteristics' as defined by the Equality Act 2010. The nine protected characteristics are: age, disability, gender reassignment, marriage and civil partnership¹, race, religion or belief, sex and sexual orientation, pregnancy and maternity. Section 149, Public Sector Equality Duty (PSED) of the Equality Act 2010 requires the council in the exercise of its functions to have regard to the need to:

1. Eliminate discrimination, harassment, and victimisation and any other conduct prohibited under the act;
2. Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not;
3. Foster good relations between persons who share a relevant protected characteristic and those who do not.

Whilst not a statutory requirement, it is our policy that where relevant an equality analysis should also cover socio-economic equality implications.

Equality, diversity and inclusion are key priorities for the council. Our Equalities Strategy drives forward this work and seeks to embed equalities in everything we do. We seek to ensure that all residents, employees and stakeholders are treated fairly and receive appropriate, accessible services, and fair and equal opportunities. This commitment requires that equality considerations play a key role in our decision-making processes and in understanding the effect of our policies and practices.

Approach to considering equalities

As part of our budget-setting process, all budget savings proposals are subject to an Equality Analysis (EA) screening, which helps to establish their relevance to the council's equalities duties and determine whether a full EA is required. The screening assesses the potential or likely impact on service users and employees with protected characteristics. Guidance issued to all officers on how to undertake an EA, provides that a full EA will not be required if it is clearly demonstrated that there will be no negative equality impacts.

¹ Bullet points 2 and 3 do not apply to marriage and civil partnerships.

This document highlights the equality impacts for the 16 2021/22 to 2022/23 budget proposals. Individual EA screenings for each proposal and full Equality Analyses are attached.

Initially, two proposals – CDS A2 (customer access) and R&E A2 (passenger transport) – were identified as requiring a full EA. Following review of all 16 budget proposals by the equality team, there were a further two proposals where it was felt more information was required, and requests were made for EAs for these as well – CYP A3 (Gordon Brown Centre) and CYP B1 (integration with health). The equality impacts concerned with these four proposals are summarised in this report. The council must carefully consider and have regard to the impact of its savings proposals on the PSED; and take a reasonable and proportionate view regarding the overall impact and seek to mitigate negative impacts where possible.

It is important to note EAs are living documents and if - as projects/proposals develop and further evidence of impacts becomes available – any unforeseen impacts emerge, they should be reviewed.

Overall Assessment

The proposed budget saving proposals are considered reasonable and have shown due regard to the PSED.

One of the savings proposals may have a temporary negative impact on equality of opportunity and may have a negative impact on opportunities to promote good relations.

Some of the proposals have the potential to cause a positive impact on equality of opportunity – specifically in relation to the safeguarding and embedding of services that target and provide support and services to some of our most vulnerable residents

These impacts will be kept under review, as well as any other others that are identified during the timeframe of the live EAs.

2 DEMOGRAPHY OVERVIEW

Key facts about Brent's demographic profile are taken from the data sources [Population change in Brent](#) and the [Equality profile of Brent](#). They show the make-up of the borough, help us to identify potential impacts; and identify the increasing pressures and demand for council services.

- Brent is home to around 327,800 residents and is the ninth largest borough in London.
- The borough has a population density of 7,580 people per square kilometre – the 14th highest density in England, and the highest in Outer London.
- Brent has high levels of population churn: in 2017-18, 32,600 people moved into the borough and 34,000 moved out – a turnover rate of 201 per 1000 population – 24th highest out of 317 areas in England, and second highest across Outer London.
- Brent's population increased by 25% between 2000-2018. Population growth has been slowing in recent years, and has now stalled: ONS estimates suggest the population of Brent fell by around 0.9% between mid-2018 and mid-2020 (-3,000 residents). This period includes events like the Brexit transition, as well as the first 3 months of the pandemic lockdown.
- Over the long-term, The Brent population is expected to grow by around 17% between 2020 and 2041. If realised, this would equate to an additional 56,900 residents by 2041. Pre-pandemic, projections had been suggesting higher growth of around 24%. This is consistent with changes to London-wide projections, which have been revised downwards as a result of the pandemic. T
- In line with national trends, the population is ageing: by 2041, the number of Brent residents aged 65 and over is projected to increase by 78% – an additional 334,000 older residents by 2041. The child population is only expected to see little change over the same period, increasing by only 1% over the same period.
- Population growth will be concentrated in the areas where significant housing development is planned. The wards of Tokyngton and Alperton are expected to see the fastest growth: considered together, they are projected to accommodate an additional 33,200 residents by 2041.

A summary of the key protected characteristics in Brent are as follows:

Age

- Brent has a relatively young population. In 2018, the median age of the population was 36 in Brent, the same as in London, but five years lower than the national average (40 years, England). In Brent, 30% of the population is aged over 50 compared with 38% across England. Conversely, 31% of the borough's population is aged 25-44 compared with 26% in England. Brent has a higher proportion of children aged under ten compared with England (14% vs. 12%). The population has been ageing in recent years and this is expected to continue.

Disability

- Around one in seven Brent residents have a long-term health problem or disability that limits their day-to-day-activities in some way. The prevalence of disability rises sharply with age: more than half of all residents aged 65 and over had a long-term health problem or disability.

Gender reassignment

- The Government Equalities Office tentatively estimates that around 0.3-0.8% of the UK population are transgender. Since the Gender Recognition Act came into force, only a small minority have obtained a Gender Recognition Certificate: 0.009% of the UK population (5,871 people across the UK since 2005).

Marriage and civil partnership

- In 2017, 902 marriages or civil partnerships took place in Brent – of these, 23 (2.5%) were same sex marriages or civil partnerships.

Pregnancy and maternity

- Brent has relatively high birth rates. In 2019, there were 4,919 births in Brent – which equates to 72.6 births per 1,000 women aged 15 to 44 – well above the national rate (57.7); the seventh highest fertility rate in England. Three quarters of all births in Brent were to women born outside the UK (75%) – this is the highest rate in England, reflecting the diversity of the borough's population.

Race

- Two thirds (64%) of the Brent population are from Black, Asian and minority ethnic groups. Brent's largest single ethnic group is the Indian population – who comprise 17% of residents – the fourth largest in London. Brent is the third most ethnically diverse borough in London, after Newham and Redbridge.

Religion or belief

- The borough's three largest religious groups are Christian (41%), Muslim (19%) and Hindu (18%). Overall, 82% of residents had a religion – the fourth highest rate in England and Wales. The borough has the second largest Hindu population in England and Wales, and the 10th largest Muslim population (as a percentage of the population).

Sex

- The gender split in the population is 51% male and 49% female. The proportion of men is highest in the 20-39 age group where they comprise 55% of the population. In contrast, women make up a higher proportion of the Borough's elderly population: 61% of those aged 85 and over are female.

Sexual orientation

- Statistics about the size of the Lesbian, Gay and Bisexual (LGB) population vary considerably and there is no single widely accepted measure. The 2020 GP Patient Survey found that 7.4% of Brent residents surveyed identified as Lesbian, Gay, Bisexual or 'Other' – close to the London average (7.1%) but above the national rate (4.5%).

3 IMPACT OF SAVING PROPOSALS

Summary of 21/22 – 22/23 budget proposals

Although initial equality screenings have been undertaken to ascertain impact in terms of the Public Sector Equality Duty (PSED), some of the proposals are in their formative stages and still to be developed or are subject to consultations. Consequently, as the proposals are developed further equality analysis will be undertaken to assess the PSED. It is important to note that several of the proposals have identified no impact on the PSED.

The proposals are:

Chief Executive

- CE A1 Finance – Reduce an assistant account post
Savings achievable through efficiencies expected from implementation of the Oracle cloud, and more efficient working practices. No impact on the PSED.
- CE A2 Finance – Energy savings
Savings are expected from reduced energy usage in council-owned buildings. No impact on the PSED.
- CE B2 Legal services – restructure in legal team
Reduction of principal lawyer posts by one, enabling a team restructure.
- CE B5 HR – restructure in HR team
Deletion of two posts and redistribution of essential functions. Cessation of routine Occupational Health checks on new recruits.

Assistant Chief Executive

- ACE A1 Executive & member services – Executive support team
Deletion of 1.5 vacant posts (executive support assistant). No impact on PSED.
- ACE A2 Executive & member services – Governance
Deletion and realignment of posts (NB proposal is contingent on staying with virtual or physical meetings i.e. not moving to hybrid meetings).
- ACE A3 Executive & member services – Chief Executive Office
Reduction of various small budget lines. No impact on the PSED.

Children & young people

- CYP A3 Gordon Brown Centre
Expanded use of the centre, either supporting families with children at risk of being taken into care or as residential provision for Looked After Children, to realise either cost avoidance or additional income. A full Equality Analysis was requested for this proposal.
- CYP B1 Integration with health
Opportunities to deliver more efficient commissioning and service delivery. A full Equality Analysis was requested for this proposal.

Community wellbeing

- CWB C2 Housing – salaries capitalisation
Increase the level of staff costs that are capitalised within Housing Partnerships annually, leading to a reduction in the revenue budget required. No impact on PSED.

Customer & digital services

- CDS A2 Operations – review of front-face offer
Full review of customer offer, including creation of a new Civic Centre community hub. A full Equality Analysis was requested for this proposal.
- CDS A4 Customer services – revenue and debt
Reduction of vacant enforcement service manager post. No impact on the PSED.
- CDS A5 Customer services – resilience contract
Review of benefits assessment process and scale 6 assessment officer posts.

Regeneration & environment

- R&E A1 Capitalisation
Transfer of costs from General Fund to Capital. No impact on the PSED.
- R&E A2 Brent Transport Service
Review of commercial aspects of the service to identify operational efficiencies. A full Equality Analysis was requested for this proposal.

The proposed savings look to generate income for the council, or have other positive impacts on service users. Few proposals were identified during the screening process as having an anticipated negative impact. Each proposal's Equality Analysis is summarised below.

CYP A3 Gordon Brown Centre

The Gordon Brown Centre is a very large, residential holiday activity centre that is owned and run by Brent Council. The proposal is for an expanded use of the centre, either supporting families with children at risk of being taken into care, providing respite or as a residential provision for Looked After Children. The intention is that these measures would realise either cost avoidance (by enabling savings to the placements budget by not needing to purchase expensive facilities outside of the borough) or additional income. The use of capital investment in previous budget years has enabled the council to take this decision.

The measures will potentially provide Looked After Children with greater sufficiency of accommodation, and enhanced support for families with children that are at risk of being taken into care. It will also ensure the ongoing viability of the centre (particularly during this period of pandemic) and will therefore safeguard the asset for use of children who have no access to the countryside due to a range of factors, including socio-economic deprivation.

An initial concern was that expanding the use of the centre might negatively affect the provision of the centre's current educational and holiday opportunities for Brent children. These concerns are fully mitigated given the sheer size of the centre, as there is ample space for the expanded usage. No negative impacts are anticipated on protected groups. The proposal is likely to bring positive impacts in terms of better placement provision and the ongoing viability of the Gordon Brown Centre, safeguarding the provision for those who need it.

CYP B1 Further integration of commissioning with health

The proposal sets out to achieve savings by delivering more efficient joint commissioning with health partners. The new North West London health planning arrangements will provide opportunities for more efficient services, both through an Integrated Care System at NW London level for commissioning, and Integrated Care Provider teams at borough-level.

Contracts in scope are those that provide services for the council and/ or Clinical Commissioning Group across the 0-25 age range. This includes therapies (e.g. speech and language therapy; occupational therapy), mental health and wellbeing services, health services for Looked After Children, complex care packages and services commissioned to ensure school readiness. The aim is to realise savings by delivering more efficient pathways for service users.

As with any review of commissioned services, there could be a redesign of statutory and non-statutory services. This will be informed by feedback from service users and demand analysis for each service. Engagement would be undertaken with stakeholders and service users at the point of recommissioning any service. All commissioned services are subject to contract monitoring and evaluation. This includes regular feedback from service users, monitoring complaints and compliments, service data analysis and contract monitoring meetings. Detailed Equality Analyses will be completed at the time of reviewing potential changes to any service within the scope of the proposal.

Negative impacts are not anticipated, nor will services aimed at supporting vulnerable children (e.g. mental health and wellbeing; early help) reduce in scope. Efficiencies will be identified in joint commissioning approaches with health partners. The focus will be to ensure that the most vulnerable children and young people and their families continue to be supported through commissioned services.

CDS A2 Review of customer front-face offer

The proposal is for a full review of the customer front-face offer in the Civic Centre to take place from autumn 2020 onwards. The intention is to retain a 4-hours-a-day, 5-day week service managed by customer services (as has been the case since July 2020).

In addition, it is proposed to establish an additional hub in the Civic Centre in line with the current five community hubs. This would enhance the support on offer at the Civic Centre to our most vulnerable residents.

Analysis has been conducted to understand customer demand, make-up and behaviour. In recent months due to the Covid 19-lockdown and closures, customers have shifted towards using the telephone and on-line tools to access council services.

Service provision since the start of the pandemic has demonstrated that residents can complete more transactions via the website and/ or telephone. This is not universal – older people are less likely to be confident in using digital service facilities. People with learning disabilities and people living with mental health issues may find it more difficult to use the digital service and require assistance or provision in another way. Users whose first language is not English may also find it more difficult to use digital self-service channels. Support will still be in place for residents to resolve queries, especially for the most vulnerable – including access to self-service, training and assistance. Indeed the new Civic Centre hub will provide additional support for those requiring our help. This additional hub will likely have a positive impact in terms of equality of opportunities across key protected characteristics.

Key consultation will take place in the spring, and a further EA will be undertaken in relation to proposal as the new offer is developed.

R&E A2 Brent transport service

The proposal is to relocate parking provision of buses for Special Educational Needs (SEN) children from Harrow to Brent in order to shorten routes and reduce driving times, and therefore create efficiency savings. It is believed that efficiencies can be made on certain routes. The proposal would affect SEN children who currently use the service. Equality monitoring information will be reviewed for passengers affected.

Only routes that provide operational efficiencies and a saving are being considered for relocation. Part of the mitigation will be to ensure that users are involved in the consultation can continue to receive a good service.

The proposal is likely to have short-term negative impacts in terms of the 'disability' and 'age' protected groups, as SEN children are likely to be affected by changes to individual routines, which can cause anxiety. The monitoring information for affected passengers will enable fuller understanding of this and the implementation of mitigating action.

Carers, whilst not protected themselves under the Equality Act 2010, are protected from indirect discrimination if they are caring for someone with a disability. Parent carers of SEN children are also likely to be affected by this proposal as their children would be affected. However in the long-term it is believed that there will be a positive impact for these groups due to shorter journey times and therefore better comfort for passengers. Negative impacts from the changing of routines in the short-term are likely to be mitigated by the long-term outcome of reducing journey times.

Passengers would be consulted on the proposed changes and the proposal is subject to the consultation findings. The consultation would be promoted amongst all stakeholders, including service users and their families. Any changes would be communicated sensitively, thoroughly and in advance to minimise any anxiety caused to passengers. In accordance with the NHS Accessible Information Standard, information would be communicated in a simple and clear way, for example using Easy Read, to ensure that the information and communication needs of passengers affected with a disability are met. Equality analysis would continue to be conducted and reviewed, and any impacts monitored and mitigated against where applicable. Equality monitoring information will continue to be reviewed for passengers affected.

Increase in Council Tax by 2.99% in 2022/23

In order to deliver a legally-required balanced budget, it is proposed to increase Council Tax by 2.99%, where 1% is ring fenced for Adult Social Care and 1.99% is a general increase. This is the maximum increase allowed by government. The proposal will generate an

additional £4.1m of recurring income for the Council and therefore avoid having to make further savings to key council services such as adult social care, children's services, etc. This is a positive impact. The 1.99% increase in Council Tax for general use should have a positive impact on some equality groups as it prevents an additional reduction of £2.7m in the Council's budget

The proposal will impact on all residents in the borough who are liable to pay Council Tax. As the increase has universal application, no one particular group with protected characteristics is targeted. The Council Tax proposal will increase the financial pressure on some households.

In terms of mitigation, the Council Tax Support (CTS) scheme will partially or fully mitigate this impact for those households who are living on low incomes and are eligible for Council Tax support. Further, single households will have the impact mitigated by the 25% discount offered to single households.

Further mitigating actions include staff training to equip officers with the awareness to identify where a discretionary payment may be appropriate, and how such requests should be assessed, and opportunities to improve equality monitoring data. The impacts of the scheme on claimants are being closely monitored. The CTS scheme is also proposed to be reviewed and further analysis on the cumulative impact will be assessed as part of the modelling of the new scheme design – this will include levels of need for Brent residents outside of currently eligible residents.

The impact of the council tax increase would be reviewed alongside the implementation of the new council tax support scheme. The existing powers under Section 13A of the Local Government Act 1992 also allow the Council to reduce Council Tax by up to 100%. The process for applying is detailed on the council's website.

4 CUMULATIVE IMPACTS

The table below summarises the potential cumulative impacts on groups which have a protected characteristic.

Only one EA has identified a potential for negative impacts, on the protected groups of disability and age. However, at this stage the impacts are considered to be short-term and part of a process that will result in service improvements.

Proposal	Age e.g. children, elderly	Disability	Gender Reassign ment	Marriage or Civil Partnership	Pregnancy or maternity	Race	Religion or Belief	Sex	Sexual Orientation	Service Area
Gordon Brown Centre expanded offer (CYP A3)	+1	0	0	0	0	0	0	0	0	CYP
Further integration of commissioning with health (CYP B1)	0	0	0	0	0	0	0	0	0	CYP
Review of customer front-face offer (CDS A2)	0	0	0	0	0	0	0	0	0	CDS
Brent transport service (R&E A2)	-1 (+1)	-1 (+1)	0	0	0	0	0	0	0	R&E
Council Tax increase	0	0	0	0	0	0	0	0	0	Council wide

5 SOCIO-ECONOMIC IMPLICATIONS

Certain groups within the population are more likely than others to live in a low income household. Low income is defined as living on household incomes below £20,000 per year, after tax and deductions (Brent Resident Attitude Survey 2018). In Brent, survey analysis shows that those living on lower incomes are more likely to be: from Black ethnic groups; residents with a disability or long-term illness; older residents; those with no qualifications; those who are not in work; and those who live in social housing.

The proposal regarding increasing council tax has the potential to negatively impact on families and residents from lower socio-economic groups. This will be mitigated through the Council Tax Support scheme (CTS), through early and accessible communication with residents affected, and more effective working with partners to ensure resources are used effectively.

Some of the proposals will be mitigated by early and accessible communication with residents affected, continuing to offer support for vulnerable residents who are not online, for example through the Brent Hubs and digital assistance, and more effective working with partners to ensure resources are used effectively.

6 STAFFING IMPLICATIONS

Of the 16 budget proposals that were subject to an equality screening, four have staffing implications arising from staff restructures or service redesign. Where there are staffing implications for a third party, the council will work with the third party organisation to ensure that the equality implications are understood and appropriate steps taken to minimise any adverse impacts.

To mitigate against compulsory staff redundancies, two proposals will achieve a reduction through giving up vacant posts or through natural turnover. In these cases, it is considered that there will be no impact on characteristic groups. The recent Voluntary Redundancy exercise undertaken by the council has also mitigated against compulsory redundancies.

Whenever the council is required to undertake compulsory redundancies, full EAs will be undertaken as part of the consultation process.

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**Report of the
Budget Scrutiny Task Group**

Scrutiny of the Budget Proposals 2022/23

A Report of the Resources and Public Realm Scrutiny Committee

18 January 2022

Members of the Budget Scrutiny Task Group

Councillor Roxanne Mashari – Co Chair

Councillor Ketan Sheth – Co-Chair

Councillor Shafique Choudhary

Councillor Orleen Hylton

Councillor Robert Johnson

Councillor Sandra Kabir

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1. Introduction

- 1.1. In February 2021, Brent Council agreed a Medium Term Financial Strategy (MTFS) that sought to provide the financial framework for the years 2021/22 to 2022/23. The programme, developed through a combination of effective financial management, cost control and more innovative approaches to investment and demand management, set out the delivery of £11.2m of savings (profiled £8.5m in 2021/22 and £2.7m in 2022/23) in order to deliver balanced budgets over the two year period.
- 1.2. At the time the MTFS was agreed, it was recognised that Brent Council was already operating in a significantly challenging financial environment prior to the outbreak of Covid19, which has compounded pressures across demand led services and income streams. As part of the 2021/22 budget setting process significant growth was built into the MTFS to manage the financial impact on Covid19. This was based on modelling various scenarios against key demand led services and activities that were judged to be particularly sensitive to the impact of Covid19 and government interventions. To date this additional growth has been able to contain the pressures currently being experienced. It should be noted that assumptions are subject to constant change in order to manage uncertainties and risks.
- 1.3. The MTFS provides a framework to invest in the council's ambitions and priorities. This includes:
 - £1m of recurring funding to support the delivery of key strategies, including the Climate Emergency, Tackling Poverty and the Black Community Action Plan
 - £17m to enable a sustainable and inclusive recovery from the pandemic, including communities, supporting businesses, reducing health inequalities and a green recovery.
- 1.4. The Cabinet considered the draft budget on 6 December 2021. The main features of the 2022/23 budget - depending on consultation outcomes - are currently:
 - A council tax increase of 2.99%, making a Band D council tax of £1,419.48 (for the Brent element). The GLA precept, which typically makes up 20% of the overall bill, is currently unknown and is subject to their own decision making.
 - Budget savings proposals (all of which were considered by a budget scrutiny task group in 2020/21) with an aggregate value of £2.7m
- 1.5. The Brent Council Constitution requires that the Cabinet's budget proposals be considered by the Council's Resources and Public Realm Scrutiny Committee (RPRSC). After it has scrutinised the proposals, the Committee is then to submit a note of its deliberations and comments on the proposals to the Cabinet. This report provides the note of the Committee's consideration of the budget proposals, highlighting key points from the Committee.
- 1.6. RPRSC agreed to scrutinise the 2022/23 draft budget through a budget scrutiny task group (BTSG), and it was established on 13 July 2021. The approach taken is laid out in section three of this report.
- 1.7. The task group received reports and oral evidence from Cabinet Members, council officers and other witnesses. Key witnesses included the Cabinet Member for Resources, the Director of Finance, as well as each of the Cabinet Members for their relevant portfolios and service budgets. The full list of participants is provided at the end of this report.
- 1.8. Having considered the council's budget proposals and having questioned the Cabinet Members and senior officers outlined, the BTSG has produced this report. This report will be submitted to the Cabinet and Full Council for consideration, alongside the report from the Director of Finance on final budget proposals (scheduled for 7 February 2022).

2 Recommendations

2.1. The Budget Scrutiny Task Group makes the following recommendations to Cabinet:

Recommendation 1

The task group heard evidence on the sobering situation the council will find itself in as it sets budgets for 2023/24 onwards. Balancing increasing demands and pressures against diminished resources within the budget process will be critical. To mitigate potential impacts on communities the task group recommends that:

- Community involvement and conversation is at the heart of the budget priority setting process for 2023/24, informing what the council does and who it does it for. There is an opportunity to link this into the new Borough Plan consultation process.
- The Cabinet prioritises those in greatest need, and activity to reduce reliance on council services.
- Schemes in place to support people (e.g. the Resident Support Fund) are bolstered.
- The Cabinet increases meaningful employment for people with a mental health concern or disability across all age groups.
- The task group supports the sustainability agenda and retrofitting, and recommends the Cabinet gives consideration to needs of leaseholders and tenants in respect of support provision.

Recommendation 2

The task group heard evidence of the need to develop and deliver a number of lobbying strategies, as outlined below:

- The Cabinet should lobby for increases in the Dedicated Schools Grant (DSG) notably the High Needs Block of the DSG which is currently in deficit. The task group was pleased with the activity undertaken to manage the deficit, but noted this will not be enough to remove the deficit and meet rising demand without increased funding.
- Brent Council and Integrated Care Partnership should lobby the North West London Integrated Care System to ensure Brent gets a fair share of funding.
- The task group noted the plans to conduct investigations into the true costs of retrofitting in eight high rise buildings scheduled for major works in order to support future lobbying activity. The task group recommends that this investigation should also cover the costs of retrofitting street properties.

Recommendation 3

The task group was pleased to observe a very healthy relationship between the council and Brent schools. The task group noted areas where joint activity could be further progressed:

- The development of plans to coordinate and share special educational needs training, knowledge and expertise across the system.
- Work to increase the number of children in the south of the borough choosing to be educated within Brent.

The task group recommends that the Cabinet takes forward these opportunities.

3. Evidence Sessions

Initial session

- 3.1 The initial session was held on 26 August 2021. BSTG heard from officers on the council's latest overall financial position (the July 2021 Cabinet report), the MTFS, the proposed budget setting strategy for 2022/23, the current budget outturn performance and the Covid19 recovery programme.
- 3.2 The BSTG also discussed the approach to be taken to scrutinise the 2022/23 budget proposals. The BSTG agreed to take the following approach to conduct the scrutiny:
- An initial session to agree approach and consider any early evidence
 - A focus group with key voluntary and community sector partners
 - An evidence session focused on community and wellbeing services, including hearing testimony from our school partners
 - An evidence session focused on public realm and resources services, including hearing testimony from the Brent Hubs manager.
 - An evidence session to consider the 6 December 2021 Cabinet papers, the local government financial settlement and emerging recommendations
- 3.3 There were a number of specific areas that the BSTG agreed to scrutinise in depth, specifically:
- The pressure within the Dedicated School Grant and the robustness of approaches taken to ensure that the council is managing spend as far as is possible.
 - The £17m Covid19 Recovery package agreed at Full Council in July 2021 – specifically what this has been allocated to and the speed of delivery.
 - The implications of Covid19 on the adult social care budget, particularly on mental health and long Covid19.
 - The plan to manage the work undertaken on health inequalities when the £700k DLUHC grant comes to an end.
 - The impacts of Covid19 on income from business rates, council tax and HRA rents and whether this is sufficiently taken into account in the proposed budget
 - To test whether the assumptions that were agreed for the 2022/23 budget in February 2021 were still valid.
- 3.4 This approach built on previous budget scrutiny task groups, and with the inclusion of focus groups and partners represented an innovative approach to gain full insight into the MTFS progress and plans. It also enabled the BSTG to consider emerging budget pressures for 2022/23 onwards.

Focus Group

- 3.5 The focus group was held on 3 November 2021. Attendees were invited from across the voluntary and community sector. There were representatives from a mix of larger and smaller organisations, across a wide range of specialist areas. The BSTG sought to understand their experiences, pressures and priorities.
- 3.6 There were areas where attendees thought the council and partners worked well together – key examples were:
- Areas of strong partnership working were identified - particularly the Brent hubs and digital inclusion activity
 - The social value framework is seen as a valuable tool
 - Some organisations felt strong support from the council, particularly in tough times.

- There was a sense of a shared vision – the thematic leads approach seen as strong, with future aims to connect the voices of the small front line organisations to the policy space.

3.7 Some areas of particular focus emerged for future priorities, including:

- How we galvanise how we support the most vulnerable, with this being the key challenge for the budget and the council.
- Food is an issue that needs a strategic partnership approach e.g. sustainability of food networks, costs of food.
- There should be increased investment in prevention and intervention, with pandemic impacts meaning an increased need for one to one support to get people back to where they were.
- That employment for people with a learning disability, with a real route into real and meaningful jobs is vital.
- Housing and housing repairs, private rented sector, and benefits are big issues in presentations to social prescribers.

Community and Wellbeing Evidence Session

3.8 The community and wellbeing evidence session was held on 9 November 2021.

3.9 During the evidence session, the BSTG considered the overall progress against the MTF budget proposals, heard oral evidence, and questioned Cabinet Members, Strategic Directors and other departmental officers. The BSTG considered the departmental budget pressures and the strategies for managing ongoing demand-led pressures. A number of papers were considered.

Children and Young People financial summary and DSG

3.10 The BSTG heard evidence from head teachers (representing primary, secondary and special schools in Brent) in relation to the Direct Schools Grant, in particular the pressures within the High Needs Block of the DSG. Demand has continued to increase and despite additional funding from the Department of Education (DfE) it has not been possible to recover the deficit which began in 2019/20. A longer term financial management plan to recover the deficit has been established.

3.11 Head teachers were requested to outline what the deficit means on the ground, and outline how they are managing. The BSTG heard:

- The ongoing need for SEND has been a year on year issue, complexity of need is growing year on year too. Covid implications and related social care needs have impacted further.
- Schools have lots of well trained, specialist staff and there are strong mechanisms in place for schools to collaborate and partnership working with the local authority was strong.
- Schools are working effectively and supporting children within Brent mainstream provision, and are working proactively to reduce the number of children and young people needing to go on a plan.
- There were concerns that central government was not providing LAs with the funding necessary, and the impacts of moving to a national funding formula

3.12 Officers outlined to the BSTG the three pronged plan to reduce the pressure:

- Managing demand
- Increasing provision
- Financial management

However, even with delivery of this plan, there would still be a deficit. There is a need to lobby central government heavily to address this budget pressure fully.

- 3.13 The Cabinet Member introduced the Children and Young People's department's finance paper. Officers drew the BSTG's attention to the collaborative work with partners – particularly schools and health. Officers outlined how the care elements of health and care plans are funded, and detailed the increasing volume and complexity coming through the family front door – with the complexity most significant. The BSTG heard evidence on the range of pressures, including increasing costs for schools, domestic abuse, county lines activity, unaccompanied asylum seeking children and an increase in neglect in some areas. The BSTG also heard evidence of success earlier intervention, for example speech and language needs. Brent is the sixth lowest funded CYP service in London, but it is not the sixth lowest in terms of need. Officers praised staff and their passion and commitment.
- 3.14 The department has been allocated £1.7m to fund the recovery initiative projects over two financial years that focus on supporting communities and reducing health inequalities. Funded interventions were on track to deliver, and included expansion of the school-based mental health support teams offer.
- 3.15 The savings for CYP over the next 2 years total £0.9m. All savings proposals were subject to a full Equalities Impact Assessment as part of the MTFS process in 2020/21. There is a risk of slippage due to the impact of the Covid19 pandemic, however, this will be offset by the Covid19 funding for 2021/22.

Community and Wellbeing financial summary

- 3.16 The BSTG also considered the finance report of the Community and Wellbeing department. Officers introduced the paper and outlined the savings proposals in place and on track for delivery. Risks and issues are not dissimilar to those already heard at the evidence session e.g. Covid19 implications and changes in funding.
- 3.17 The BSTG heard that Adult Social Care finances have been significantly impacted in 2020/21 by the Covid19 outbreak and the pandemic is likely to have a long-term impact on this service. As part of the 2021/22 budget setting process, additional growth was built into the Medium Term Financial Strategy to take into account Covid19 recovery and continuation of work to address health inequalities and mental health complexities.
- 3.18 The Community Wellbeing department has a £133.6m net budget for the 2021/22 financial year which comprises of a £165.3m expenditure budget and a £66m income target. Based on Quarter 2 financial forecast and assumptions around Covid19 implications, the Community Wellbeing department is forecasting a break-even position for 2021/22. The department's finances have been significantly impacted by the Covid19 outbreak in 2020/21. The 2021/22 budget has been set accordingly and takes into account that some pressures are expected to remain in this financial year.
- 3.19 The increased demand for mental health services is leading to a potential overspend. This is attributed to continuing effects of the prolonged pandemic on mental health. The BSTG heard evidence of the mitigation plans and activity in place to address this.
- 3.20 The department has been allocated £0.5m to fund the council's recovery initiative projects that focus on reducing health inequalities. Projects include activity to tackle childhood obesity, tooth decay and mental health support for families in emergency accommodation. All are on track to deliver.
- 3.21 A total of £3.7m savings were planned from the Community Wellbeing department budgets. This is in addition to the £2m saving that relates to the ongoing New Accommodation for Independent Living (NAIL) programme and was re-profiled from the 2020/21 financial year.

- 3.22 There is an anticipated £0.3m slippage against one of the savings that relates to the creation of the in-house reablement service as the launch of the in-house service has been pushed back to April 2022. This slippage is forecast to be mitigated within the existing Community Wellbeing budget and offset by a reduction in costs elsewhere.
- 3.23 The BSTG also heard evidence that:
- The Integrated Care System (ICS) covers health funding only, and the North West London ICS wants to move money towards places like Brent where needs are higher. The ICP is a local place based partnership, with the strategic director as co-chair. The budgets of partners are sovereign, but we have service pathways that ensure joint working e.g. hospital discharge. The ICP provides the opportunity to do more for the same or reduce costs by working across the system.
 - The budgets available for supporting people with mental health issues, including the mental wellbeing public health budget and a broad range of services across partners. Mental health and wellbeing is a priority for the ICP, including the mental health and wellbeing of children and young people.

Health Inequalities

- 3.24 The BSTG also heard evidence on the work to tackle health inequalities. A specific area of focus was to understand the £700k from Department for Levelling Up, Housing and Communities (DLUHC) to tackle health inequalities and to engage local communities on the health inequalities agenda.
- 3.25 The BSTG heard evidence from officers on the allocations of the DLUHC funding, including community coordinators, supporting voluntary and community sector organisations to tackle health inequalities and the health educator workforce (provided by a VCS consortia). The BSTG heard how the public health budget will support the activity in 2022/23, allowing officers to fully evaluate success and make long term service and funding decisions as required. The BSTG also heard evidence of how the focus is on those experiencing the lowest health outcomes, and reducing the gap between highest and lowest outcomes (rather than a simple change in averages). The Brent Health Matters programme works closely with the Black Community Action Plan, with significant funding focused on reducing inequalities experience by black communities.

Housing Revenue Account

- 3.26 The BSTG also considered a report on the Housing Revenue Account. The Cabinet member introduced the item, and described the overall picture - outlining historic underinvestment which caused challenges. Officers outlined to the BTSG spending on voids and repairs and how this is being approached.
- 3.27 The BSTG heard evidence on the Granville New Homes and that there were no budget implications as income will increase, and the council can borrow against the increased income. Evidence was heard about the costs of carbon neutral retrofitting across the stock – this was not currently contained within the business plan and officers are working regionally and nationally to lobby for government support. Officers also outlined the pilot being undertaken to understand retrofitting costs in high rise blocks.
- 3.28 The BSTG heard evidence on the impact of Covid19 on rent and service charge collections, and approaches taken by officers, including proactive working with those most vulnerable, supporting access to the Resident Support Fund and putting payment plans in place. The same rigorous monitoring is in place for collection across tenants and leaseholders. The BSTG heard evidence that these rent and service charge support options will remain in

place. The budget proposal for rent and service charge increases in 2022/23 are not expected to have an impact as officers will continue to mitigate risk by putting in place the appropriate support. The HRA business plan has taken the assumptions into consideration.

- 3.29 The BSTG heard evidence that adaptations work on a bespoke case by case basis, ensuring the right support is in place for the families who need it. The service budget has an HRA ring-fenced element. Demand is greater than supply and officers are looking general fund support options. Officers are working with residents to understand their experience of adaptations and outcomes and connections into social care and lower cost social care packages – with the aim of supporting the most vulnerable to stay in their own homes.
- 3.30 The BSTG heard evidence that these rent and service charge support options will remain in place. The budget proposal for rent and service charge increases in 2022/23 are not expected to have an impact as officers will continue to mitigate risk by putting in place the appropriate support. The HRA business plan has taken the assumptions into consideration.

Resources and Public Realm Session

- 3.31 The resources and public realm evidence session was held on 23 November 2021.
- 3.32 During the evidence session, the BSTG considered the overall progress against the MTFs budget proposals for the relevant services, heard oral evidence, and questioned Cabinet Members, Strategic Directors and other departmental officers. The BSTG considered departmental budget pressures and the strategies for managing ongoing demand-led pressures. A number of papers were considered.
- 3.33 The BSTG heard evidence from the officer experience at the Brent Hubs, focused on key issues affecting hub service users and some of the programmes and support services we have in place. Brent Hubs aim to support those in most need, and who are most vulnerable, with a physical face to face partnership approach. The purpose is to provide the holistic support needed. Key observations included:
- Welfare payments, unemployment, debt, and housing concerns are common and frequent. These issues often present in combination, and they can be complex and complicated.
 - Tackling poverty work with food bank partners has been undertaken to develop a cash first approach.
 - Fuel poverty is becoming a big issue – officers are looking to provide emergency fuel and food vouchers.
 - The resident support fund has had a massive impact for residents and it has become an essential tool to enable us to support people affected by the pandemic and the downturn.
 - The hub services have been vital for those unable to access services in other ways, due to reasons including digital exclusion, language barriers, mental health issues etc.
 - Financial skills programmes have been developed with partners. The aim is to support service users so they can get themselves out of any financial difficulties they may be experiencing, and to build knowledge, skills and resilience.
 - There is a wide partnership offer in place, with many organisations from across the borough having a physical presence in the hubs. The BSTG noted that the support offer was bespoke, and based on need. Officers aim to deal with cases in their entirety in one visit, and it can take time to address needs.

- 3.34 The Deputy Leader provided overarching evidence to the BSTG on the MTFS, and outlined how the council was in year two of the two year budget agreed in 2021. It was noted the savings proposals are the same ones scrutinised in the 2021 BSTG report. The Deputy Leader also provided an introduction to the income and recovery reports to be scrutinised by the BSTG. It was noted the £17m recovery fund is allocated and in delivery. It was also noted that there are plans in place to maximise the income that Covid19 has impacted upon, and that the council is gradually building income so therefore assumptions are based on positive news, for example council tax payment rates. The Deputy Leader outlined that the council still awaits the Local Government Financial settlement (expected in December), but that we have taken a robust approach to deliver a balanced budget. The Deputy Leader highlighted this will become very challenging beyond 2022/23.
- 3.35 Officers highlighted the prudent financial decisions the council had taken previously and how this has support the current financial position, for example the council does not purchase assets to generate incomes. The BTSG heard that Covid19 pressures have been contained within the General Fund, and that the savings programmes are on track to be delivered.
- 3.36 The BSTG also heard evidence on income collection. It was noted that Covid19 has had an impact and continues to have an impact, and that assumptions have responded to this. There has been an upturn in arrears collection, although this is not equitable across business rates and council tax payees. The BSTG heard evidence on the difference between in year collection rates and long term collection rates, with the MTFS focused on the longer term collections.
- 3.37 The BSTG noted the very sobering situation ahead in future budget setting processes. It was noted that long term cuts in budgets were pitched against increasing needs and demands, as outlined in the evidence heard across sessions. The BSTG sought assurance on the sufficiency of the £17m recovery programme. Officers provided evidence on increasing pressures ahead, including increased costs, the Levelling Up agenda and workforce costs. The Leader outlined the support packages in place to ensure those most vulnerable are protected. It is also a priority for the council to pay London Living Wage across staff and contracts. It was noted there will be significant challenges moving forward that means we need to revisit what we do and how we do it. The importance of not using reserves to balance budgets in a routine manner was also noted.

Customer and Digital Services

- 3.38 The BSTG considered the finance report of the Customer and Digital Services department. The BSTG heard that based on current trends and assumptions around Covid19 implications, the Customer and Digital Services department is forecasting a break-even position for 2021/22. The department's finances have been significantly impacted by the Covid-19 outbreak in 2020/21. The budget has been set accordingly and takes into account that some pressures are expected to remain.
- 3.39 The BSTG noted that the department was on track to deliver the agreed savings, with key risks and uncertainties including potential costs relating to further lockdowns. Key savings included those in licensing for IT forms. The BSTG noted the transformation work programme was in delivery, and it supports the delivery of council priorities including initiatives which contribute to the delivery of efficiencies, savings and service improvements.

- 3.40 The BSTG heard that the department has been allocated £1.7m to fund recovery initiative projects that focus on supporting communities and local businesses, including digital packages and a grant scheme to support local businesses.
- 3.41 The BSTG heard evidence about activity undertaken to ensure all services are accessible to residents, particularly those affected by digital exclusion. The BSTG heard how this need has been addressed within the revised digital strategy, with plans to provide kit and training to residents and proactive partnership working to identify those experiencing digital exclusion. The BSTG also heard evidence on cyber security and upcoming reports to the Audit and Standards Committee and Cabinet.
- 3.42 The BSTG also heard evidence from officers on the council's ethical debt policy. The approach taken is bespoke, with empathy and understanding of circumstances, with responses designed accordingly. The Leader outlined how officers take a supportive approach as soon as people become at risk of falling behind – so that support is in place to stop people falling into debt and before debt recovery action is required. Officers do work to ensure debts are paid.

Regeneration and Environment

- 3.43 Cabinet Members and officers introduced the financial summary report for the Regeneration and Environment department. The department has a target of £0.9m savings to be achieved in 2021/22. Of these, all are on track to be fully delivered or will have alternative savings found. The department leads on, or works in partnership on, £13million of recovery fund initiatives across revenue and capital. Most of the capital funding supports three priority projects (including Wembley High Road recovery and Church End). Revenue funded recovery projects are also on track to deliver within the required timescales.
- 3.45 The BSTG heard evidence on key risks and uncertainties for the department, including:
- A small percentage change can have a large monetary impact on the department's income, for example, a 1% reduction in income would be equivalent to around £0.5m. There is a current moratorium on landlord action for rent arrears until 25 March 2022.
 - The longer-term impact on income anticipated from planning applications and building control applications is uncertain due to slow progress on current major projects and a potential reduction in the number of new major projects received.
 - The highways revenue budget is reliant on TfL LIP (Local Implementation Plan) funding which has been significantly reduced due to severe financial pressures. TfL has recently reached an agreement with the Government and confirmed the funding will be available up to 11 December 2021. Further discussions are ongoing between the Government and TfL for funding for the last quarter of the financial year, and funding beyond this date remains uncertain. The BSTG heard evidence on how the council will approach a negative outcome on the TfL funding.
- 3.46 The BSTG heard evidence about the effectiveness in collecting Community Infrastructure Levy (CIL) and Section 106 payments. There are clear rules about how the monies can be used, but the department looks to support businesses and communities. The department also works to ensure the council realises the value of assets and brings in income, balanced against how we support the community and voluntary sector and business.

- 3.47 The Cabinet Member outlined key activities including increasing affordable workspaces, meanwhile uses, town centre managers, and industrial site support. The BSTG heard evidence that the aim was not simply put money in, but to create a climate that make people and businesses want to invest in the borough too, creating a buoyant economy for the long term.

Chief Executive's Department

- 3.48 The financial summaries of the Assistant Chief Executive, Director of Finance and Director of Human Resources, Legal and Audit and Investigation were introduced to the BSTG by Cabinet Members and officers. It was noted that all savings and recovery initiatives are on track for delivery.
- 3.49 The BSTG heard evidence on how key policy initiatives, for example the Black Community Action Plan, had supported positive outcomes for businesses and communities. The Deputy Leader outlined initiatives such as the Black Business Network and recovery funded projects to support Black led businesses, including a Black Kite Mark scheme. Officers outlined how NCIL had supported Black lead organisations to develop digital business approaches and an entrepreneurial education approach. These activities will support community wealth building and will enable economic independence. The Leader outlined that a circular economy approach s taken, empowering local businesses to diversify, access wider and bigger markets, and increase businesses on procurement lists.

Final evidence session

- 3.50 The final session met on 16 December 2021. The BSTG heard evidence from officers on the provisional local government financial settlement for 2022/23 announcement, which was made the just before the session. Key points included:
- It was broadly in line with the October 2021 Autumn Budget and Spending Review
 - Potential increases in spending power through new government grants to support key services (including a new one off Services Grant for 2022/23), although it is unlikely to cover the pressures identified throughout the BSTG process.
 - Further detail is required still on other key grants, for example the Public Health Grant
 - There was no timeframe given to the Fair Funding Review
 - The settlement was for one year, and does not support long term financial planning and sustainability.
 - There were concerns about the impact of the Levelling Up agenda and funding distribution
- Consultation will continue into January 2022, with the final settlement announcement expected in late January / early February 2022.
- 3.51 At this session, the BSTG then considered in detail and agreed the recommendations that would be made to Cabinet and Full Council, based on all of the evidence heard to date.

Conclusion

- 4.1 Given the extremely challenging circumstances that local authorities are facing with regard to budget pressures and planning, the BSTG believes that this report underlines the importance of overview and scrutiny of the council's budget proposals and budget performance throughout the annual cycle.
- 4.2 Brent Council was already operating in a challenging financial environment prior to the outbreak of Covid19 – with 10 years of significant reductions in government funding where the council had been obliged to make an unprecedented £185m of savings, despite an increase in demand for council services. Evidence was heard in BSTG that complexity of demand had increased as a result of the pandemic. This should also be considered against Brent's population rise of approximately 25% during 2000-2018 – an additional 65,900 residents. Since 2010, the council has delivered expenditure reductions through a combination of effective financial management, cost control and innovative approaches to investment and demand management.
- 4.3 Prior to the outbreak of Covid19, the agreed 2020/21 budget forecast was for a balanced budget between 2020/21 and 2022/23, which should have meant that no new savings proposals would have needed to be developed to achieve a balanced budget.
- 4.4 The impact of the Covid19 pandemic has had a very significant effect on the council's budget, as well as a massive social and economic impact on local communities, particularly those in the greatest need of local authority and other statutory and voluntary and community sector support. The MTFs, agreed in February 2021, ensured a strategic approach to deliver a balanced budget, with a strong emphasis on planning the budgets for future years to enable sensible phasing of savings and minimising the impact on services to residents.
- 4.5 The BSTG continues to believe that the budget agreed in February 2021 for 2022/23 is designed to limit, as far as possible, service reductions and the impact on front line services. The BSTG, having reviewed the budget proposals, agrees that the budget proposals have balanced responsibilities and risk, and maintained a strong financial position for the council, while also providing a framework within which to deliver the Borough Plan. The BSTG also notes the tough financial environment ahead, and the difficulty of future decision making. The BSTG supports the budget, subject to the outcomes of final consultation, and submits the recommendations outlined in section two of this report to Cabinet and Full Council.

Participants

The BTSG would like to thank the following councillors and members of staff who contributed to the report, took part in the evidence sessions or advised it on policy:

- Cllr Muhammed Butt – The Leader
- Carolyn Downs – Chief Executive
- Cllr Margaret McLennan – Cabinet Member for Resources and Deputy Leader
- Cllr Harbi Farah - Cabinet Member for Adult Social Care
- Cllr Promise Knight – Cabinet Member for Community Safety and Engagement
- Cllr Neil Nerva - Cabinet Member for Public Health, Culture and Leisure
- Cllr Mili Patel - Cabinet Member for Children’s Services
- Cllr Krupa Sheth - Cabinet Member for Environment
- Cllr Tom Stephens – Cabinet Member for Schools, Employment and Skills
- Cllr Eleanor Southwood - Cabinet Member for Housing and Welfare Reform
- Cllr Shama Tatler - Cabinet Member for Regeneration, Property and Planning
- Peter Gadsden – Strategic Director Customer and Digital Services
- Alan Lunt – Strategic Director Regeneration and Environment
- Phil Porter – Strategic Director Community Wellbeing
- Gail Tolley – Strategic Director Children and Young People
- Shazia Hussain – Assistant Chief Executive
- Minesh Patel - Director of Finance
- Debra Norman - Director of Legal HR Audit and Investigations
- Ravinder Jassar – Deputy Director of Finance
- Lorna Hughes – Head of Strategy and Partnerships

The BTSG would also like to thank the following valued partners and stakeholders, who gave up their time to ensure a well-rounded and robust consideration of the 2022/23 budget proposals:

- Nouh Abuka, Connect Stars
- Julian Lloyd, Age UK Hillingdon, Harrow and Brent
- Rajesh Makwana, SUFRA North West London
- Christopher Murray, Young Brent Foundation
- Ann O’Neill, Brent Mencap
- Dr Mario Phillip, Brent Multi Faith Forum
- Kristine Wellington, CVS Brent
- Mr D Coyle, Newman Catholic College
- Ms J Jardine, Manor School
- Mr R Moss, Elsley Primary School
- Mo Jama, Head of Brent Hubs
- Peter Cosgrove, Head of Revenue and Debts

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Detailed Capital Programme 2022/23 – 2026/27

Portfolio Holder	Portfolio	Capital Board	2021/22 (Revised Budget)	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	TOTAL 2022/23 to 2026/27
			£M	£M	£M	£M	£M	£M	£M
Resources: Cllr Margaret McLennan	Business Support	Corporate Landlord	0.200	-	-	-	-	-	-
	Civic Centre	Corporate Landlord	0.836	0.500	0.500	19.000	-	-	20.000
	Digital Strategy	Corporate Landlord	4.049	3.000	1.000	-	-	-	4.000
	Energy	Corporate Landlord	4.514	-	-	-	-	-	-
	ICT	Corporate Landlord	0.005	-	-	-	-	-	-
	Libraries	Corporate Landlord	0.039	-	-	-	-	-	-
	Oracle Cloud	Corporate Landlord	5.085	-	-	-	-	-	-
	CNWL	Corporate Landlord	-	-	49.933	-	-	-	49.933
	Equipment for Flexible Working	Corporate Landlord	0.725	-	-	-	-	-	-
	ICT Investment	Corporate Landlord	2.714	2.200	1.900	3.600	-	-	7.700
	Family Wellbeing Centre	Corporate Landlord	0.413	-	-	-	-	-	-
	Property Management	Corporate Landlord	0.406	0.212	-	-	-	-	0.212
Regeneration, Property & Planning: Cllr Shama Tatler	South Kilburn Estate Regeneration	South Kilburn	15.288	22.476	10.445	9.892	2.780	11.522	57.115
	New Homes Bonus	Regeneration	0.007	-	-	-	-	-	-
	Olympic Way Pedestrian Improvements	Regeneration	5.968	-	-	-	-	-	-
	Housing Zones	Regeneration	1.014	29.216	50.000	53.000	-	-	132.216

Portfolio Holder	Portfolio	Capital Board	2021/22 (Revised Budget)	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	TOTAL 2022/23 to 2026/27
			£M	£M	£M	£M	£M	£M	£M
	Harlesden Regeneration	Regeneration	0.829	3.026	0.839	-	-	-	3.864
	Morland Gardens	Regeneration	2.782	15.000	15.000	10.740	-	-	40.740
	SCIL	Regeneration	1.157	1.157	1.157	-	-	-	2.315
St Raphael's: Cllr Shama Tatler	St. Raphael's Estate Regeneration	St Raphael's	2.570	2.205	-	-	-	-	2.205
Regeneration, Property & Planning: Cllr Shama Tatler	Landscaping	Public Realm	0.895	0.006	-	-	-	-	0.006
	Regen & South Kilburn - S106	Public Realm	0.226	-	-	-	-	-	-
	Highways & Infrastructure S106	Public Realm	4.487	0.224	-	-	-	-	0.224
	Wembley Transport Improvements	Public Realm	0.135	-	-	-	-	-	-
	Highways & Infrastructure	Public Realm	15.364	4.500	3.500	-	-	-	8.000
	Transport For London [TFL]	Public Realm	2.038	2.145	2.145	2.145	-	-	6.435
Public Health, Culture & Leisure: Cllr Neil Nerva	Sports & Culture	Public Realm	0.472	-	-	-	-	-	-
Environment: Cllr Krupa Sheth	Parks	Public Realm	1.088	2.064	0.056	-	-	-	2.120
	Environmental Health	Public Realm	0.134	3.000	3.000	3.000	6.000	-	15.000
	Parking & Street Lighting	Public Realm	0.419	-	-	-	-	-	-
Schools: Employment & Skills: Cllr Tom Stephens	Children & Youth Facilities	Schools	0.038	2.150	-	-	-	-	2.150
	Expansion of School Places	Schools	0.488	0.160	-	-	-	-	0.160
	Phase 3 Permanent Primary	Schools	2.795	-	-	-	-	-	-
	PSBP Phase 2 Secondary	Schools	0.685	-	-	-	-	-	-

Portfolio Holder	Portfolio	Capital Board	2021/22 (Revised Budget)	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	TOTAL 2022/23 to 2026/27
			£M	£M	£M	£M	£M	£M	£M
	SEND Expansion	Schools	0.750	5.500	24.100	14.000	-	-	43.600
	School Capital Improvement	Schools	5.999	2.714	-	-	-	-	2.714
Page 113 Housing & Welfare Reform: Cllr Eleanor Southwood	Aids & Adaptations	Housing GF	5.439	4.686	4.686	-	-	-	9.372
	Empty Property	Housing GF	0.765	-	-	-	-	-	-
	Mixed Development	Housing GF	7.162	17.045	11.220	51.974	1.350	-	81.589
	New Council Homes Programme (NCHP) - Phase 3 (GL)	Housing GF	19.436	43.746	1.437	2.998	2.998	-	51.180
	Feasibility	Housing GF	0.372	0.200	0.200	0.200	0.200	-	0.800
	Housing Infrastructure Fund	Housing GF	2.121	5.733	2.054	-	-	-	7.787
	PRS I4B (Phase 2)	Housing GF	24.395	19.750	18.597	-	-	-	38.347
	Feasibility	Housing HRA	0.000	0.140	0.200	-	-	-	0.340
	RTB Affordable Housing	Housing HRA	13.529	5.042	1.049	0.004	-	-	6.094
	Enfranchisement	Housing HRA	1.809	-	-	-	-	-	-
	New Council Homes Programme (NCHP) - Phase 1	Housing HRA	0.145	-	-	-	-	-	-
	New Council Homes Programme (NCHP) - Phase 2	Housing HRA	2.161	6.484	6.462	-	-	-	12.946
	New Council Homes Programme (NCHP) - Phase 3	Housing HRA	7.627	5.087	3.933	3.671	-	-	12.691
New Council Homes Programme (NCHP) - Phase 4	Housing HRA	10.667	12.217	5.957	0.289	-	-	18.463	

Portfolio Holder	Portfolio	Capital Board	2021/22 (Revised Budget)	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	TOTAL 2022/23 to 2026/27
			£M	£M	£M	£M	£M	£M	£M
	New Council Homes Programme (NCHP) - Phase 5	Housing HRA	1.984	0.156	-	-	-	-	0.156
	Mixed Development	Housing HRA	0.107	2.000	2.500	-	-	-	4.500
	Major Repairs & Maintenance	Housing HRA	13.035	15.000	14.900	15.100	-	-	45.000
	In Borough Acquisition Strategy	Housing HRA	7.456	0.941	-	-	-	-	0.941
Adult Social Care: Cllr Harbi Farah	NAIL	Housing GF	16.817	13.147	4.725	0.300	-	-	18.172
			219.639	252.828	241.494	189.913	13.328	11.522	709.086
Funding Sources	Grants & Other Contributions		63.340	45.658	46.556	30.399	-	-	122.613
	S106 & CIL		13.425	9.566	7.657	-	-	-	17.224
	Capital Receipts		14.525	44.372	52.142	10.038	2.780	11.522	120.853
	Reserves & Revenue Contribution		13.610	4.800	4.000	-	-	-	8.800
	Major Repairs Allowance		13.035	15.000	14.900	-	-	-	29.900
	Prudential Borrowing		101.704	133.432	116.239	149.476	10.548	-	409.695
				219.639	252.828	241.494	189.913	13.328	11.522

Pipeline Project ID	Project Name	Portfolio	Programme and purpose of scheme	Proposed Budget (M)	Borough Plan Objectives	Strategic Alignment	Statutory Obligations	Risk	Financial Return	Demand Management
Corporate Landlord										
PL007	Energy Schemes NEW	Corporate Landlord	Energy Efficiency: The Energy team are working with RE: FIT to develop future energy efficiency and renewable energy schemes, focused on LED installation and solar. Currently an estimate of energy schemes moving forward is in the region of £20m. The energy team are working with consultants on a heat decarbonisation plan for the council's own estate. The initial estimates to decarbonise £5m over and above the current grant funding, the key grant scheme should provide the majority of funding required, but there will be elements the council will fund.	25.0	A Cleaner More Considerate Brent - This investment will help make our buildings cleaner and greener, helping to address the climate emergency Strong Foundations - Investing in the infrastructure will improve productivity across the Council with custom built spaces to suit the service area needs.	Borough Plan Brent-climate - ecological-emergency-strategy-2021-2030	None	1. Grant has been obtained from Government, it has very tight delivery timelines 2. Competition - lots of other organisations will be competing in the market place for the contractors and resource to deliver these works	Increasing energy costs has meant that looking to mitigate demand will be in the Council's interests whilst also addressing the public demand for cleaner greener services.	None
PL021	Land & Property strategic acquisitions (general)	Corporate Landlord	Strategic Acquisitions: Papers will be taken forward to the Capital Programme Board when strategic land opportunities arise and are developed within regeneration areas. The key focus areas are Alpertown and Staples Corner.	44.5	A Future Built for Everyone, An Economy Fit for All - Investment in the growth areas of the Council will enable the vision in the local plan to be delivered	Borough Plan Local Plan	None	1. Opportunities are market led and this difficult to predict 2. Generally investment opportunities in the targeted areas are popular as property assets are high performing or present good asset-management potential (re-development etc.)	Some opportunities will have income as part of the asset opportunity - this will be assessed on a case by case basis	Local Plan identifies these areas as in need of growth and regeneration to deliver benefits and help to accommodate significant numbers of new homes to meet housing targets
PL041	Libraries Development Plan NEW	Corporate Landlord	Libraries Development Plan: The Libraries Development Plan seeks to improve Harlesden (£213k), Kilburn (£375k) and Willesden (£70k) library building assets, modernising their design, extending their offer to residents and visitors and protecting their status as anchor sites in their communities and high streets. The Harlesden library project budget assumes the £285,000 Arts Council England fund bid is successful.	0.9	Strong Foundations - Investing in the infrastructure will improve productivity across the Council with custom built spaces to suit the service area needs.	Borough Plan	A library service is a statutory provision and these buildings form part of Brent current operational footprint of providing that service	Arts Council bid is un-successful	None	Growing population in the borough requires additional better quality facilities.
PL023	Property Management	Corporate Landlord	Commercial Property Repairs: Pipeline funds exist for one off major repairs on the commercial property stock. Currently there are no planned repairs, but a pre-planned-maintenance schedule is being put together.	1.4	Strong Foundations - Investing in the infrastructure will improve productivity across the Council with custom built spaces to suit the service area needs.	Borough Plan	None - statutory compliance is covered by operational expenditure	None	None	None
Corporate Landlord Total				71.8						
Housing Care Investment Board										
PL012	St Raphael's Estate	HCIB	Mixed Development: Brent's 2014-2019 Housing Strategy explains that St Raphael's is also expected to deliver new supply alongside improvement or replacement of existing stock and the public realm. There is the opportunity to fundamentally change the area, with proposed improvements to housing and local infrastructure which, depending on whether infill or redevelopment are progressed, could help to improve the economic, social and environmental conditions in the Borough. The significant viability gap for redevelopment necessitated the delivery of infill. No ballot was required. Grant to support delivery of Phase 1 infill through AHP 16-21 approved (£22.5m). Design on phase 1 started summer 21; planning submission May 22, SOS winter 22/23. Budget for design of phase 2 & 3 approved at cabinet oct 21. Design to start spring 22. Grant to support delivery approved as part of the AHP21-26 (unspecified) allocation.	30.0	A Future Built for Everyone, An Economy Fit for All - increase and improvement in housing supply and reduction in number of households in temporary accommodation. Strong Foundations - there was an increase in resident involvement ahead of the decision between redevelopment or infill.	Borough Plan 2021-2022 Brent Climate & Ecological Emergency Strategy 2021-2030 Poverty Commission Housing Asset Management Strategy 2020-2025	St Raphs development will provide the following statutory provision: - Housing for families in Brent	1. Subject to planning permission 2. Cost of development - prices have increased following pandemic 3. Possibility of residents objecting proposals	Schemes - partially funded by GLA. This assumes a reasonable cost to build, however if development prices increase, viability will be challenged.	The provision of affordable housing is linked to the future need highlighted by housing waiting list.
PL036	Fire Safety Programme	HCIB	Asset Management: Capital Investment for Fire Safety on housing stock: 20/05/21 - Spend on Fire Safety will be contained within the £15m allocated to each of 21/22 and 22/23. This is expected to be contained within £600k pa each year. Thereafter the level of spend required will be driven by Building Safer Futures programme.	20.0	A Future Built for Everyone, An Economy Fit for All - increased inward investment into the borough achieved via the council and improvement in housing supply.	Borough Plan 2021-2022 Brent Climate & Ecological Emergency Strategy 2021-2030 Housing Asset Management Strategy 2020-2025	The Fire Safety Programme will enable the council to meet Fire Safety Standards And Regulations For Existing Social Housing	1. May not meet completion deadline due to possible delays that could crop up across delivery of the programme	N/A	Scheme is required to meet fire safety regulations. Additionally, the Grenfell Tower tragedy in June 2017 moved the housing sector into the spotlight with regard to fire safety.
PL037	Empty Property Grants	HCIB	Aids & Adaptations: Return empty properties to use as homes to provide temporary accommodation for homeless families.	3.0	A Future Built for Everyone, An Economy Fit for All - increase and improvement in housing supply and reduction in number of homeless households in the borough. Also, increase in inward investment achieved via the council A Borough Where we can all feel Safe, Secure, Happy and Healthy - reduction in anti-social behaviour, improve the health of Brent residents and better quality accommodation for families in housing need A Cleaner, More Considerate Brent - reduction in illegally-dumped rubbish	Borough Plan 2021-2022 Housing Asset Management Strategy 2020-2025	Grant will provide the following statutory provision: - Housing homeless families in TA and bringing empty properties back into use	1. Landlords/developers withdraw from the grant process – impact low 2. Approved schemes overrun and do not complete in year	The scheme will provide benefits of cost savings in reduction in the use of Bed and Breakfast and short-term temporary accommodation. There is also additional benefits of New Home Bonus.	The projected supply of 73 homes is needed in order to meet the demand of homeless families that are currently living in costly bed and breakfast and/or hostel type accommodation.

PL0044	New Council Homes Programme NEW	HCIB	<p>New Council Homes Programme: The Council submitted a bid for GLA grant funding to support delivery of a further 701 new social rented homes in April 2021 as part of the GLA's Affordable Homes Programme 2021-2026. The Councils bid was based upon each project breaking even by the expiry of 60 years from practical completion. The total grant allocated was £111 million. The total scheme costs to deliver 701 new homes has been estimated at £236m (net £125m)</p>	236.0	<p>A Future Built for Everyone, An Economy Fit for All - increase and improvement in housing supply; reduction in number of households in temporary accommodation or homeless in the borough.</p> <p>Strong Foundations - there is an increase in resident involvement ahead of all new developments</p>	<p>Borough Plan 2021-2022 Brent Climate & Ecological Emergency Strategy 2021-2030 Housing Asset Management Strategy 2020-2025 Homelessness and Rough Sleeping Strategy 2020-2025</p>	<p>NCHP will provide the following statutory provision: - Housing for families in need in Brent</p>	<ol style="list-style-type: none"> 1. Subject to planning permission 2. Cost of development - prices have increased following pandemic 3. Possibility of residents objecting proposals 4. Availability of sites 	<p>Schemes - partially funded by GLA. This assumes a reasonable cost to build, however if development prices increase, viability will be challenged.</p>	<p>The provision of affordable housing is linked to the future need highlighted by housing waiting list.</p>
Housing Care Investment Board Total					289.0					
Public Realm										
PL011	Kilburn High Road Improvement Scheme	Public Realm	<p>Town Centre Improvement: the London Boroughs of Brent, Camden and Westminster submitted the 'Kilburn High Road' Major Scheme bid in 2015. The scheme received £250,000 for development and traffic modelling; however no further funding was awarded. A tri-borough bid for £9.6m under the Liveable Neighbourhood programme including improvements to the wider area was unsuccessful.</p> <p>Brent have been working with Camden on the development of an improvement scheme for Kilburn High Road, a boundary road. The scope of the previous scheme differs from that in this bid as proposals only extended to the High Road itself.</p> <p>Status 27/10/21: Brent have committed £1M from the £20M footway investment programme. Camden are continuing to lead on the design and are seeking approval of traffic modelling for the scheme. They have not yet secured funding. The total cost of the scheme may be in the region of £3M and therefore we may need additional funding circa £0.5Mk</p>	1.0	<p>A Borough where we can all feel safe, secure, happy and healthy - provision of public realm improvements including, new pavements, trees and greening, safe pedestrian crossing points, cycling amenities, will encourage active and sustainable travel. Active travel helps to improve the health of Brent Residents and reduce health inequalities.</p> <p>A future built for everyone, an economy fit for all - new signal junctions within the scheme will be designed to keep traffic moving on our roads and pavements will be improved.</p> <p>A cleaner more considerate Brent - Improved walking and cycling facilities and accessibility to bus and rail services contribute to reduced car use reducing carbon emissions from transport and improving air quality.</p>	<p>Borough Plan 2021-2022, Brent Long Term Transport Strategy 2015-2035, Brent's Third Local Implementation Plan 2019-2041, Brent Climate & Ecological Emergency Strategy 2021-2030</p>	<p>The Greater London Authority Act 1999 ("the GLA Act") requires that in exercising any function, London local authorities must have regard to the Mayor's Transport Strategy which sets out the transport policy framework for London.</p>	<ol style="list-style-type: none"> 1. Traffic modelling subject to approval by Transport for London (TfL) 2. Traffic Signal installation by TfL's signals team 3. Implementation of the full scheme is dependant on the London Borough of Camden match funding. 	<p>The scheme will be joint funded with the London Borough of Camden. There is no specific financial return but road traffic injury accidents and poor public health result in significant costs to the UK economy. Creating a high quality public realm will attract visitors and support the local economy.</p>	<p>Improvements on Kilburn High Road to address a poor road safety record, public realm and encourage sustainable travel have been a priority for a number of years. This is the closest main shopping area to the South Kilburn Regeneration area and provides access to underground, overground and bus services.</p>
PL016	Kensal Rise priority bus Scheme	Public Realm	<p>Corridors: Bus Priority funded improvements to the Chamberlayne Corridor to include Traffic and Parking management, wider pavements, greening, new bus shelters, cycling and walking improvements near Kensal Rise Station and on Kilburn Lane and Chamberlayne Road. Circa £1.2M has been secured to deliver improvements around Kensal Overground Station.</p> <p>Status 27/10/21 Work is progressing around Kensal Overground Station. TfL have experienced severe financial difficulties and the £0.3M contribution from the LIP programme has not been secured for 2021/22. TfL have committed to allocating funding but this is dependant on negotiations with the Department for Transport for funding beyond 11 December 2021. The project is to be delivered in phases in future years using TfL LIP and Bus Priority funding.</p>	n/a	<p>A Borough where we can all feel safe, secure, happy and healthy - provision of public realm improvements including, new pavements, trees and greening, new pedestrian crossing points including 2 signal crossings, cycling amenities, will encourage active and sustainable travel. Active travel helps to improve the health of Brent Residents and reduce health inequalities.</p> <p>A future built for everyone, an economy fit for all - new signal junctions within the scheme will be designed to keep traffic moving on our roads and pavements will be improved.</p> <p>A cleaner more considerate Brent - Improved walking and cycling facilities, accessibility to bus services and reduced bus journey times contribute to reduced car use reducing carbon emissions from transport and improving air quality.</p>	<p>Borough Plan 2021-2022, Brent Long Term Transport Strategy 2015-2035, Brent's Third Local Implementation Plan 2019-2041, Brent Climate & Ecological Emergency Strategy 2021-2030</p>	<p>The Greater London Authority Act 1999 ("the GLA Act") requires that in exercising any function, London local authorities must have regard to the Mayor's Transport Strategy which sets out the transport policy framework for London.</p>	<ol style="list-style-type: none"> 1. Traffic Signal installation by TfL's signals team 2. Implementation of future phases of the scheme is dependant on TfL funding through the LIP and Bus Priority programmes. 	<p>The scheme will be funded through future TfL LIP and Bus priority programmes. There is no specific financial return but road traffic injury accidents and poor public health result in significant costs to the UK economy. Creating a high quality public realm will attract visitors and support the local economy.</p>	<p>Improvements on the Kensal Corridor were developed in partnership with local residents groups and business association from 2016. The scheme will remove a double looped bus movement to improve bus journey times and bus accessibility. The public realm improvements will also improve road safety, encourage sustainable travel and visitor to the area, which will support the local economy.</p>
PL0045	Barham Park NEW	Public Realm	<p>Improvements to Barham Park: There is a need to improve the buildings and landscaped grounds at Barham Park. Funding required for a strategic review and the refurbishment of the Barham Park Estate, estimated at £3m</p>	3.0	<p>Strong foundations - improved building and grounds at this community hub will encourage visitors and participation, support community cohesion and increased resident satisfaction</p> <p>A Borough where we can all feel safe, secure, happy and healthy - provision of community space and attractive grounds encourage visitors, walking and supports the health of Brent Residents and reduce health inequalities.</p>	<p>Borough Plan 2021-2022, Brent Climate & Ecological Emergency Strategy 2021-2030</p>	<p>Local authorities in England have a statutory duty to provide a range of services to their communities.</p>	<ol style="list-style-type: none"> 1. Dependant on a strategic review of existing facilities and identifying improvements to the building and grounds. 	<p>The capital investment is necessary to maintain the building and grounds for continued use as important community space, retaining income to the Barham Park Trust for which the Council is the sole trustee.</p>	<p>Barham Park is an important community hub providing a range of services and recreational activities. There is a growing need for the renovation of the building and grounds to address deterioration, reduce energy costs, and the risk of a loss of tenants including the ACAVA charity, Barham Community Library, the Veterans Club, Trmu Samaj and the Children's Centre.</p>

PL002	Wembley Hill Road/ Park Lane / Wembley Park Drive - Signal Junction Improvements	Public Realm	<p>Traffic Management Improvement: Provision of pedestrian phases and enhanced pedestrian crossing facilities at a 5-arm signal junction with a poor safety record in the close vicinity of the Wembley Regeneration area. There is need to improve safety and accessibility due to increased traffic volumes and pedestrians visiting the area. Options for improving pedestrian safety at this junction and traffic modelling have been completed. The proposals have been subject to consultation and implementation is planned for early 2022.</p> <p>Status 27/10/21: S106 developer funding and Transport for London (TfL) Local Implementation Plan (LIP) funding has been secured for the implementation of this project. However, TfL have experienced severe financial difficulties and the £0.15M contribution from the LIP programme has not been secured. TfL have committed to allocating funding but this is dependent on negotiations with the Department for Transport for funding beyond 11 December 2021 and we may need further Brent funding.</p>	0.4	<p>A Borough where we can all feel safe, secure, happy and healthy - provision of safe pedestrian crossing points at this signal junction will encourage walking / sustainable travel. Active travel helps to improve the health of Brent Residents and reduce health inequalities.</p> <p>A future built for everyone, an economy fit for all - the new signal junction will be designed to keep traffic moving on our roads and pavements at the junction will be improved.</p> <p>A cleaner more considerate Brent - improved walking facilities contribute to reduced car use reducing carbon emissions from transport and improving air quality.</p>	Borough Plan 2021-2022, Brent Long Term Transport Strategy 2015-2035, Brent's Third Local Implementation Plan 2019-2041, Brent Climate & Ecological Emergency Strategy 2021-2030	The Greater London Authority Act 1999 ("the GLA Act") requires that in exercising any function, London local authorities must have regard to the Mayor's Transport Strategy which sets out the transport policy framework for London.	<ol style="list-style-type: none"> 1. Traffic modelling subject to approval by Transport for London (TfL) 2. Traffic Signal installation by TfL's signals team 	The scheme is partly funded by TfL but we are awaiting confirmation to programme implementation. There is no specific financial return but road traffic injury accidents result in significant costs to the UK economy.	The junction is on a main route to the Wembley Regeneration area, Brent Civic Centre, the London Designer Outlet, Wembley Stadium, Wembley Arena, and local train stations and bus routes.	
PL020	Sports Programme	Public Realm	<p>Green spaces: Improvement works to a range of grounds (including football, cricket and rugby) and their facilities, feasibility studies and longer-term improvement works. An evaluation of existing pitches has confirmed that the service will be seeking to provide a business case for the remainder of the funding in the next financial year.</p>	1.1	<p>A Borough where we can all feel safe, secure, happy and healthy - provision of high quality sports facilities encourages physical activities and helps to improve the health of Brent's residents and reduce health inequalities.</p> <p>Strong foundations - improved sports facilities will increase resident participation in activities, support community cohesion and increased resident satisfaction.</p>	Borough Plan 2021-2022, The Planning for Sport and Active Recreation Facilities Strategy 2008-2021	Local authorities in England have a statutory duty to provide a range of services to their communities.	<ol style="list-style-type: none"> 1. Dependant on a feasibility study and business case identifying priorities and costs 	The provision of improved sports facilities will result in an increase in activities and revenue generated from charges, which will be detailed in the business case.	Brent has a growing population and demands will increase in future years.	
PL022	Ealing Road Shopping Area	Public Realm	<p>Town Centre Improvement: Ealing Road shopping area suffers from a poor quality and a traffic dominated public realm. Highways and Infrastructure have developed road safety improvements in recent years and completed a public realm and safety improvement project to the area around Alperton Station and Alperton Community School, the gateway to the Alperton Regeneration area. There is a need to improve the public realm along Ealing road, making it safer, greener and more accessible for pedestrians and cyclists.</p> <p>Status: 27/10/21 Scheme not progressing in consideration of other priorities including Wembley High Road, Church End and Kilburn High Road schemes.</p>	2.5	<p>A Borough where we can all feel safe, secure, happy and healthy - provision of public realm improvements including, new pavements, trees and greening, safe pedestrian crossing points, cycling amenities, will encourage active and sustainable travel. Active travel helps to improve the health of Brent Residents and reduce health inequalities.</p> <p>A future built for everyone, an economy fit for all - new signal junctions within the scheme will be designed to keep traffic moving on our roads and pavements will be improved.</p> <p>A cleaner more considerate Brent - improved walking facilities contribute to reduced car use reducing carbon emissions from transport and improving air quality.</p>	Borough Plan 2021-2022, Brent Long Term Transport Strategy 2015-2035, Brent's Third Local Implementation Plan 2019-2041, Brent Climate & Ecological Emergency Strategy 2021-2030, Brent's Third Local Implementation Plan 2019-2041.	The Greater London Authority Act 1999 ("the GLA Act") requires that in exercising any function, London local authorities must have regard to the Mayor's Transport Strategy which sets out the transport policy framework for London.	<ol style="list-style-type: none"> 1. Traffic modelling subject to approval by Transport for London (TfL) 2. Traffic Signal installation by TfL's signals team 3. Implementation of the full scheme is dependant on securing future funding 	The scheme will be high cost and while there may be the opportunity to use TfL funding and s106 developer funding, a significant capital investment will be required. There is no specific financial return but road traffic injury accidents and poor public health result in significant costs to the UK economy. Creating a high quality public realm will attract visitors and support the local economy.	Ealing Road shopping centre specialises in Asian clothing, jewellery and traditional food and is iconic in London and the UK. It is an important link from Wembley High Road to the Alperton Regeneration area. There has been an investment in recent years to improve safety but there is a need for wider public realm improvements in the future.	
Public Realm Total				8.0							
Regeneration											
PL003	Alperton Housing Zone Infrastructure Requirements	Regeneration	<p>Housing Zone: Infrastructure improvements to improve east - west connectivity, and to improve the quality of parks and open spaces to support housing zone growth.</p> <ol style="list-style-type: none"> 1. Pedestrian /Cycle Bridge over GU canal 2. Improvement to Woodside End highway linking Suneigh Rd to Abbey Industrial estate/redevelopment (E-W connectivity), and Atlip Rd public realm 3. Parks and open spaces. <p>Aug 2021 feasibility options indicate preferred new pedestrian / cycle bridge location and solution cost c£5m ;</p>	5.5	<p>A Future Built for Everyone, An Economy Fit for All - connectivity improvements across the Alperton growth area will enable residents to better access transport, shops and services, and job opportunities particularly in Park Royal.</p>	Draft Local Plan Draft long term transport strategy Borough Plan	The local authority is required to have a spatial plan for the area. Once adopted, the Local Plan is part of the statutory development plan and these works are required to implement the strategy for Alperton	Subject to planning permission and potentially some CPOs.	Works should be SCIL eligible as infrastructure in a growth area ; the developments in the area have contributed many millions of CIL to the Council.	Over the period of growth the population of Alperton is likely to increase by around 6,000 new homes	
PL031	Neasden Connectivity and Place Making Improvements	Regeneration	<p>Strategic Transport: The proposal is to improve the character and connections around the A406, between east and west Neasden, by improving the entrances to the subway to create a pleasant and more inviting environment for pedestrians and cyclists. The work will open out and extending the approaches to the subway; environmental treatment to the extended approaches; upgrade to the subway for lighting, surface, walls and ceiling.</p>	3.1	<p>A Future Built for Everyone, An Economy Fit for All - to improve connectivity within Neasden currently cut in half by the NCR. Harsh environment. Encourage pedestrian and cycling use.</p> <p>A Borough where we can feel safe, secure, happy and healthy</p>	Borough Plan Draft Long Term Transport Strategy Draft Local Plan	None	Price inflation/materials	None directly; would be SCIL eligible	Once Neasden Growth Area gets into delivery, population of Neasden will increase	

PL042	Abbey community centre, Alperton	Regeneration	Regeneration: redevelop the Abbey community centre to provide affordable workspace, leased to an operator, plus some community space. Vacant and derelict Council community centre, local people and ward councillors want to 'something to be done'. Options examined, from refurb through to demolition without anything in its place.	0.8	A Future Built for Everyone, An Economy Fit for All - provision of affordable workspace and community centre	Borough Plan Affordable Workspace Strategy Inclusive Growth Strategy	None	Affordable Workspace operator not procured	None directly. SCIL eligible	Growing population in Alperton requires addition facilities. Bringing back a Council asset into use.
PL045	Brent Start Digital Skills Training NEW	Regeneration	Purchase of laptops etc for circa 60 digitally excluded students to undertake skills training at Morlands and community centres	0.3	A Future Built for Everyone An Economy Fit For All - enabling learners to gain digital skills increasing chances of employability Strong Foundations	Borough Plan Inclusive Growth Strategy	None	Laptops will remain the property of the Council and will be on loan. Some may not be returned.	None directly	Enhancing digital skills identified as a growth area in draft skills strategy
PL025	Bridge across the Chiltern Line into Monks Park	Regeneration	St Raphael's: Provide bridge link across the Chiltern Line to connect Wembley Park to Monks Park, facilitating better PTAL and connectivity to Monks Park and St. Raphael's.	10.0	A Future Built for Everyone, An Economy Fit for All - improved connectivity to reduce isolation of St Raphael's estate	Borough Plan	None	Ability to physically deliver without unacceptable land take and impact on the overall estate. Practical challenge of building over railway. Network Rail co-operation required. Land take on 'the other side' may require CPO.	None directly	None
PL043	Kilburn Town Centre Action Plan	Regeneration	Economic Development: To deliver actions from the Kilburn town centre action plan: A) Improved lighting (19 columns) northern end of High St to Willesden Lane, feature lighting at Gaumont State building, Kilburn station rail bridge. B) Public realm improvements	2.4	A Future Built for Everyone, An Economy Fit for All - part of town centre strategies to deliver improvements	Borough Plan Draft Local Plan	Spatial planning for an area is a statutory requirement. Once adopted the Local Plan becomes part of the statutory development plan. Statutory requirement to provide decent homes for Council tenants; this is part of the wider place-making agenda	SCIL eligible but otherwise no funding secured.	None directly	South Kilburn regeneration is increasing the population in the area
Regeneration Total				22.1						
Schools										
South Kilburn Regeneration										
PL026	South Kilburn Schools	South Kilburn Regeneration	South Kilburn Regeneration: Provision of sufficient school places for both primary and nursery children; new school building in Austen/Blake redevelopment, part of the masterplan. Notes: Linked to Open Space project above; schools now in agreement. Design works in progress for Austen/Blake and new school building.	5.6	A Future Built for Everyone, an economy fit for all Every opportunity to succeed - part of the masterplan for the area to improve the existing school provision	Borough Plan South Kilburn masterplan SPD South Kilburn Landlord Offer Draft Local plan	Statutory requirement to provide a spatial strategy for the area. Once adopted the Local Plan will become part of the statutory development plan	Procurement of a contractor. Agreeing design with schools	None directly. School element would be SCIL eligible.	Increasing population in the area; landlord offer was on basis of the masterplan
PL013	Open Spaces and public realm improvements (e.g. NWCC, Carlton Vale Boulevard)	South Kilburn Regeneration	South Kilburn Regeneration: Delivering high quality open spaces across the area, including on site of existing schools. In addition, improved connectivity through the masterplan area, and improved local infrastructure including Carlton Vale Boulevard. NWCC public realm contribution from SIL (£4.9m) agreed by Cabinet April 2021.	24.2	A Future Built for Everyone, an economy fit for all - part of the estate regeneration masterplan	Borough Plan South Kilburn masterplan SPD South Kilburn Landlord Offer Draft Local plan	Statutory requirement to provide a spatial strategy for the area. Once adopted the Local Plan will become part of the statutory development plan	Procurement of a contractor	None directly SCIL eligible.	Increasing population in the area; landlord offer was on basis of the masterplan.
South Kilburn Regeneration Total				29.8						
Grand Total				420.7						

Capital Strategy Report 2022/23

1.0 Introduction

1.1 The capital strategy is a requirement for authorities following the publication of the revised Prudential Code for Capital Finance in Local Authorities in 2017. Our Capital Strategy has been produced in accordance with the guidance.

1.2 The Capital Strategy provides:

- A high-level overview of how capital expenditure, capital financing and treasury management activity supports the provision of local public services;
- an overview of how associated risk is managed; and
- the implications for future years budget and financial sustainability.

2.0 Capital Expenditure and Financing

2.1 Capital expenditure is where the Council spends money on assets, such as property, vehicles or other assets that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £5,000 are generally not capitalised and are charged to revenue in year. Details of the Council's policy on capitalisation is set out in the annual Statement of Accounts.

2.2 In 2022/23, the Council is planning capital expenditure of £252.8m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

£M	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget
General Fund services	136.7	186.0	187.9	170.8	13.3	11.5
Council housing (HRA)	58.5	47.1	35.0	19.1	0.0	0.0
Capital investments	24.4	19.8	18.6	0.0	0.0	0.0
TOTAL	219.6	252.8	241.5	189.9	13.3	11.5

2.3 The Capital Programme comprises of projects approved by Cabinet from previous year budget setting, new projects approved in year and being brought forward including those promoted from the pipeline provision.

2.4 The main General Fund capital projects include South Kilburn Estate Regeneration £64m, i4B Street Properties Purchase £67.3m, NAIL (Supported Living) £35m and

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Morland Gardens Regeneration £44m. The Council also plans to incur capital expenditure on investments, which are discussed in more detail within the Investment Strategy for 2022/23.

- 2.5 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately, and includes the building of new homes as well as expenditure on improving and maintaining council homes over the planning period.
- 2.6 Capital investments include loans and shares made for service purposes and property to be held primarily for financial return in line with the definition in the CIPFA Treasury Management Code.
- 2.7 **Governance:** Full details of the Council's capital programme, including the project appraisals undertaken can be found within the capital programme and capital pipeline proposals 2022/23 presented to Cabinet in February 2022.
- 2.8 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

£M	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget
External resources	76.8	55.2	54.2	30.4	0.0	0.0
Own Resources	41.2	64.2	71.0	10.0	2.8	11.5
Debt	101.7	133.4	116.2	149.5	10.5	0.0
TOTAL	219.6	252.8	241.5	189.9	13.3	11.5

- 2.9 Excluding external grants and other resources most assets are funded from debt. As with any debt, it must be repaid over time, and for a local authority there is a statutory requirement to set aside "minimum revenue provision" (MRP) in each year's budget for debt repayment. Planned MRP to 2026/27 is as set out in the table below.

Table 3: Replacement of debt finance in £ millions

£M	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget
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MRP	13.0	14.5	14.2	16.1	18.1	18.4
TOTAL	13.0	14.5	14.2	16.1	18.1	18.4

2.10 The Council's full minimum revenue policy statement is presented as an Appendix to the annual Council Tax and Budget Setting Report.

2.11 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase to £1,122.9m during 2022/23 and to over £1.3bn by 2026/27. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

£M	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget
Opening CFR	915.3	1,003.9	1,122.9	1,224.9	1,358.3	1,350.7
Capital Expenditure	219.6	252.8	241.5	189.9	13.3	11.5
External resources	(76.8)	(55.2)	(54.2)	(30.4)	0.0	0.0
Own Resources	(41.2)	(64.2)	(71.0)	(10.0)	(2.8)	(11.5)
MRP	(13.0)	(14.5)	(14.2)	(16.1)	(18.1)	(18.4)
Closing CFR	1,003.9	1,122.9	1,224.9	1,358.3	1,350.7	1,332.3

3.0 Capital Programme Governance and Prioritisation

3.1 The capital programme is updated annually for new schemes, revised profiling, slippage and changes in expenditure projections. The capital programme and capital pipeline proposals 2022/23 – report (included elsewhere on this agenda) sets out the indicative capital programme that will be presented to Council in February 2022 as part of the annual budget setting cycle.

Pipeline Schemes

3.2 During the year the individual capital sub-boards (led by Operational Directors) developed a comprehensive list of opportunities and proposals for future aspirational capital investment to meet the council's strategic objectives. These outline bids are then collated by the PMO (Programme Management Office). For 2022/23 this process has

culminated in the assimilation of c22 individual outline capital proposals with a total value of c420m and a spend profile spanning 2 to 5 years. At this stage these strategic pipeline schemes are only indicative and do not yet form part of the main programme as there is a requirement that individually they will still go through the normal approval routes (i.e. CMT/Cabinet/Council). Furthermore, officers will be required to produce detailed business cases, undertake feasibility and consult appropriately before getting to this stage.

Capital Programme Board

- 3.3 This Board is the main forum for reviewing the financial viability of the new capital bids and monitoring of existing programme. The Board reviews all capital investment and new opportunities, oversees and maintains the list of pipeline schemes and ensures outcomes are aligned with Council's aspirations and reflective of the circumstances within Brent. The board also ensures that all projects have a viable business case and that value for money (VfM) will be delivered for the Council.

Prioritisation criteria

- 3.4 The general criteria for scoring proposals are summarised below, higher scores were applied based on the following criterion:
- **Strategic Alignment** - How the scheme meets the outcomes of a key service objective as stated in a strategy document, business plan or action plan.
 - **Statutory Obligations** - How the delivery of a scheme is essential to ensuring the Council meets the statutory need and without the project, the Council would otherwise be at risk of failing to meet.
 - **Risk** - Whether the success of the project is dependent on mitigating high associated risks
 - **Financial Return** - Whether the scheme generates ongoing revenue savings, a capital receipt or attract external funding (partial or fully).
 - **Demand and Demographic Changes** - whether the scheme is required following a change in demographic, economic or social change that impact the borough and will reduce the demand for services in the borough..

4.0 Asset management

- 4.1 To ensure that capital assets continue to be of long-term use, the Council has a Housing Asset Management strategy in place and a Property Asset Management Strategy under review. The strategies provide a planning tool which ensures the assets are well managed and maintained in order to maximise the benefits for local residents.

5.0 Asset disposals

- 5.1 When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2022/23. Repayments of capital grants, loans and investments also generate capital receipts. The

Council plans to receive £2.3m of capital receipts, a significant proportion of which stems from asset disposals on the South Kilburn site as well as housing sold under the right to buy (RTB) scheme. The capital receipts in the coming financial year as follows:

Table 5: Capital receipts in £ millions

£M	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget
Asset Sales	2.3	5.4	26.2	16.4	8.4	18.9
Loans Repaid	5.6	7.4	6.9	6.9	6.9	6.9
TOTAL	7.9	12.8	33.1	23.3	15.3	25.8

6.0 Treasury Management

6.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

6.2 The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

6.2 On 31st December 2021, the Authority held £656.8 of borrowing (£564.8m long term and £92m short term) at an average rate of 3.3% and £105.3m of investments at an average rate of 0.04%.

7.0 Borrowing strategy

7.1 The Council’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.1%) and long-term fixed rate loans where the future cost is known but higher (currently around 1.9 to 2.25%).

7.2 Projected levels of the Council’s total outstanding debt (which comprises borrowing, PFI liabilities and leases) are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

£M	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget
Debt (incl. PFI & leases)	709.3	698.2	688.3	678.1	669.1	660.4
Capital Financing Requirement	1,003.9	1,122.9	1,224.9	1,358.3	1,350.7	1,332.3

7.3 Statutory guidance prescribes that debt should remain below the capital financing requirement, except in the short-term. As can be seen from Table 6, the Council expects to comply with this regulation.

8.0 Affordable borrowing limit

8.1 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £ millions

£M	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget
Authorised Limit	1,400.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0
Operational Boundary	1,200.0	1,300.0	1,300.0	1,300.0	1,300.0	1,300.0

8.3 Further details on borrowing are contained within the Council’s treasury management strategy.

9.0 Investment strategy

9.1 Treasury investments balances arise from receiving cash before it is required to be paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

9.2 The Council’s policy on treasury investments is to prioritise security and liquidity over yield and to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an

external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 8: Treasury management investments in £millions

£M	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget	2025/26 budget
Short term investments	30.0	30.0	30.0	30.0	30.0	30.0
Long term investments	0.0	0.0	0.0	0.0	0.0	0.0

- 9.3 Further details on treasury investments are contained within the Council’s treasury management strategy.
- 9.4 Risk management: The effective management and control of risk are prime objectives of the Council’s treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses.
- 9.5 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance, who must act in line with the treasury management strategy approved by Council. Reports on treasury management activity are presented to Cabinet and Full Council, whilst the Audit & Standards Advisory Committee is responsible for scrutinising treasury management decisions.

10.0 Investments for Service Purposes

- 10.1 The Council makes investments to assist local public services, including making loans to council subsidiaries to promote economic growth. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break-even after all costs.
- 10.2 Decisions on service investments are either made by Cabinet or under delegated authority, or set down in the approved investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme. Further details on service investments are contained within the investment strategy.
- 10.3 The proposed budget includes sums for investment in the Council’s subsidiary i4B for the acquisition of street properties as part of the Council’s temporary accommodation reform plan. These schemes aim to alleviate affordable housing pressures.

11.0 Commercial Activities

- 11.1 The Council can invest in commercial property which generates financial return. Total commercial investments are currently valued at £20.7m consisting of 40 individual property assets generating £3.1m PA, or a yield of 15%.

Table 9: Property asset types and income generated in £millions

ASSET TYPES	No. of Assets	Value £M	Income PA £M
Operational	47	186.4	0.0
Commercial	40	20.7	3.1
Community Groups	63	28.3	0.0
Education	70	486.8	0.0
Regeneration	101	6.5	0.0
Non HRA Housing	533	280.5	0.0
TOTAL	853	1,009.2	3.1

- 11.2 With a higher financial return, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include voids, diminution of capital values, etc. These risks are managed by the existing risk management framework. In order that commercial investments remain proportionate to the size of the authority they are under constant review and contingency plans are in place should expected yields not materialise.

12.0 Liabilities

- 12.1 In addition to debt of £709.3m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £248m – Report March 2021).
- 12.2 The Council will be making appropriate adjustments to its bad debt provision due to the impact of global pandemic on local businesses, residents and suppliers with more details to be provided in the 2021/22 statement of accounts.

13.0 Revenue Budget Implications

- 13.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP payments are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared

to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream

£M	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget	2025/26 budget
Financing costs	31.5	38.0	43.2	52.3	57.1	57.5
Proportion of net revenue stream %	10.9%	12.4%	13.4%	15.9%	17.4%	17.5%

13.2 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The detailed information contained within the treasury management strategy and the Budget & Council Tax Report 2022/23, as well as the prudential indicators included above demonstrates how this is prudent, affordable and sustainable.

14.0 Knowledge and Skills

14.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council also pays for junior staff to study towards relevant professional qualifications including CIPFA and AAT for example.

14.2 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach can be more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

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Investment Strategy Report 2022/23

Introduction

1. The Council invests its money for three broad purposes:
 - because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**);
 - to support local public services by lending to or buying shares in other organisations (**service investments**); and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
2. This investment strategy meets the requirements of statutory guidance issued by the government in January 2018.

Treasury Management Investments

3. The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £20m and £150m during the 2022/23 financial year.
4. The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.
5. Full details of the Council's policies and its plan for 2022/23 for treasury management investments are covered in a separate document, the Treasury Management Strategy 2022/23.

Service Investments: Loans

6. The Council lends money to its subsidiaries, statutory bodies, suppliers, local businesses, local charities and academies, housing associations, residents, its employees to support local public services and stimulate local economic growth.
7. An invest to save loan was given to the West London Waste Authority which is the statutory body responsible for waste disposal for a number of boroughs in West London towards the development of a new waste treatment facility.

8. The Council's loan to First Wave Housing Limited has been used to support the provision of temporary accommodation and improve the provision of permanent housing as a registered provider. The loan to the Council's other subsidiary, i4B Holdings Ltd, has been used to purchase 495 properties as part of the Council's temporary accommodation reform plan.
9. The School Loan Scheme has helped support significant improvements to school facilities ensuring the buildings are suitable for modern teaching and learning and accessible for pupils with disabilities.
10. The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	2021/22	2022/23
	Forecast Balance owing	Approved Limit
Subsidiaries	143.7	300.0
Local businesses	0.2	21.5
Schools, Academies and Colleges	1.1	55.0
Waste Authority	15.5	20.0
TOTAL	160.5	461.5

11. Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts from 2019/20 onwards will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments. The loss allowance to date has been immaterial.
12. The Council assesses the risk of loss before entering into and whilst holding service loans by undertaking various financial checks and utilising specialists (where required) to advise on technical aspects of the investment. Projects funded by service loans are monitored within the Council's existing capital programme and governance reporting regime.

Commercial Investments: Property

13. The Council has in the past invested in property locally to support regeneration as well as secure a financial return. Total commercial investments are currently valued at £20.7m consisting of 40 individual property assets generating £3.1m PA, or a yield of 15%. The forecast for 2022/23 expects similar returns to 2020/21.

Table 2: Property held for investment purposes in £ millions

Asset Types	Expected 22/23			
	No. of Assets	Gain or (losses)	Value in accounts in £m	Income PA in £m
Commercial	40	1.0	20.7	3.1

Other categories of investment

Loan Commitments and Financial Guarantees

14. Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.
15. FWH currently has £36m of loans outstanding with the Council at an interest rate of 3%. As part of the proposal to transfer 109 units in the Granville new homes blocks back to the Council it was agreed in principle that these outstanding loans would be refinanced with the goal of ensuring the ongoing financial viability of FWH without the need for the Council to write off any of the loans to FWH. The basis of the financing is to be agreed. The outline modelling presented as part of the transfer proposal to the Council included a refinancing of the outstanding debt at 2% and rescheduling the loan repayments over a 50 year period.
16. I4B currently has loans of £126m outstanding with the Council at varying rates of interest and maturity dates depending on the date of the initial loan draw down. A further £64m of finance consisting of 80% loan and 20% equity was available as at the 31st of March 2021 with a further £19.475m of this forecast to be utilities in the 2021/22 financial year.

Capacity, skills and Culture

17. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making recommendations and decisions on

commercial activities. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA and AAT for example.

18. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach can be more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
19. Our retained advisors provide a comprehensive training and awareness programme for elected Members, including training in relation to scrutiny of the Treasury Management function and the annual Statement of Accounts. The training programme covers, Local Government Finance, Corporate Governance, The Role of the Governance / Audit Committee and capital Programme Prioritisation.
20. The Council's treasury activity (including investments and borrowing) is reported to the Audit & Standards Advisory Committee and full Council twice a year via a mid-year report as well as the full year outturn report.

Investment Indicators

21. The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

Total risk exposure

22. The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third party loans.

Table 3: Total investment exposure in £millions

Total investment exposure	20/21 Actual	21/22 Forecast	22/23 Forecast
Treasury management investments	82.7	30.0	30.0
Service investments: Loans	160.5	227.2	245.6
Commercial investments: Property	0.0	0.0	0.0
TOTAL INVESTMENTS	243.2	257.2	275.6

TOTAL EXPOSURE	243.2	257.2	275.6
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How investments are funded

23. Government guidance states that these indicators should include details of how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves, grants and other income.

Table 4: Investments funded by borrowing in £millions

Investments funded by borrowing	20/21 Actual	21/22 Forecast	22/23 Forecast
Service investments: Loans	160.5	227.2	245.6
Commercial investments: Property	0.0	0.0	0.0
TOTAL FUNDED BY BORROWING	160.5	227.2	245.6

Rate of return

24. This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 5: Investment rate of return (net of all costs)

Investments net rate of return	20/21 Actual	21/22 Forecast	22/23 Forecast
Treasury management investments	0.06%	0.02%	0.02%
Service investments: Loans	3.5%	3.1%	3.0%
Commercial investments: Property	6.4%	15.0%	15.0%

Table 6: Other investment indicators

Indicator	2020/21 Actual	2021/22 Forecast	2022/23 Forecast
Debt to net service expenditure ratio	2.27	2.22	2.09
Commercial income as a % of net service expenditure ratio	0.62%	1.01%	0.96%

Appendix I - Treasury Management Strategy Statement 2022/23

Introduction

- 1.0 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 2.0 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

External Context

- 3.0 The ongoing impact on the UK from coronavirus, together with higher inflation, the likelihood of higher interest rates, and the country's trade position post-Brexit, will be major influences on the Council's treasury management strategy for 2022/23.
- 4.0 The Bank of England (BoE) held Bank Rate at 0.25% in December 2021 and maintained its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.
- 5.0 Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.
- 6.0 UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.
- 7.0 In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay

growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

- 8.0 Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.
- 9.0 GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

Credit outlook

- 10.0 Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and have steadily edged down throughout the year to almost pre-pandemic levels. The improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.
- 11.0 The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable.
- 12.0 Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Council's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Council's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast

- 13.0 The Council's treasury management adviser Arlingclose is forecasting that Bank Rate will rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.
- 14.0 Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

- 15.0 Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.
- 16.0 A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix 1.
- 17.0 For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 0.1%, and that new long-term loans will be borrowed at an average rate of 2.2%.

Local Context

- 18.0 On 31st December 2021, the Council held £656.8m of borrowing (£564.8m long term and £92.0m short term) and £120.8m of investments. This is set out in further detail at **Appendix 2**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

£m	Actual	Forecast		
	31.3.21	31.3.22	31.3.23	31.3.24
General Fund CFR	671.8	742.6	835.3	917.5
HRA CFR	243.4	261.4	287.6	307.4
Total CFR	915.3	1,003.9	1,122.9	1,224.9
Existing Borrowing	659.1	632.1	624.7	617.8
Borrowing required to meet CFR	256.1	371.8	498.2	607.1

Projected Usable Reserves	443.4	396.8	396.8	396.8
Projected Working Capital	(84.6)	(37.9)	(37.9)	(37.9)
Available Cash Reserves	358.8	358.9	358.9	358.9

Investments (or New borrowing)	102.7	(12.9)	(139.3)	(248.2)
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- 19.0 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's strategy has been to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. This means the Council has minimised its interest

costs by utilising internal resources over the short term instead of undertaking more expensive external borrowing. As our internal resources are being depleted, there is a need for the Council to undertake new external borrowing to fund the capital programme. The Council will need to borrow up to £248m over the forecast period.

- 20.0 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2022/23.

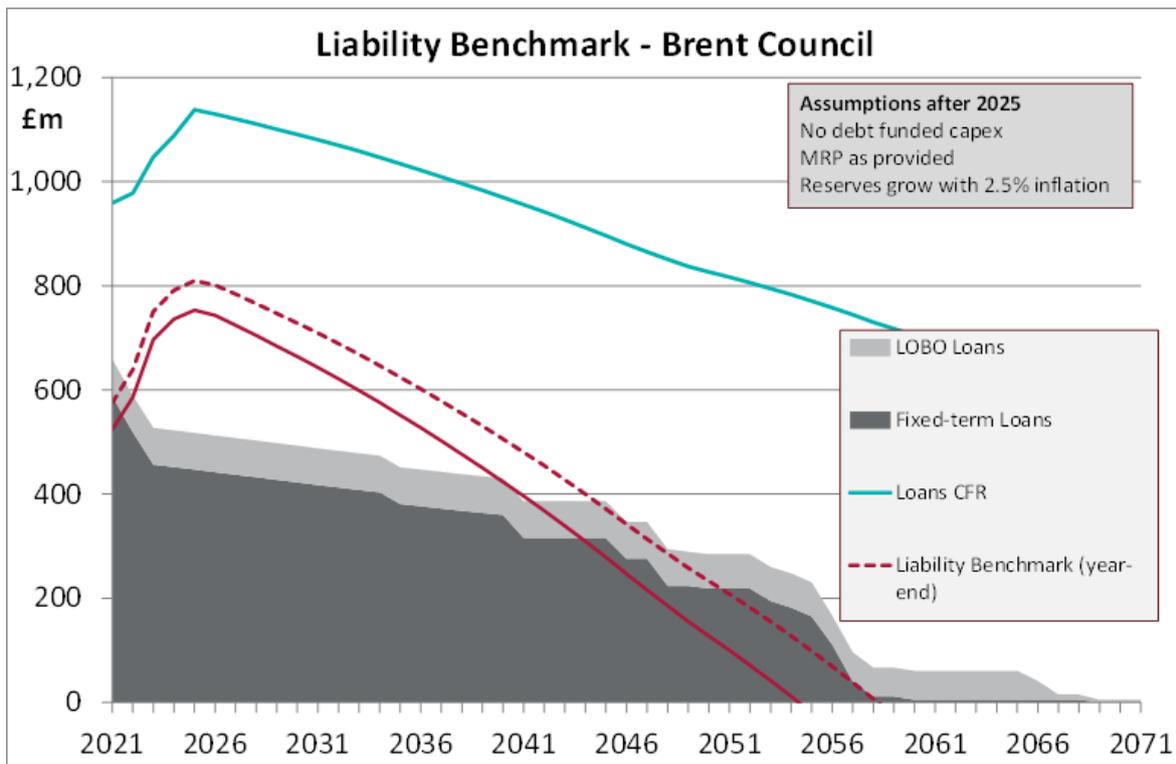
Liability Benchmark

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £20m at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 2: Liability benchmark

	31.3.21	31.3.22	31.3.23	31.3.24
	£m	£m	£m	£m
Total CFR	915.3	1,003.9	1,122.9	1,224.9
Less: Balance sheet resources	(358.8)	(358.9)	(358.9)	(358.9)
Net loans requirement	556.4	645.0	764.0	866
Plus: Liquidity allowance	20.0	20.0	20.0	20.0
Liability benchmark	576.4	665.0	784.0	886.0

- 21.0 Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes minimum revenue provision on new capital expenditure based on a 10 - 60 year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year. This is shown in the chart below:



22.0 The Loan CFR (Blue lines) represents the need to fund capital expenditure through borrowing. The Liability benchmark (Red Lines) represents the level of borrowing requirement once reserves and working capital has been taken into account. Where the liability benchmark exceeds the Council’s current borrowing levels (Grey area), this indicates the real need to borrow.

Borrowing Strategy

23.0 The Council currently holds £656.8 million of loans, an increase of £87.7 million (Last year £659.1m) million on the previous year, due to the decrease in internal cash reserves and planned capital expenditure. The balance sheet forecast in Table 1 shows that the Council expects to borrow up to £764m by 2022/23 however, this is largely dependent on how the capital programme progresses. The Council may also borrow additional sums to pre-fund future years’ requirements, providing this does not exceed the authorised limit for borrowing of £1.3 billion.

24.0 **Objectives:** The Council’s main objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council’s long-term plans change is a secondary objective.

25.0 **Strategy:** The Council’s borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow

short-term loans instead. By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

26.0 The benefits of short term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly.

27.0 In order to ensure long term stability of the debt portfolio, a proportion of the portfolio will be funded by long term borrowing. The cost of carry exercise which will evaluate the cost of borrowing now to borrowing in the future will determine whether the Council borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

28.0 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the local Brent Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

29.0 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire purchase
- Private Finance Initiative
- Sale and leaseback

30.0 The Council has previously raised the majority of its long term borrowing from the PWLB and will continue to do so in 22/23 due to the low interest rates available. The Council will also consider the arrangement of forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

31.0 PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council will no longer be undertaking these activities to retain access to PWLB loans.

- 32.0 In addition to above, the Council may borrow short-term loans to cover temporary cash flow pressures from other Local Authorities.
- 33.0 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to members.
- 34.0 **LOBOs:** The Council holds £70.5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £45.5m of these LOBOs have options during 2022/23, and although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so.
- 35.0 **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section 69 below).
- 36.0 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Treasury Investment Strategy

- 37.0 The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £152.9m and £42.5m due to capital expenditure utilising the Council's internal cash reserves. These balances are expected to remain low for the remainder of the year with cash available to invest for relatively short periods.
- 38.0 **Objectives:** The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the

risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

- 39.0 **Negative interest rates:** The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 40.0 **Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Council continue to monitor higher yielding asset classes during 2022/23. This represents a continuation of the strategy adopted in 2018/19. However, it is worth noting that this approach will be limited to the extent that the capital investment plans are delivered in line with current expectations. Should this prove to be the case, surplus funds will not be available to invest over longer durations as set out below.
- 41.0 Currently, the majority of the Council's surplus cash remains invested in short-term money market funds. The average rate of interest received on short-term investments during the year to December 21 was 0.04%. Comparison data for other local authorities from Arlingclose's benchmarking club (which uses the data of 136 Local Authorities) places Brent around average compared to our peers - Appendix 3. Due to the authorities borrowing requirement, there is unlikely to be scope to improve the short term investment returns achieved as liquidity of the surplus funds will play a key role.
- 42.0 The Council will maintain a minimum investment balance of £10m to ensure the Council complies with the requirements to be a professional client under MIFID II regulations.
- 43.0 **Responsible Investment and Environmental, Social and Governance (ESG) considerations:** The Council announced a climate emergency in July 2019 and the Council wishes to develop an investment strategy to accommodate climate change considerations. When undertaking a long-term treasury investment, the Council will ensure ESG matters are reviewed as part of the investment due diligence. Following COP 26, the new International Sustainability Board is likely to bring about changes in future disclosure requirements on investments.
- 44.0 **Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of

collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

- 45.0 **Credit Rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose long-term credit rating is no lower than A-. The Council uses the lowest rating quoted by the main rating agencies, as recommended by CIPFA. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account. Within these criteria the Director of Finance will have discretion to accept or reject individual institutions as counterparties on the basis of any information which may become available.
- 46.0 Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Any institution will be suspended or removed should any factors give rise to concern, and caution will be paramount in reaching any investment decision regardless of the counterparty or the circumstances. Should an entity's credit rating be downgraded so that it does not meet the Council's approved criteria then:
- No new investments will be made;
 - Full consideration will be made to the recall or sale of existing investments with the affected counterparty.
- 47.0 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 48.0 Having an appropriate lending list of counterparties, remains critically important to protecting Brent's investments. A list of extremely secure counterparties would be very small, and the limits with each would be correspondingly high. This would expose the Council to a risk of an unlikely but potentially large loss. This arises because the arrangements for dealing with banks in difficulty now require a loss to be imposed on various categories of liabilities of the banks to allow the bank to recapitalise itself and continue in business (sometimes referred to as bail in).
- 49.0 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial

market conditions. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

- 50.0 **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
- 51.0 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. There is no upper limit to the maximum credit loss that the Council could suffer in the event of a bail-in scenario. See section 54 below for arrangements relating to operational bank accounts. Investments in unsecured deposits will be limited to £20m.
- 52.0 **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed. Investments with registered providers will be limited to £20m in 2022/23.
- 53.0 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments. The Council and its advisors remain alert for signs of credit or market distress that might adversely affect the Council. Investments in secured deposits will be limited to £20m.
- 54.0 **Money market funds (MMFs):** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash

at all times. Deposits will not exceed 0.5% of the net asset value of the MMF. In addition, each Fund will be limited to a maximum deposit of £20m.

- 55.0 The investment strategy will provide flexibility to invest cash for longer periods in order to access higher investment returns. The upper limit for lending beyond a year is £50m. In practice, lending for more than one year will be only to institutions of the highest credit quality and at rates which justify the liquidity risk involved. Marketable instruments may have longer maturities, though the maturity will be considered in conjunction with the likely liquidity of the market and credit quality of the institution. Other than UK Central Government the Council may invest its surplus funds subject to a maximum duration of 25 years.

Alternative investment options will include:

- 56.0 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly. Although considered as pooled funds, MMF's are discussed separately in paragraph 34. The Council currently has no investments in Pooled Funds (other than MMFs) at present, but may make prudent use of them in the future. Investments in pooled funds will be limited to £20m in 2022/23.
- 57.0 **Real estate investment trusts (REITs):** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. The risk with any investments in REITs is that shares cannot be withdrawn but can be sold on the stock market to another investor which leaves the Council open to market risk. Investments in REITs will be limited to £20m in 2022/23.
- 58.0 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
- 59.0 **Operational bank accounts:** The Council may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than

made insolvent, increasing the chance of the Council maintaining operational continuity. The Council banks with National Westminster Bank (NatWest) who meet the Council's minimum credit criteria. Should NatWest's creditworthiness deteriorate below the Council's minimum credit criteria, then as far as is consistent with operational efficiency, no money will be placed with NatWest and credit balances in the various Council accounts will be kept to a minimum level.

60.0 **Investment limits:** The Council's revenue reserves available to cover investment losses are forecast to be £397 million on 31st March 2022. In order that no more than 10% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government and Council subsidiaries) will be £20 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

Table 2: Investment Limits

	Credit Quality	Cash limit	Time Limit
Any single organisation, except a Government entity	A- Or equivalent	£20m	n/a
UK Government	Any	Unlimited	50 years
Local Authorities & other government entities	Any	Unlimited	25 years
Banks (unsecured)*	A- Or equivalent	£20m	13 months
Building Societies (unsecured)*	A- Or equivalent	£20m	13 months
Registered providers and registered social landlords*	A- Or equivalent	£20m	5 years
Secured investments*	A- Or equivalent	£20m	5 years
Money market funds*	A- Or equivalent	Lower of 5% of total net assets of the fund or £20m	n/a
Strategic pooled funds*	A- Or equivalent	£20m	n/a
Real estate investment trusts*	A- Or equivalent	£20m	n/a
Other Investments*	A- Or equivalent	£50m	5 years

* **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £200,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

61.0 **Liquidity management:** The Council uses internal purpose-built cash flow modelling tools to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast. The Council aims to spread its liquid cash over at least two providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

TREASURY MANAGEMENT INDICATORS

62.0 The Council measures and manages its exposures to treasury management risks using the following indicators.

63.0 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Table 3: Credit risk indicator

Credit risk indicator	Target
Portfolio average credit rating	A

64.0 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Table 4: Liquidity risk indicator

Liquidity risk indicator	Target
Total cash available within 3 months	£20m

65.0 **Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Table 5: Interest rate risk indicator

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	£5m
Upper limit on one-year revenue impact of a 1% fall in interest rates	£5m

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

- 66.0 **Maturity structure of borrowing:** This indicator is set to control the Council’s exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Table 6: Refinancing rate risk indicator

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	40%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	60%	0%
10 years and within 20 years	75%	0%
20 years and within 30 years	75%	0%
30 years and within 40 years	75%	0%
Over 40 years	75%	0%

Time periods start on the first day of each financial year. LOBOs are classified as maturing on the next call date i.e. the earliest date that the lender can require repayment.

- 67.0 **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Table 7: Price risk indicator

Price risk indicator	2022/23	2023/24	2024/25
Limit on principal invested beyond year end	£50m	£50m	£50m

Related Matters

- 68.0 The CIPFA Code requires the Council to include the following in its treasury management strategy.
- 69.0 **Financial Derivatives:** A Derivative is a contract between two or more parties to hedge against the risk associated with the performance of an underlying asset. Local authorities have previously made use of financial derivatives embedded into its loans and investments both to reduce interest rate risk and to reduce costs or increase income at the expense of greater risk.
- 70.0 The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities’ use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

- 71.0 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to.
- 72.0 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 73.0 In line with the CIPFA Code, the Council will seek external advice and consult with Members before entering into financial derivatives to ensure that it fully understands the implications. This will include analysis of the impact on interest rate, refinancing, counterparty, market, regulatory and legal risks, together with an assessment on the effectiveness of the derivative.
- 74.0 **Housing Revenue Account:** On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Council's average interest rate on investments, adjusted for credit risk.
- 75.0 **Markets in Financial Instruments Directive:** The MiFID II regulations took effect from January 2018 which saw the council reclassified as a retail client with the opportunity to opt up to professional client status. Retail clients have access increased protection however this would be balanced against potentially higher fees and access to a more limited range of products. The Council has opted up to professional client status with its providers of financial services, including advisors, banks, brokers and fund managers. Given the size and range of the Council's treasury management activities, the Director of Finance believes this to be the appropriate status for the Council's treasury management activities.
- 76.0 **Financial Implications:** The draft capital financing budget of £23.6m for 2022/23 has been calculated based on the reduction in balances available for investment and the increased external borrowing required.
- 77.0 **Other Options Considered:** The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Council believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Table 8: Alternative Strategies

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix 1 – Arlingclose Economic & Interest Rate Forecast October 2021

Underlying assumptions:

- The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit
- While Q2 UK GDP expanded more quickly than initially thought, the ‘pingdemic’ and more latterly supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support
- Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher
- The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increase in wages is possible given the pressures on businesses.
- Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled-down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.
- The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

Forecast:

- Arlingclose expects Bank Rate to rise in Q2 2022. We believe this is driven as much by the Bank’s desire to move from emergency levels as by fears of inflationary pressure.
- Investors have priced in multiple rises in Bank Rate to 1% by 2024. While we believe Bank Rate will rise, it is by a lesser extent than expected by markets
- Gilt yields have risen sharply as investors factor in higher interest rate and inflation expectations. From here, we believe that gilt yields will be broadly steady, before falling as inflation decreases and market expectations fall into line with our forecast
- The risk around our forecasts for Bank Rate is to the upside over the next few months, shifting to the downside in the medium term. The risks around the gilt yield forecasts are initially broadly balanced, shifting to the downside later

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.15	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	-0.15	-0.15	-0.15	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
3-month money market rate													
Upside risk	0.10	0.15	0.20	0.20	0.30	0.30	0.30	0.30	0.35	0.35	0.35	0.35	0.35
Arlingclose Central Case	0.10	0.15	0.35	0.40	0.45	0.60	0.65	0.65	0.60	0.60	0.60	0.60	0.60
Downside risk	0.00	-0.05	-0.25	-0.25	-0.30	-0.45	-0.50	-0.50	-0.45	-0.45	-0.45	-0.45	-0.45
5yr gilt yield													
Upside risk	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.65	0.65	0.65	0.65	0.65	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Downside risk	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
10yr gilt yield													
Upside risk	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Arlingclose Central Case	1.05	1.05	1.05	1.05	1.05	1.05	1.00	0.95	0.95	0.95	0.90	0.90	0.90
Downside risk	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50
20yr gilt yield													
Upside risk	0.30	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	1.40	1.40	1.40	1.40	1.35	1.35	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Downside risk	-0.35	-0.40	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
50yr gilt yield													
Upside risk	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	1.30	1.30	1.30	1.30	1.25	1.25	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Downside risk	-0.35	-0.35	-0.35	-0.40	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

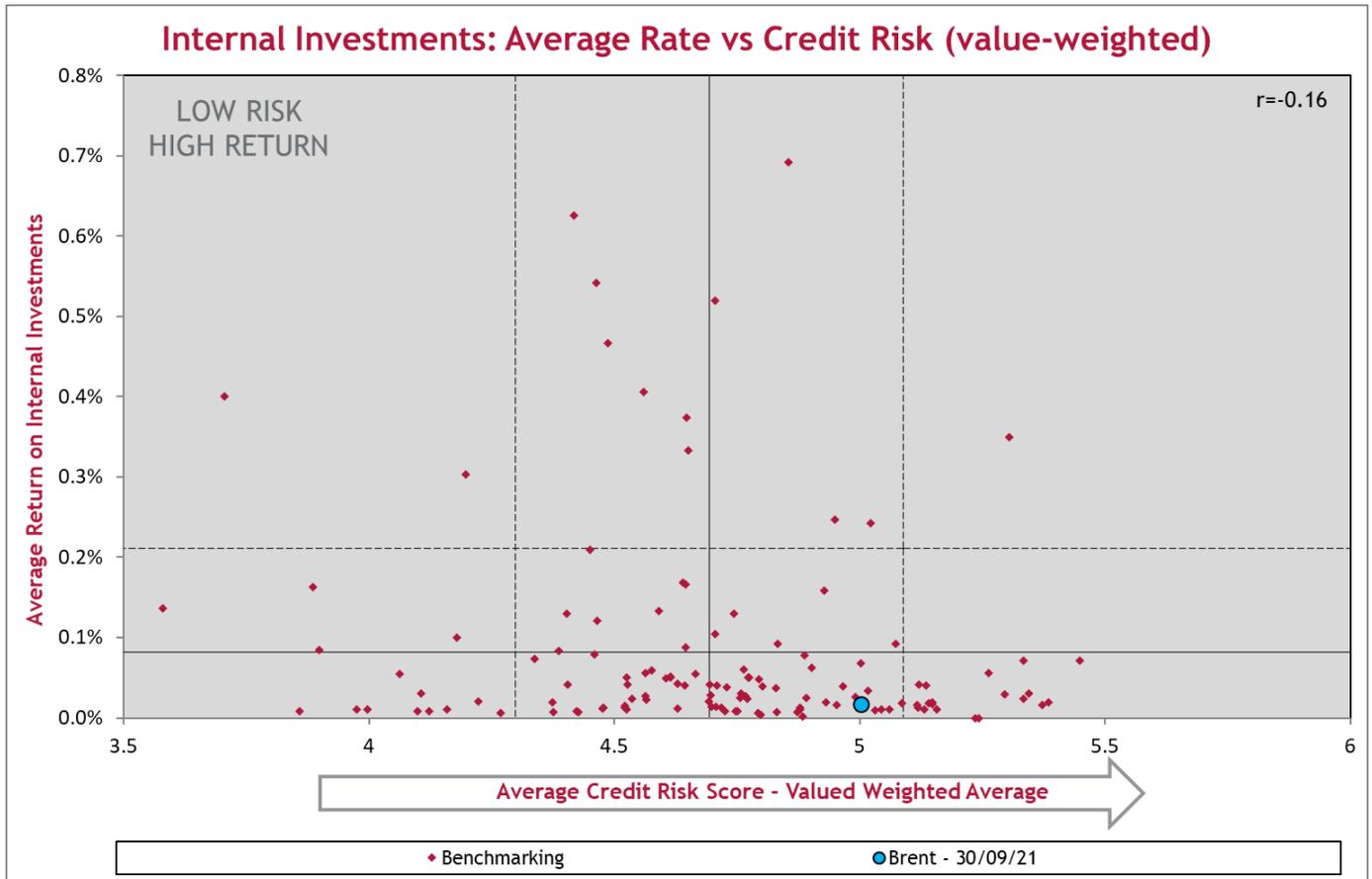
PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix 2 – Existing Investment & Debt Portfolio Position

	31/12/2021	31/12/2021
	Actual Portfolio	Average Rate
	£m	%
External Borrowing:		
PWLB – Maturity	278.9	5.0
PWLB – EIP	120.4	1.8
LOBO Loans	70.5	4.6
Fixed Rate Loans	95.0	2.4
ST Loans	92.0	0.1
Total External Borrowing	656.8	3.3
Other Long-term liabilities:		
Private Finance Initiatives	23.5	
Finance Leases	6.7	
Total other long-term liabilities	30.2	
Total Gross External Debt	687.0	
Treasury Investments:		
Market Deposits	0.0	0.00
Money Market Funds	80.3	0.04
HM Treasury	25.0	0.03
Total Treasury Investments	105.3	0.04
Net Debt	581.7	

Appendix 3 – Internal Investments: Average Rate vs Credit Risk



A credit rating of 4 is equivalent to credit score of AA-. The Council has a target rating of A which is a rating of 6. The current portfolio has a credit rating of A+ (Credit score 5) which exceeds our target rating.

Minimum Revenue Provision – 2022/23

- 1.1. The Council is required to pay off an element of the accumulated General Fund capital spend financed by borrowing each year through a revenue charge (the Minimum Revenue Provision), although it is also allowed to undertake additional voluntary payments where it is seen to be in its best interests to do so. There has been no statutory minimum since 2008. The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonable commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 1.2. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in 2018.
- 1.3. The Guidance requires full Council (or a delegated body) to approve an MRP policy statement in advance of financial each year and recommends a number of options for calculating a prudent amount of MRP.
- 1.4. In accordance with the current guidance for the calculation of MRP the following policy for non-HRA assets has been applied:
 - 1.4.1. For supported borrowing, the Council will use the asset life method (Option 3) and an 'annuity' approach for calculating repayments. Based on the useful economic lives of the council's assets a single annuity has been calculated, which results in the outstanding principal being repaid over the course of one hundred years.
 - 1.4.2. For prudential borrowing, the Council will adopt Option 3, 'the asset life method', and an 'annuity' approach for calculating repayments. This option allows provision for repayment of principal to be made over the estimated life of the asset. The use of the 'annuity' method is akin to a mortgage where the combined sum of principal and interest are equalised over the life of the asset.
 - 1.4.3. In line with the statutory guidance MRP will be charged for finance leases at a rate equal to the writing down of the lease liability.
 - 1.4.4. MRP will include a charge equal to any capital lifecycle additions within the lease.

- 1.4.5. Where borrowing is undertaken for the construction of new assets, MRP will only become chargeable once such assets are completed and operational.
- 1.4.6. The Council reserve the right to charge a £nil MRP where the conditions set out in paragraph 26 of the statutory guidance have been met.
- 1.5. The asset lives which will be applied to different classes of assets are as shown in table 1, however the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

Table 1

Asset Type	Years
Vehicles and equipment	5 to 15 years
Capital repairs to roads and buildings	15 to 25 years
Purchase of buildings	30 to 40 years
New construction	40 to 60 years
Purchase of land	50 to 100 years

- 1.6. Based on the Council's latest estimate of its capital financing requirement (CFR) on 31st March 2022, the MRP budget for 2022/23 has been set at £14.5m.

BRENT RESERVES STRATEGY

What are reserves?

CIPFA states in the *Financial Management Code* states that “the aim of the authority’s financial reserves is to provide funding for investment in future activities and to act as a safety net in case of short-term financial challenges.”

What is a reserves strategy?

The *Reserves Strategy* defines the level and purposes for which the Council holds reserves. It consists of three key elements:

1. **Strategy:** what the Council is seeking to achieve through holding reserves;
2. **Financial Planning:** linking the level of reserves with plans for their use over the period of *Medium Term Financial Strategy* (MTFS); and
3. **Operational Framework:** how the Council determines the level of reserves, manages those reserves and plans for their use in line with best practice and statutory requirements.

Together these elements set out the Council’s ambition for reserves, the nature of that ambition and how we will provide assurance.

STRATEGY

Why do we need a reserves strategy?

The Council plans its finances over the short term, medium and long term so that it has adequate resources to deliver services for the residents of the borough. As a large, complex organisation, there will always be variations between our actual spending/income and our plans due to variations in demand, demographic change, changes in costs and the funding decisions of third parties as well as the need to deliver projects and investments spanning more than one financial year.

To ensure we can manage these financial risks, whilst being able to maintain services, requires that the Authority holds funds in reserve to meet these costs as and when they arise and to deal with any unexpected emergency that may occur. A reserves strategy enables us to do this in a planned way.

Do we have to have a reserves strategy?

The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the *Local Government Act 1992* require precepting authorities and billing authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

There are other safeguards in place that help to prevent the Council from over-committing itself financially. These include:

- a) The balanced budget requirement (*Local Government Act 1992 s32 and s43*);
- b) Chief Finance Officer's duty to report on the robustness of estimates and adequacy of reserves (*Local Government Act 2003 s25*) when the Council is considering the budget requirement;
- c) Legislative requirement to make arrangements for the proper administration of the Council's financial affairs and that the Chief Finance Officer has responsibility for the administration of those affairs (*Local Government Act 1972 s151*);
- d) The requirements of the *Prudential Code*;
- e) Auditors' consideration of whether the audited body has established adequate arrangements to ensure that its financial position is sustainable. Financial sustainability is covered as part of the *Value for Money Audit*; and
- f) CIPFA's *Financial Management Code* requirement that the effective management of reserves is reviewed as part of a formal Financial Resilience Assessment (FRA).

These requirements are reinforced by section 114 of the *Local Government Finance Act 1988*, which requires the Chief Finance Officer to report if there is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the Council will not have the resources to meet its expenditure in a particular financial year.

Whilst it is primarily the responsibility of the Chief Finance Officer to maintain a sound financial position, the external auditors will, as part of their wider responsibilities, consider whether the audited body has established adequate arrangements to ensure that its financial position is soundly based. However, it is not the responsibility of the external auditors to prescribe the optimum or minimum level of reserves for the Council.

FINANCIAL PLANNING

How does it fit with our other strategies?

The *Reserves Strategy* is part of a suite of supporting strategies that supplement the *Borough Plan* and the *Medium Term Financial Strategy*. These detailed strategies provide an additional level of granularity that helps to create a bridge between the over-arching strategies and operational delivery plans

CIPFA's *Prudential Code* requires the Chief Finance Officer to have regard to affordability when making recommendations about the future capital programme. Such consideration includes the level of long-term revenue commitments. Indeed, in considering the affordability of its capital plans, the Council is required to consider all of the resources available to it and estimated for the future, together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years.

There is a requirement for three-year revenue forecasts across the public sector and this is achieved through the *Medium Term Financial Strategy* and the annual budget. The 2021 Autumn Budget and Comprehensive Spending Review (CSR21) provided details of proposed

government support for a three-year timeframe, but with only a one-year detailed financial settlement. This creates uncertainty over future funding and provides limited information for planning over the medium term the use of balances and reserves.

How are the level of reserves set?

CIPFA's Local Authority Accounting Panel does not accept that there is a case for introducing a generally acceptable minimum level of reserves. Instead, it is for the Council, on the advice of its Chief Finance Officer, to make its own judgement on such matters, taking into account all relevant local circumstances. What are relevant circumstances will vary between areas. A well-managed organisation with a prudent approach to budgeting should be able to operate with a minimal level of general reserves which are appropriate to the risks (both internal and external) to which it is exposed. In assessing the appropriate level of reserves, a well-managed organisation will ensure that the reserves are not only adequate, but also are necessary.

It is worth noting that not all reserves are usable. Some reserves arise out of the interaction of legislation and proper accounting practice. These are termed 'unusable reserves' as they cannot be used for any other purpose. They are not considered further as there is no need to set their level and no discretion over their creation, purpose or usage.

Types of Reserve

When reviewing the medium term financial plans and preparing the annual budgets, the establishment and maintenance of reserves should be considered. These can be held for five main purposes:

- a) **Working Balance** - to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves.
- b) **Contingency Reserve** - to cushion the impact of unexpected events or emergencies – this forms part of general reserves.
- c) **Sinking Fund and Smoothing Reserves** – these allow a response to uncertainty in the economic climate and provide assurance on the safety of the Council's financial assets. These are closely linked with the *Treasury Management Strategy* and *Capital Strategy* - these form part of general reserves.
- d) **Statutory and Ring-fenced Reserves** – these are held for specific purposes, often set by statute. Examples include grant funding where the expenditure has yet to be incurred (Capital Grants Unapplied), the HRA Balance and the Schools Balances. Although these are legally part of the general reserves, the restrictions and limitations on their use mean that they should be accounted for separately and not viewed as generally usable.
- e) **Earmarked Reserves** – these represent a means of building up funds to meet known or predicted requirements, such as planned investment, capital projects and change programmes; earmarked reserves are accounted for separately and viewed as largely not generally usable. They remain legally part of the general reserves.

In addition the Council holds the following two usable reserves:

- a) **Major Repairs Reserve** – this reserve records the unspent amount of HRA balances for capital financing purposes in accordance with statutory requirements for the reserve. This is an HRA specific reserve.
- b) **Capital Receipts Reserve** – this reserve holds the proceeds from the sale of assets, and can only be used for those purposes specified in the capital finance and accounting regulations.

OPERATIONAL FRAMEWORK

When establishing reserves, there needs to be compliance with the *Code of Practice on Local Authority Accounting* and in particular, the need to distinguish between reserves and provisions.

The split of reserves into five categories is helpful as each category has its own nature, purpose and planned usage that can be used to determine the required level of reserves.

Working Balance

The cash flow forecast is key to understanding the level of reserve required to cushion the impact of uneven cash flows. The overall size the net expenditure budget should be used as the reference point for determining the percentage required to be retained as the working balance.

Contingency Reserve

Determining a suitable level of reserve to cover the unexpected is an inexact science. At best this will be an estimate created using risk management techniques to determine the likelihood and impact of potentially disastrous events. Past experience demonstrates the ability of the Council to deliver savings, while dealing with resource reductions and demographic and other demand changes. How these issues have been tackled without overspending the budget will be an important consideration in deciding how much needs to be set aside in reserves as contingency. A reasonableness check also needs to be considered - retaining adequate funds to cover a calamitous event such as a second pandemic may be overly cautious and therefore not prudent as it ties up scarce resources unnecessarily. The contingency requirement should be referenced to a percentage of net expenditure.

The first two types of reserve, although different in nature, involve dealing with the unplanned and unexpected. The Council also hold reserves for planned purposes. It defines these usable reserves under the following headings:

- Ring-fenced and Statutory
 - HRA
 - Schools
 - COVID
- Capital
- Investment
- Sinking and Smoothing
- Service reserves
- Transformation

- General Fund Balance

When considering reserves held for specific purposes that could be freely utilised to fund unexpected expenditure, only the final three headings (service reserves, transformation and the general fund balance) can be used without limitation. The other reserves are either restricted to a specific use or already committed. Theoretically, the General Fund balance could be viewed as the working balance, whilst the other two types of reserve constitute amounts available for contingency purposes.

As stated already, the reference point for determining the target level for the working balance and contingency reserves should be a percentage of net expenditure. The end result will be a single target percentage of net expenditure that should be held. Although CIPFA oppose an arbitrary figure, 5% is widely used in local authorities as such a target. This is viewed as a starting point and tested for adequacy by considering past data and future forecasts. When considering past experience, use has been made of both benchmarking data for other London boroughs, provided by London Councils and CIPFA's Financial Resilience Index, and historic data for the Council. The comparative data shows that the level of reserves at Brent is good and provides strong foundations for long-term financial sustainability.

An analysis has been undertaken of the percentage of over- or under-spend that the year-end outturn represents of the Council's net budget. This shows that at no point in the last 20 years did any year-end overspend equate to as much as 2% of the net expenditure budget. Looking to the future, funding uncertainty, cost drivers, demand pressures and demographic changes have been considered. Further factors such as the effects of COVID-19 and the current high levels of inflation have also been taken into account. The conclusion of this work is that 5% is a reasonable minimum level of general reserves based on past experience and future expectations.

Uncertainty and Smoothing Reserves

At Brent, reserves for insurance, redundancy and welfare reform are examples of this type of reserve. Each is set on the basis of an individual calculation that takes in to account relevant factors and local circumstances. The *Reserves Strategy* recommends that this policy continues with a requirement to demonstrate need and adequacy are a part of the working paper for the calculation of any reserve under this heading.

Statutory and Ring-fenced Reserves

As these arise from circumstances largely prescribed by statute, there is no need to provide further policy on their level or use. The Council divides these reserves between s106/CIL, Ring-fenced and capital reserves. They are presented in the accounts as part of the earmarked reserves.

Earmarked Reserves

Under this heading fall service specific reserves including carry forwards and more general amounts set aside for transformation, service pressures and future funding risks. The need for and level of these reserves should be justified by a calculation demonstrating the requirement for the reserve, its intended purpose, how its level has been determined and plans for its profiled release. This should be aligned with corporate plans and strategies such

as the *Borough Plan*, the *MTFS* and the *Capital Strategy* as appropriate. All earmarked reserves should be reviewed annually as part of the closure of the accounts.

MONITORING

The level of all reserves is kept under continuous review by the Director of Finance. This is achieved through revisions to the *Medium Term Financial Strategy* and the budget monitoring reports. Periodic updates will be provided to the Cabinet and the Audit and Standards Advisory Committee. The planned level of reserves will reported to the Council annually via the *Budget Report*.

USE OF RESERVES

The maintenance and use of reserves play a key role in long-term financial sustainability. Just as the creation and maintenance of reserves arises in a structured way through the Council's financial planning process, so the release of reserves needs to be subject to a similarly planned and controlled process. Such a process is provided by the *Scheme of Transfers and Virements*, which sets out specific requirements for the use of reserves. The main points are:

1. Reserves cannot be used to fund overspends without a plan

Section 3 of the *Scheme of Transfers and Virements* requires that "Reserves must not be used to fund ongoing overspends unless there is an agreed, realistic plan to eliminate the overspend before the reserve is exhausted (this applies to all reserves, both earmarked and non-earmarked). The Director of Finance must review planned uses of reserves to ensure that these are not being used to hide or obscure systemic overspends. The Director of Finance must report to Full Council report any areas with inadequate plans to address overspends."

2. Budget report must identify the reserves against which overspends can be charged

Section 3 of the *Scheme of Transfers and Virements* states that "In certain circumstances where such overspends on Funds arise, there is a choice as to which reserve the charge should be made. The annual Budget Report will identify which reserves overspends will and will not be charged against, for approval by Full Council. In the event of inadequate reserves to fund overspends, the Director of Finance may have to use additional reserves to fund overspends, any such action is to be reported to Full Council. "

3. Budget report must specify how reserves are to be used

Section 6 of the *Scheme of Transfers and Virements* directs that "Reserves have been established to aid the smooth running of the Council's finances, and it will be normal to charge costs to those reserves subject to financial regulations and local procedures and policies. Further, the council has capital monies, such as capital grants and capital receipts held in the council's useable reserves. The Schedule of Earmarked Reserves in the Budget Report must specify how the council's useable reserves are to be used, including if they can be used to fund overspends, and this needs to be approved by Full Council as part of the Budget

Report. Officers may make transfers from these reserves up to the amounts in the Budget Report for the specified purposes.”

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BRENT RESERVES	Actual 31/03/2021 £m	PURPOSE AND PLANNED USAGE	Forecast 31/03/2022 £m	Forecast 31/03/2023 £m
<u>BALANCES</u>				
General Fund Balance*	(15.1)	This both provides the Council's working balance and represents an amount held against unexpected overspends or failure to identify sufficient savings to balance the budget in year. On a net budget of £280m, even a 2% variance would rapidly erode this, and on the more realistic figure of £400m (gross expenditure excluding HB and DSG) then even a 1% overspend for two consecutive years would leave the Council dangerously exposed. For this reason the Council aims to retain at least 5% of its net expenditure as a contingency reserve.	(15.1)	(15.1)
Schools Balances	(17.8)	Balance carried forward of Dedicated Schools Grant delegated to individual schools. Forecast to decline in response to school funding pressures and not directly in the control of the council.	(17.8)	(17.8)
HRA Balance	(1.4)	This is the accumulated surplus of income over expenditure for the HRA. This can only be used for the HRA. The balance is used as a contingency against overspending and unexpected events that affect the HRA.	(1.4)	(1.4)
TOTAL BALANCES	(34.3)		(34.3)	(34.3)
<u>CAPITAL RESERVES</u>				
Capital Receipts Reserve	(7.0)	The proceeds from the disposal of land or other assets. Capital receipts can only be used to finance new capital expenditure, to provide loans or grants or to repay debt. They cannot be used to fund revenue expenditure.	(5.4)	(7.8)
Major Repairs Reserve	(0.6)	The unspent amount of the Major Repairs Allowance provided for capital renewal of HRA properties.	(0.6)	(0.6)
Capital Grants Unapplied	(60.9)	Capital grants received from central government agencies unapplied as not yet used to fund capital projects. Major elements include Basic Needs Grant for additional school places, School Condition Grants, DFG – Disabled Facilities Grant and others.	(29.7)	(8.9)
TOTAL CAPITAL	(68.5)		(35.7)	(17.3)
<u>EARMARKED RESERVES</u>				
<i>Capital and other statutorily ring-fenced reserves</i>				
		This reserve is made up of the Community Infrastructure Levy (CIL) and S106 planning contributions made under legally binding agreements. The accumulated S106/CIL receipts that have not yet been spent are committed to finance planned capital expenditure, as set out in the <i>Capital Strategy</i> .		
		Community Infrastructure Levy is made up of an amount paid over to the Mayor (MCIL) and the amount retained by the Borough (BCIL). BCIL is divided into Strategic CIL (SCIL) for use borough-wide and a local amount, termed Neighbourhood CIL (NIL). A Cabinet decision is required to allocate Strategic CIL to finance new capital expenditure before it can be added to the Brent capital programme. There is also an allowance for administration costs which can be deducted from CIL.		
		The balance on each category at 31 March 2021 was:		

BRENT RESERVES	Actual 31/03/2021 £m	PURPOSE AND PLANNED USAGE	Forecast 31/03/2022 £m	Forecast 31/03/2023 £m
S106/Community Infrastructure Levy (CIL)	(128.2)	£m SCIL (93.6) NCIL (12.9) BCIL (106.6) MCIL (0.5) Admin (0.0) Total CIL (107.1)	(137.1)	(137.1)
		The S106 reserve balance at 31 March 2021 was £21.1m. This is committed to finance capital expenditure. (There are some very specific exceptions which apply to some older s106 agreements, but these will invariably be very restrictive in any event). There will be some limits to the discretion as to what S106 contributions can subsequently be used to finance - the test essentially requires that it offsets the impact of development.		
<i>Ring-fenced</i>				
HMO Licensing	(2.3)	Income is received on a five yearly cycle and released annually to meet expenditure. The service does not have a mainstream budget for this activity, and the reserve is ring-fenced by law and operationally required to match the different cycles of income and expenditure.	(2.3)	(2.3)
HRA Earmarked	(1.7)	This reserve has been set aside to cover contingent liabilities for insurance claims.	(1.7)	(1.7)
Public Health	(4.7)	Reflects carry forward of ring fenced funds for Public Health, including Rough Sleeping - Drug & Alcohol Treatment Grant	(4.7)	(4.7)
Migration related	(0.4)	This comprises of a controlling migration reserve and the Syrian Refugees project reserve.	(0.4)	(0.4)
Edward Harvist Trust	(0.2)	Brent distributes grant monies from the Edward Harvist Trust	(0.2)	(0.2)
Total	<u>(9.3)</u>		<u>(9.3)</u>	<u>(9.3)</u>
<i>Capital Finance Related</i>				
South Kilburn	(5.4)	This reserve smooths annual payments on the programme, which in any given year may be more or less than the budget. It is allocated to South Kilburn and, assuming that the remaining 7 years of the programme run to budget, will be spent in full.	(5.4)	(5.4)
General Fund Capital funding	(60.6)	This reserve is used to finance existing or future expenditure on projects within the Capital Programme.	(66.3)	(67.9)
Total	<u>(66.0)</u>		<u>(71.7)</u>	<u>(73.3)</u>
TOTAL	<u>(75.3)</u>		<u>(80.9)</u>	<u>(82.6)</u>

BRENT RESERVES	Actual 31/03/2021 £m	PURPOSE AND PLANNED USAGE	Forecast 31/03/2022 £m	Forecast 31/03/2023 £m
Committed Reserves				
<i>Sinking fund and other smoothing reserves</i>				
PFI	(5.3)	In the financial models for the council's PFIs, income and expenditure do not match in any given year. This is normal under such arrangements, as the PFI contractor is bearing the up-front cost of the capital investment. This reserve is ring-fenced to provide funds to cover this mismatch.	(5.4)	(5.4)
UC staffing	(1.5)	This reserve is fully committed to paying for staff working on Housing Benefit claims. As more cases transfer to Universal Credit, managed by the DWP, less staff will be required to work on Housing Benefit claims.	(1.4)	(1.4)
Redundancy	(3.2)	The reserve is used to fund redundancy costs. Without it, many planned savings would take a year longer to start delivering their benefits (assuming that the average redundancy cost is about one year's salary).	(3.2)	(3.2)
Insurance	(5.6)	The insurance reserve sets aside funds to cover self-insured items and any excesses on externally insured cover. This differs from the Insurance provision which covers amounts set aside upon review by the Council's insurance actuary to make sure that we have enough to deal with the pipeline of known cases that are not yet settled.	(5.6)	(5.6)
Pensions	(7.3)	This reserve relates to the residual costs of Middlesex County Council pension scheme which pre-dates the Brent Council Scheme. The Council has now agreed an ongoing payment arrangement with the LPFA. The balance of this reserve is no longer needed and will be transferred to the Future Funding Risks reserve.	(7.3)	0.0
Business Equalisation Reserve and other Central Reserves	(51.2)	This reserve is used to manage volatility in the amounts retained within the council tax and business rates retention regimes, in particular the impact of backdated revaluation appeals, appeals relating to Material Change of Circumstances and collection rates. In addition c£35m is held to repay the collection fund deficit, over three years, generated from compensation grants from government received to offset the additional COVID-19 reliefs that were granted to businesses.	(21.3)	(8.9)
Temporary Accommodation	(8.4)	Temporary Accommodation Service Pressures - Smoothing reserve to manage fluctuations in homelessness costs.	(8.3)	(8.3)
Total	(82.5)		(52.5)	(32.8)
TOTAL	(82.5)		(52.5)	(32.8)

BRENT RESERVES	Actual 31/03/2021 £m	PURPOSE AND PLANNED USAGE	Forecast 31/03/2022 £m	Forecast 31/03/2023 £m
<i>Other earmarked reserves</i>				
<i>Service reserves*</i>				
		This reserve is comprised of:		
		This includes MHCLG Rogue Landlord Enforcement Grant	(0.3)	
Community Wellbeing	(6.9)	Brent NHS S256 Agreement - Joint Investment Funding under the s.256 Agreement with the CCG. Agreement with the Council for joint programmes across health and social care.	(6.3)	(6.1)
		This includes balance of grants for CNWL Mental Health Supplement and Reablement and LD DHSC Community Discharge Grant	(0.4)	
			<u>(6.9)</u>	
Children and Young People	(1.5)	£1m of this reserve is linked to a combination of previous and current government grants, including the Youth Justice fund COVID grant, troubled families program and MOPAC grants. It also includes £0.3m for additional two year old funding which is linked to a previous government grant so can't be reallocated for other policy purposes and also £0.2m SEN reform grant to meet pressures in staffing due to demand for Education Health Care Plans	(0.8)	(0.3)
		This reserve is comprised of:		
		Regeneration: to fund specific regeneration schemes including the delivery of meanwhile use projects, masterplanning for Church End and Staples Corner, and design for the Wembley Transport Corridor.	(2.3)	
		R&E Transformation: monies set aside to fund a contribution to investments in improving the condition of the roads and pavements and transformational project work to improve the department's ability to generate future income. Including a proposed movement of £130k from Environmental Services reserve.	(2.3)	
		Proceeds of Crime Act: historic income from Proceeds of Crime Act which is subject to a ringfence and is planned to be used to fund financial investigators and enforcement officers	(1.7)	

BRENT RESERVES	Actual 31/03/2021 £m	PURPOSE AND PLANNED USAGE	Forecast 31/03/2022 £m	Forecast 31/03/2023 £m
Regeneration and Environment	(8.6)	<p>Cemeteries Maintenance: to fund the long term maintenance of cemeteries. Some fees & charges income in the years that burial plots are sold are set aside to fund a proportion of the maintenance in the future – (i) any large maintenance expenditure that cannot be funded by in-year income and (ii) ongoing maintenance costs once cemeteries are full and no longer receiving income (1.2)</p> <p>Environmental Services: this contains some external funding to which there will be ring-fences on policy purposes (eg for Community Protection Team, shared reserve with Harrow for Trading Standards Service), and more or less formal earmarking by the services in question. Otherwise, the reserves allow the services in question to operate with a degree of flexibility in responding to issues. (1.0)</p>	(7.8)	(7.0)
		(8.6)		
Chief Executive	(3.2)	<p>This reserve is comprised of:</p> <p><i>Customer and Digital Service:</i></p> <ul style="list-style-type: none"> - Community Hubs (play key role in responding to Poverty Commission's recommendations) (0.7) - Council Tax Improvement project (covers system replacement) (0.3) <p><i>Assistant Chief Executive:</i></p> <ul style="list-style-type: none"> - Protection Boards (0.2) - Strategy (0.5) - Local Elections (0.4) <p><i>Legal, HR, Audit and Investigations:</i></p> <ul style="list-style-type: none"> - Outstanding legal case (0.1) - HR systems and processes (improvement projects) (0.2) - Resources Improvement Project (0.2) - Tenancy Fraud Initiatives (project currently underway) (0.2) <p><i>Finance (Facilities Management)*</i></p> <ul style="list-style-type: none"> - Property and Projects - Special Projects (0.2) <p>* Administered by R&E</p>	(3.3)	(3.3)
		(3.2)		
Total	(20.2)		(18.0)	(16.7)

BRENT RESERVES	Actual 31/03/2021 £m	PURPOSE AND PLANNED USAGE	Forecast 31/03/2022 £m	Forecast 31/03/2023 £m
<i>Transformation/service pressures reserve*</i>				
Transformation/Service pressures	(11.4)	This is a general reserve to cover any future service pressures, such as demand pressures and demographic changes, which are in excess of any provision already made in the annual budget and future funding risks relating to the one-year front-loaded local government finance settlement, changes to the business rates revaluation methodology and the Government's 'levelling up' agenda, which is widely expected to move resources away from London.	(11.4)	(18.6)
Total	<u>(11.4)</u>		<u>(11.4)</u>	<u>(18.6)</u>
COVID-19 reserves	(22.7)	This reserve covers the potential financial impact of COVID-19 if this cannot be managed by the growth built into the budget.	(14.1)	(4.1)
TOTAL	<u>(54.3)</u>		<u>(43.4)</u>	<u>(39.5)</u>
TOTAL EARMARKED	<u>(340.5)</u>		<u>(313.9)</u>	<u>(292.0)</u>
GRAND TOTAL	<u>(443.3)</u>		<u>(384.0)</u>	<u>(343.6)</u>

TABLE - CIPFA FM CODE ACTION PLAN

CIPFA FM CODE	STANDARD	BENEFITS	WORK TYPE	TARGET COMPLETION	QUICK WIN
1. CFO AND Leadership Team*		Ensures robust financial management - essential for the Council to achieve its objectives and to deliver high quality services to its local community.			
Value for Money	The leadership team is able to demonstrate that the services provided by the authority provide value for money.	Provides assurance that the Council spends less (Economy), spends well (Efficiency), spends wisely (Effectiveness) and spend fairly (Equity).	Review existing framework, identify changes required by FM Code, put in place improvements	Compliance: March 2022 Improvements: Autumn 2022	Yes
Role of CFO	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.	CFO is the Councils most senior financial professional. Statement's five principles ensure role is reliably and consistently undertaken.	Compliance with statutory or professional obligations	March 2022	Yes
2. Governance		Good governance is essential for the Council to achieve its objectives, to manage its finances and to maintain the trust of those that it serves.			
Behaviour	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	Apply Nolan principles set out by the Committee on Standards in Public Life - basis of the ethical standards expected of public office holders.	Compliance with statutory or professional obligations	March 2022	Yes
Good Governance in Local Government	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016).	The framework defines the principles that provide a structure to ensure that the Council has in place robust and effective governance arrangements.	Review existing framework, identify changes required by FM Code, put in place improvements	Autumn 2022	
Financial Sustainability	The financial management style of the authority supports financial sustainability.	Financial sustainability is about the Council being able to continue to fund its activities not just in the present, but also in an uncertain future.	Review existing framework, identify changes required by FM Code, put in place improvements	Summer 2022	
3. Medium to long-term financial management		Effective governance and financial management is focused on ensuring that the Council is able to operate sustainably in the long term.			
Financial Resilience Assessment	The authority has carried out a credible and transparent financial resilience assessment.	The FM Code requires the Council to undertake an assessment of its long-term financial resilience, which is key to its financial sustainability.	Create new processes and procedures	Compliance: March 2022 Improvements: Summer 2022	Yes
Long term Financial Sustainability	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	The Council is required to not only understand its prospects for financial sustainability, but also to communicate those prospects to members.	Create new processes and procedures	Autumn 2022	
Prudential Code	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	CIPFA's Prudential Code provides a framework for the self-regulation of the authority's capital financing arrangements.	Review existing framework, identify changes required by FM Code, put in place improvements	Autumn 2022	
Medium-Term Financial Plan	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.	The MTFS is a translation of the Council's financial strategy into the near future - it links the financial strategy to the service delivery plans.	Review existing framework, identify changes required by FM Code, put in place improvements	Summer 2022	

CIPFA FM CODE	STANDARD	BENEFITS	WORK TYPE	TARGET COMPLETION	QUICK WIN
4. Budget		The annual budget provides the financial basis or the allocation of resources, the delivery of services and the management of the Council.			
Statutory Obligations	The authority complies with its statutory obligations in respect of the budget setting process.	The Council must comply with the statutory obligations in respect of budget-setting and must be able to demonstrate compliance.	Compliance with statutory or professional obligations	Compliance: March 2022 Improvements: Autumn 2022	Yes
Robustness of Estimates and Adequacy of Reserves	The budget report includes a statement by the CFO on robustness of estimates and adequacy of financial reserves.	s25 of the LGA 2003 requires the CFO to report on the robustness of the estimates and the adequacy of reserves, when the budget is set.	Review existing framework, identify changes required by FM Code, put in place improvements	Compliance: March 2022 Improvements: Autumn 2022	Yes
5. Stakeholder engagement and business cases		Enable citizens to understand that with limited resources, decisions have to be made about the balance between service provision and tax levels.			
Engagement	The authority has engaged with key stakeholders on its long-term financial strategy, medium-term financial plan and annual budget.	Stakeholder consultation helps the Council to set priorities and encourages community involvement in the design and ongoing delivery of services.	Create new processes and procedures	Autumn 2022	
Options Appraisal	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	Option appraisal is about making informed choices and better decisions. A robust approach to option appraisals is crucial to securing VFM.	Create new processes and procedures	Spring 2022	
6. Monitoring financial performance		Unexpected pressures impact on the management of resources in line with plans. The council needs to identify pressures and to take remedial action.			
Risks	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	Early identification of deviation from plans via regular reporting of risks enables the council to get back on course.	Compliance with statutory or professional obligations	Compliance: March 2022 Improvements: Autumn 2022	Yes
Balance sheet	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.	As the balance sheet is linked to other aspects of the Council's finances, it is important that it is effectively managed and monitored.	Review existing framework, identify changes required by FM Code, put in place improvements	Summer 2022	
7. External financial reporting		Publication of financial information is a way for the Council to demonstrate accountability to service users, taxpayers, citizens and other organisations.			
Code of Practice on Local Authority Accounting	The CFO has personal and statutory responsibility for ensuring that the statement of accounts complies with the Code of Practice.	ACOP is prescribed as proper accounting practices that are required to give a 'true and fair' view of the Council's financial position,	Compliance with statutory or professional obligations	Compliance: March 2022 Improvements: Summer 2022	Yes
Outturn	The presentation of the outturn figures and variations from budget allows the leadership team to make strategic financial decisions.	Effective financial reporting is key to ensuring that the Council understand how effectively its resources have been utilised during the year.	Compliance with statutory or professional obligations	Compliance: March 2022 Improvements: Spring 2022	Yes

* CIPFA use the term "Leadership Team" to capture the combined direction provided to a local authority by its Cabinet and Corporate Management Team .

Brent Council Fees and Charges Policy

1 Introduction

- 1.1 By using its powers to charge for goods and services and imposing fines, fixed penalties and other such financial sanctions, Brent Council is able to generate additional income to support investment in services and/or reduce the overall level of expenditure to be met by local tax payers.
- 1.2 The aim of this Fees and Charges Policy is to ensure that the Council makes use of all the powers available to it in order to recover the full cost of providing services. In using these powers however, the Council will wish to take care to ensure that the consequences of charging on individuals, the wider aims of the Council itself and / or organisations do not adversely impact on those who are vulnerable or in difficulties.

2 Background

- 2.1 The overriding aim of the charging policy is to maximise income generation and collection to enhance the social and economic well being of the community the council serves, whilst ensuring a fair price for all services reflecting the ability of the community to pay and the relative demand for the service. Maximisation of income, following a decision to charge, is also dependent on a charge being raised and that amount being collected, both in a timely way.

Legal Position

- 2.2 The majority of the Council's statutory services, Building Control being a key exception, are funded directly from the Council's other main sources of revenue, i.e. government grants and local taxation.
- 2.3 Income received by Brent from fees and charges is generated by both statutory and discretionary services. Where fees and charges apply to statutory services these are often set nationally, for example, some planning and licensing fees.
- 2.4 The remaining income generating services where the Council levies fees and charges are of a discretionary nature. Discretionary services are those that an authority has the power to provide but is not obliged to. They include services provided directly to the public in general such as leisure services as well as charges for the costs incurred by the council (such as legal costs) when entering into planning or highways agreements with specific persons.
- 2.5 The legal powers that the Council has to raise fees and charges are set out in the final section of this policy.

3 Managers' Guidance

Overview

- 3.1 The Managers' Guidance has been written to provide information to managers in Brent Council responsible for applying fees and charges to goods and services delivered. The aim is to encourage a consistent and cost effective approach to the setting of

charges for services provided by:

- a. Specifying the process and frequency for reviewing existing charges for all areas of the council's work for which charges could in principle be set
- b. Providing guidance on the factors that need to be taken into consideration when charges are being reviewed
- c. Requiring more active use of market intelligence when setting charges
- d. Establishing parameters for calculating different levels of charges
- e. Recommending the criteria for applying concessions or discounted charges consistently across the council

Calculation of Fees and Charges

3.2 Fees and charges raised must be based on the full cost of the service. Charges cannot be set at a level to recover more than cost if that is all the Council has the legal power to do, but the definition of cost includes direct costs of service provision together with overhead and central costs. The cost recovery limit applies to the overwhelming majority of services which the Council can set a charge for. If, however, the Council has the legal power to do so careful consideration should be given to charging more than the full cost of the service. For example, charging could be used as a tool to manage excess demand for limited spaces on leisure centre classes. In overview there are 3 ways in which fees and charges may be set:

- a. Fees and charges prescribed by legislation, usually in a regulatory context, and varied from time to time which the person liable has an obligation to pay;
- b. Fees and charges reviewed and set by members (e.g. Individual Cabinet Members, Cabinet or Full Council) from time to time (usually annually); and
- c. Fees and charges reviewed and set by officers from time to time acting under delegated powers.

- 3.3 As part of the annual budget cycle each department will carry out a recalculation of existing fees and charges together with opportunities to raise additional income from new areas of charging, and present proposals for revised charges.

Approvals

- 3.4 In broad terms setting fees for regulatory services (i.e. licensing, planning, etc) are non-executive functions. These therefore need to be submitted to Full Council for approval. Full Council can, however, delegate this function to a committee, officer etc.
- 3.5 Fees and charges for discretionary services are usually executive functions and therefore need to be approved by Cabinet or Cabinet Members. Cabinet and Cabinet Members can, however delegate this function.

Concessionary Charging

- 3.6 The purpose of offering concessions must be to support council priorities. Generally the reasons for operating concessionary charges will fall into one of two categories: to influence the level of demand for a service or to reflect the circumstances of service users. Concessions must also be reviewed at least on an annual basis, to confirm both the level of subsidy and also their ongoing relevance.
- 3.7 The Finance Department will maintain a list of concessions in operation and keep under review requests for concessions to be offered. For customer / clients who cannot pay, action must be taken to ensure that there are sufficient safeguards in place to allow access to service, and that appropriate steps are taken to recognise the realistic payment capacity of vulnerable individuals.
- 3.8 Concessionary charges should not normally apply at times when it would result in a loss of income from customers paying the full charge, unless prior approval has been given by a senior Council officer.
- 3.9 No concessions will be provided to non-Brent residents.

Education related services

- 3.10 With regards to education related services, services and packages will be based around the academic year and not on the municipal financial year.

VAT

- 3.11 Managers must ensure that the correct treatment of VAT is applied to the fees and charges they are responsible for. The correct treatment should be agreed with Finance in advance of application.

Other statutory requirements

- 3.12 Managers must also ensure that when setting fees and charges or reporting to members they are aware of any special statutory requirements that need to be complied with. For example, before changes to some fees and charges can be implemented, there may be a statutory requirement to consult and/or publish a notice in a local newspaper.

4 Payment Methods

- 4.1 All collection methods and payment terms must be effective, efficient and appropriate for the service. The preferred methods of payment are those direct to the bank such as direct debits and standing orders.
- 4.2 Wherever practical do to so payment for services provided should be sought in advance to minimise debt recovery issues.
- 4.3 The full cost recovery analysis will need to factor in the cost of processing payments and that some payment methods are preferred.

5. Equality impact Assessments

- 5.1 Under Section 149 of the Equality Act 2010, the Council has a duty when exercising its functions to have 'due regard' to the need to eliminate discrimination and other conduct prohibited under the Act and advance equality of opportunity and foster good relations between those who share a "protected characteristic" and those who do not. This is the public sector equality duty. The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision. Due regard is the regard that is appropriate in all the circumstances.
- 5.2 Before the Council exercises its fees and charging powers, the impact on individuals or groups of individuals who share a protected characteristic must be carefully considered and properly factored into the decision making process using the Council's EA screening template.

6 Review of Policy

- 6.1 This Policy is to be reviewed a minimum of every two years to ensure consistency with wider council and departmental objectives and priorities.

Fees and Charges - Legal Powers

Under the Localism Act 2011 there is a general power of competence which explicitly gives councils the power to do anything that an individual can do which is not prohibited by other legislation. This activity can include **charging** (i.e. to recover the costs of providing a discretionary service which the person has agreed to) or can be undertaken for a commercial purpose (i.e. to generate efficiencies, surpluses and profits) through a special purpose trading company. This is what is more commonly known as **trading**. Charging and trading activities can be aimed at benefiting the Council, the borough or its local communities.

These powers are in addition to similar powers set out in the Local Government Act 2003. The 2003 Act empowers councils to charge for any discretionary services (i.e. services councils have the *power* to provide but do not have a *duty* to provide by law) on a cost recovery basis. For example, the Council could decide to provide a new discretionary service, that is an addition to or enhancement of a statutory service, and then charge for it.

The 2011 Act power and the 2003 Act power cannot be used where charging is prohibited or where another specific charging regime applies. Statutory guidance published in 2003 outlines how costs and charges should be established and that guidance remains in force (see: '*General Power for Best Value Authorities to Charge for Discretionary Services*', ODPM, 2003). The Council must have regard to the guidance when charging for discretionary services under the 2003 Act.

In particular, the guidance contains useful advice on setting charges. It explains that for each discretionary service for which a charge is made, councils need to secure that, taking one year with another, the income from charges for that service does not exceed the costs of provision. The requirement to take one year with another recognises the practical difficulties council will face in estimating the charges. It establishes the idea of balancing the books over a period of time (not less than 1 year and no more than 3 years). Any over or under recovery that results in a surplus or deficit of income in relation to costs in one period should be addressed by the council when setting its charges for future periods so that over time income equates to costs.

The 2003 Act also enables councils to trade in activities related to their functions on a commercial basis with a view to profit through a company.

Under the Local Authorities (Goods and Services) Act 1970 councils also have powers to enter into agreements with each other and a long list of designated bodies. These activities are not limited to cost recovery and a profit can be generated from these activities.

In terms of leisure and recreational facilities, section 19 of the Local Government (Miscellaneous Provisions) Act 1976 permits councils to charge for these beyond cost recovery limitations.

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Appendix M (ii) Fees and Charges for 2022/23

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
COMMUNITY & WELLBEING	Private Housing Services			
COMMUNITY & WELLBEING	Private Housing Services	Houses in Multiple Occupation Mandatory licences	£840.00	£840.00
COMMUNITY & WELLBEING	Private Housing Services	Houses in Multiple Occupation Additional licences	£840.00	£840.00
COMMUNITY & WELLBEING	Private Housing Services	Other Houses Selective licences	£540.00	£540.00
COMMUNITY & WELLBEING	Private Housing Services	Admin charge for Work in Default	£100.00	30% of cost of works or minimum of £150
COMMUNITY & WELLBEING	Private Housing Services	Notices	£330.00	£330.00
COMMUNITY & WELLBEING	Private Housing Services	Specifications for Empty Property Grant	£550.00	£550.00
COMMUNITY & WELLBEING	Private Housing Services	DFG and SWG Agency Service	16.5% of cost of works or minimum of £66	16.5% of cost of works or minimum of £66
COMMUNITY & WELLBEING	Libraries			
COMMUNITY & WELLBEING	Libraries	Reservations - If an item is not on the catalogue and has to be ordered	£3.00	£3.00
COMMUNITY & WELLBEING	Libraries	Audio Visual loans	£2.00	£2.00
COMMUNITY & WELLBEING	Libraries	Overdue charges on items returned late	£0.00	£0.00
COMMUNITY & WELLBEING	Libraries	Printing and photocopying charges	£0.30	£0.20
COMMUNITY & WELLBEING	Libraries	Reserved book from the British Library	£17.20	£18.00
COMMUNITY & WELLBEING	The Library at Willesden Green	Education Room - per hour commercial hire charges	£30.00	£31.50
COMMUNITY & WELLBEING	The Library at Willesden Green	Performance Space- per hour commercial hire charges	£50.00	£52.00
COMMUNITY & WELLBEING	The Library at Willesden Green	Reading Room- per hour commercial hire charges	£30.00	£31.20
COMMUNITY & WELLBEING	The Library at Willesden Green	Education Room - per hour concessionary hire charges	£18.00	£19.00
COMMUNITY & WELLBEING	The Library at Willesden Green	Performance Space- per hour concessionary hire charges	£25.00	£26.00
COMMUNITY & WELLBEING	The Library at Willesden Green	Reading Room- per hour concessionary hire charges	£18.00	£19.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation			
COMMUNITY & WELLBEING	Sports	B.Active card (Resident standard card)	£41.00	£41.00
COMMUNITY & WELLBEING	Sports	B.Active card (Non resident standard card)	£72.00	£72.00
COMMUNITY & WELLBEING	Sports	B.Active card (60+ or disabled resident Concession)	£6.75	£6.75

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
COMMUNITY & WELLBEING	Sports	B.Active card (Resident Concession - 6 months)	£3.50	£3.50
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Sports Hall Hire - Peak	£60.00	£60.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Sports Hall Hire - Juniors Peak	£45.00	£45.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Sports Hall Hire - Off Peak	£36.00	£36.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Sports Hall Hire - Juniors Off Peak	£27.00	£27.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Dance Studio Peak	£40.00	£40.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Dance Studio - Off Peak	£24.00	£24.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Badminton Court Peak	£11.00	£11.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Badminton Court - Off Peak	£7.00	£7.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Table Tennis Peak	£6.30	£6.30
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Table Tennis - Off Peak	£4.00	£4.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Gym Membership	£26.00	£25.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Gym Membership - Joint	£43.00	£45.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Gym Membership - Annual	£256.00	£250.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym Membership - concessions	£21.00	£20.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym Membership - off peak use	£19.00	£18.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym Membership - corporate	£24.00	£24.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym Membership - Junior	£16.00	£16.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym Induction - Adults	£19.50	£12.50
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym Induction - Youth 14-16	£6.00	£6.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Gym casual use - Adults Peak	£6.70	£6.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym casual use - Adults Off Peak	£4.00	£4.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Gym casual use - Youth 14-16	£3.10	£3.25
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Sauna and Steam - Peak	£7.00	£7.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Sauna and Steam - Off Peak	£5.30	£5.30

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Parties	£110.00	£110.00
COMMUNITY & WELLBEING	Bridge Park Sports Centre	Junior Crs/session	£3.80	£3.50
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Boardroom - Full Day	£69.00	£65.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Community Suite - Full Day	£139.90	£135.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Tropics Suite - Full Day	£209.00	£195.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Syndicate Room - Full Day	£175.00	£150.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Conference Room - Full Day	£250.00	£225.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Function Hall - Full Day	£300.00	£300.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Boardroom - Per Hour	From 12.00	£12.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Community Suite - Per Hour	From 24.00	£24.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Tropics Suite - Per Hour	From 35.00	£35.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Syndicate Room - Per Hour	£40.00	£35.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Conference Room - Per Hour	£65.00	£60.00
COMMUNITY & WELLBEING	Culture, Sports and Recreation	Function Hall - Per Hour	From 45.00	£45.00
COMMUNITY & WELLBEING	Bridge Park Room Hire	Kitchen	£420.00	£350.00
COMMUNITY & WELLBEING	Bridge Park Room Hire	Servery	£265.00	£250.00
CHILDREN & YOUNG PEOPLE	Early Help			
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery) 0 to 2 Years 8am to 4pm	£240.00	£240.00
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery) 0 to 2 Years 9am to 3pm	£180.00	£180.00
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery) 0 to 2 Years 8am to 6pm	£300.00	£300.00
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery) 2 to 3 Years 8am to 4pm	£235.00	£235.00
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery) 2 to 3 Years 9am to 3pm	£180.00	£180.00
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery) 2 to 3 Years 8am to 6pm	£275.00	£275.00
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery) 3 to 4 Years 8am to 4pm	£215.00	£215.00
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery) 3 to 4 Years 9am to 3pm	£165.00	£165.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
CHILDREN & YOUNG PEOPLE	Early Help	Childcare Nursery places (Willows Nursery) 3 to 4 Years 8am to 6pm	£250.00	£250.00
CHILDREN & YOUNG PEOPLE	Gordon Brown OEC			
CHILDREN & YOUNG PEOPLE	Gordon Brown OEC	Residential stays for Brent Schools	£170.00	£177.00
CHILDREN & YOUNG PEOPLE	Gordon Brown OEC	Residential stays for non Brent Schools	£185.00	£193.00
CHILDREN & YOUNG PEOPLE	Gordon Brown OEC	Non-residential day visit for non Brent Schools	£9.00	£9.40
CHILDREN & YOUNG PEOPLE	Gordon Brown OEC	Non-residential day visit for Brent Schools	£7.00	£7.30
CHILDREN & YOUNG PEOPLE	Gordon Brown OEC	Holiday Activities (per child, per day)	£22.50	£23.50
CHILDREN & YOUNG PEOPLE	Gordon Brown OEC	Childrens Laser Party (per child)	£20.00	£21.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service			
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Compliance and Governor Training Annual package	£1,948.00	£2,030.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Compliance and Governor Training Pay as you go rate (blended course rate)	£123.70	£129.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	FFT annual subscription (Primary)	£181.50	£189.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	FFT annual subscription (Secondary)	£907.50	£946.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Moderation of Teacher Assessment	£580.00	£604.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Newly Qualified Teachers - Acting as Appropriate Body for NQT Induction Standard (3 term) rate	£340.00	£354.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Brent Music Service Instrumental/vocal tuition	£675.00	£703.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Brent Music Service Large group tuition	£750.00	£782.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Brent Music Service Music'sCool' where class teacher remains with BMS teacher	£1,617.00	£1,685.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Brent Music Service Music'sCool' where BMS teacher provides PPA cover	£2,013.00	£2,098.00
CHILDREN & YOUNG PEOPLE	Setting and School Effectiveness Service	Brent Music Service Wider Opportunities	£1,089.00	£1,135.00
CHILDREN & YOUNG PEOPLE	Localities			
CHILDREN & YOUNG PEOPLE	Short Break Centre	Respite Care - Other LA (Weekday) 3pm - 9am	£600.00	£625.00
CHILDREN & YOUNG PEOPLE	Short Break Centre	Respite Care - Other LA (Weekend - Friday, Saturday, School Holidays 24 hours, Sunday 3pm - 8am)	£720.00	£750.00
CHILDREN & YOUNG PEOPLE	Short Break Centre	Respite Care - Other LA (Weekday, 2:1 Care)	£860.00	£896.00
REGENERATION & ENVIRONMENT	Environmental Services - Commercial team			

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Environmental Services - Commercial team	Return of stray dog (maximum)	£35.00	£35.00
REGENERATION & ENVIRONMENT	Environmental Services - Commercial team	Dog Fouling Fixed Penalty	£100.00	£100.00
REGENERATION & ENVIRONMENT	Environmental Services - Commercial team	2nd Post Mortems - Defence cases	£850.00	£850.00
REGENERATION & ENVIRONMENT	Environmental Health			
REGENERATION & ENVIRONMENT	Environmental Health	Contaminated Land Basic Enquiry	£62.00	£63.00
REGENERATION & ENVIRONMENT	Environmental Health	Contaminated Land Residential Property Search	£124.00	£125.00
REGENERATION & ENVIRONMENT	Environmental Health	Contaminated Land Commercial Property Search	£247.00	£248.00
REGENERATION & ENVIRONMENT	Environmental Health	Works in Default Interest Rate Bank of England Base Rate plus 8%	Bank of England rate plus 8%	Bank of England rate plus 8%
REGENERATION & ENVIRONMENT	Environmental Health	Works in Default Officer Rate (per hour subject to grade)	£42 p/h	£43 p/h
REGENERATION & ENVIRONMENT	Environmental Health	Works in Default Admin Charge (Single property or shared dwellings)	£151.00	£151.00
REGENERATION & ENVIRONMENT	Environmental Health	Part B Permits for Mobile Plant and Solvent Emission Activities. Various fees as per DEFRA's charging Scheme	Various fees as per DEFRA's charging Scheme	Various fees as per DEFRA's charging Scheme
REGENERATION & ENVIRONMENT	Pest Control			
REGENERATION & ENVIRONMENT	Pest Control	Pest - Bedbugs (2 visits)	£250.00	£275.00
REGENERATION & ENVIRONMENT	Pest Control	Pest - Bedbugs 5-8 bedrooms (2 visits)	£280.00	£295.00
REGENERATION & ENVIRONMENT	Pest Control	Combined Rats and cockroaches	£257.00	£280.00
REGENERATION & ENVIRONMENT	Pest Control	Pest - Beetles, garden ants (1 visit)	£99.00	£99.00
REGENERATION & ENVIRONMENT	Pest Control	Pest - Cockroaches (1 visit)	£150.00	£180.00
REGENERATION & ENVIRONMENT	Pest Control	Pest - Fleas (2 visits)	£150.00	£250.00
REGENERATION & ENVIRONMENT	Pest Control	Pest - Mice (3 visits)	£140.00	£150.00
REGENERATION & ENVIRONMENT	Pest Control	Combined mice and cockroaches	£257.00	£280.00
REGENERATION & ENVIRONMENT	Pest Control	Pest - Rats (3 visits)	£140.00	£150.00
REGENERATION & ENVIRONMENT	Pest Control	Pest - Wasps (1 visit)	£60.00	£75.00
REGENERATION & ENVIRONMENT	Pest Control	Pest treatment, Pharaoh Ants	£220.00	£255.00
REGENERATION & ENVIRONMENT	Pest Control	Pest treatment, Squirrels	£140.00	£150.00
REGENERATION & ENVIRONMENT	Pest Control	Pest treatment - appointment missed/treatment not carried out	£35.00	£45.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Building Control			
REGENERATION & ENVIRONMENT	Building Control	Building Regulations Table A - Charges for the erection of one or more new dwelling units (<250m2) Full Plan charge ranging from 1 - 15 units	£2,792.86	£2,327.00
REGENERATION & ENVIRONMENT	Building Control	Building Regulations Table A - Charges for the erection of > 15 units or units > 250m2) Full Plan & Inspection charge	Individually assessed	Individually assessed
REGENERATION & ENVIRONMENT	Building Control	Building Regulations Table B - (Standard Charges for extensions, loft conversions etc.) Charges for plan, inspection, & combined charge Garage/Carport/store < 40m2	£813.49	£678.00
REGENERATION & ENVIRONMENT	Building Control	Building Regulations Table C (Standard Charges for Domestic Alteration work) Combined Charge Underpinning < 10m length	£346.06	£292.00
REGENERATION & ENVIRONMENT	Building Control	Building Regulations Table D (Charges for Other Works) Estimated costs of Works < £200k Full Plan Charge	£586.55	£489.00
REGENERATION & ENVIRONMENT	Building Control	Demolition Notices	£350.00	£300.00
REGENERATION & ENVIRONMENT	Building Control	Dangerous Structures	£350.00	£300.00
REGENERATION & ENVIRONMENT	Building Control	Copy of Decision Notice	£50.00	£40.00
REGENERATION & ENVIRONMENT	Building Control	Copy of Section 25 PHA certificate/notice	£30.00	£40.00
REGENERATION & ENVIRONMENT	Building Control	Existing Premises Name Change -Single house or premises per property	£150.00	£150.00
REGENERATION & ENVIRONMENT	Building Control	Existing Premises Name Change –Multiple property involving more than one premises / address.	£150.00 PLUS £20.00 for each additional unit within premises (e.g. flat or commercial unit)	£150.00 PLUS £30.00 for each additional unit within premises (e.g. flat or commercial unit)
REGENERATION & ENVIRONMENT	Building Control	Existing Premises - Street Name Change	£500 + £100 per property	£600 + £100 per property
REGENERATION & ENVIRONMENT	Building Control	Existing Premises - Regularisation of previously unauthorised use of address / Retrospective application.	As per schedule PLUS 40%	As per schedule PLUS 50%
REGENERATION & ENVIRONMENT	Building Control	Existing Premises - Providing Copy of SNN Decision Notice + Agreed Plans (where available) charge per application.	£50.00	£100.00
REGENERATION & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 1-2 plots)	£150.00	£200.00
REGENERATION & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 3-5 plots)	£170.00	£300.00
REGENERATION & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 6-10 plots)	£250.00	£400.00
REGENERATION & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 11-20 plots)	£360.00	£600.00
REGENERATION & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 21-50 plots)	£680.00	£900.00
REGENERATION & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 51-100 plots)	£1,000.00	£1,400.00
REGENERATION & ENVIRONMENT	Building Control	Street Naming & Numbering (New property 100+ plots size)	£1,000 + £10 per plot for example, 120 units = £1,000 + (20 x £10) = £1,200	£1,400 + £8 per plot for example, 120 units = £1,400 + (20 x £8) = £1,560
REGENERATION & ENVIRONMENT	Building Control	Street Naming & Numbering (New property additional charge where this includes naming a street)	£200.00	£400.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Public Safety			
REGENERATION & ENVIRONMENT	Public Safety	Stadium Safety Certification (General/New Style)	£105.00 p/h	£105.00 p/h
REGENERATION & ENVIRONMENT	Public Safety	Stadium Safety Certification (Special)	£105.00 p/h	£105.00 p/h
REGENERATION & ENVIRONMENT	Public Safety	Revision of Safety Certificate	£105.00 p/h	£105.00 p/h
REGENERATION & ENVIRONMENT	Highways and Transportation			
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Failed Core Samples, Cost Neutral sample inspection	£150.00	£150.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Section 50 Licence Application, varies on depth	Variable	£495.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA CAT 1+2 Roads - DfT Maximum £105	£105.00	£105.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA CAT 1+2 Roads - DfT Maximum £240	£223.00	£223.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA CAT 1+2 Roads - DfT Maximum £130	£130.00	£130.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA CAT 1+2 Roads - DfT Maximum £65	£65.00	£65.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA CAT 1+2 Roads - DfT Maximum £60	£60.00	£60.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA CAT 3+4 Roads - DfT Maximum £75	£75.00	£75.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA CAT 3+4 Roads - DfT Maximum £150	£150.00	£150.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA CAT 3+4 Roads - DfT Maximum £45	£45.00	£45.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA CAT 3+4 Roads - DfT Maximum £40	£40.00	£40.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA Section 72 Inspection of defective reinstatement	£47.50	£48.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA Section 72 Defective reinstatement reported	£68.00	£68.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA Section 74 charges	varies £100 - £2,500 per day	varies £100 - £2,500 per day
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA Major offence (discount for early pay)	£500.00	£500.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	NRSWA Minor offence (discounted for early pay)	£120.00	£120.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Nonrefundable admin charge Domestic Vehicle Crossing	£105.00	£105.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Nonrefundable admin charge Industrial Vehicle Crossover	£105.00	£105.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Crossings - White Line Access Bar <6m fixed £	£75.00	£75.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Crossings -White Line Access Bar 6-10m	£125.00	£125.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Crossings - White Line Access Bar >10m	POA	POA
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Crossings - Mark Up on Constructing a crossing	40% Mark up	40% Mark up
REGENERATION & ENVIRONMENT	Highways and Infrastructure	TM, cost of officer resource at events	£4,037.33	£4,037.33
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Temporary Traffic Management Order	£2,304.00	£2,419.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Emergency Traffic Manag. Order s14(2)	£1,177.60	£1,238.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Traffic Road Order	£4,608.00	£4,838.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Permanent Orders	£3,584.00	£3,584.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Stopping Up Orders	£4,096.00	£4,096.00
REGENERATION & ENVIRONMENT	Highways and Infrastructure	Provision of advice on drainage to developers prior to planning application	TBA - Hourly Charge	TBA - Hourly Charge
REGENERATION & ENVIRONMENT	Public Realm (Recreation)			
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Hire of pavilion per hour	£55.00	£55.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Hire of pavilion per hour after 8pm in Winter, after 10pm in summer per hour	£71.00	£71.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Partial cost recovery of events in parks - Category 2	£1,070.00	£1,100.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Partial cost recovery of events in parks - Category 3	£2,140.00	£2,200.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Reinstatement (Refundable deposit)- category 3	£2,856.00	£2,975.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Partial cost recovery of events in parks (ticketed events) up to 300 hundred attendees	£224.00	£230.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Partial cost recovery of events in parks (ticketed events) up to 600 hundred attendees	£428.00	£445.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Reinstatement (Refundable deposit)- category 1 (+£200)	£224.00	£230.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Ad-hoc street parties and special events on non-traffic sensitive streets	£204.00	£204.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Regular special events	£1,173.00	£1,200.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Special events hosted by commercial groups	£1,352.00	£1,400.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Circus or funfair similar in size or scope to a BSAG Category 2 event (daily fee)	£1,020.00	£1,060.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Refundable damage deposit for a circus or funfair event similar in size or scope to a BSAG Category 2 event (whole event)	£1,020.00	£1,060.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Circus or funfair similar in size or scope to a BSAG Category 3 event or a circus and funfair combined (daily fee)	£2,040.00	£2,100.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Refundable damage deposit for a circus or funfair similar in size or scope to a BSAG Category 3 event or a circus and funfair combined (whole event)	£2,040.00	£2,100.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	£500 -Reinstatement (Refundable deposit)- category 2 (+500)	£510.00	£520.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Small Events	£69.00	£70.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Partial cost recovery of events in parks (ticketed events) up to 1000 hundred attendees	£969.00	£1,000.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Adult Single	£85.00	£88.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Adult Short Season [13 week pre booked]	£989.00	£1,030.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Adult Long Season [17 weeks pre-booked]	£1,295.00	£1,345.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 11-a-side Single	£51.00	£53.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 9-a-side Single	£44.50	£46.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 7-a-side Single	£30.60	£32.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 5-a-side Single	£21.40	£21.50
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 11-a-side Short Season [13 week pre booked]	£596.00	£620.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 11-a-side Long Season [17 weeks pre-booked]	£780.00	£810.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 9-a-side Short Season [13 week pre booked]	£525.00	£545.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 9-a-side Long Season [17 weeks pre-booked]	£686.40	£710.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 7-a-side Short Season [13 week pre booked]	£358.00	£370.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 7-a-side Long Season [17 weeks pre- booked]	£468.00	£485.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 5-a-side Short Season [13 week pre booked]	£250.00	£260.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Soccer Junior 5-a-side Long Season [17 weeks pre-booked]	£328.00	£340.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Rugby Adult Single	£91.80	£95.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Rugby junior Single	£54.00	£55.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Gaelic Adult single (with changing)	£111.00	£115.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Gaelic Adult single (without changing)	£79.50	£83.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Gaelic junior single (with changing)	£66.30	£68.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Gaelic junior single (without changing)	£47.90	£50.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Hurling Adult single	£111.00	£115.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Hurling Junior single	£66.30	£68.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Cricket single	£122.40	£125.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Cricket Adult [11 week season]	£1,211.00	£1,260.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Cricket Junior (11 week season)	£596.70	£622.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Cricket junior single	£71.40	£73.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Artificial cricket wicket (Adults) per match	£83.60	£87.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Artificial cricket wicket (juniors) per match	£51.00	£53.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Bowls - per green	£2,391.90	£2,392.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Bowls - per rink per season	£483.40	£500.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Tennis Court - adult, per hour	£8.00	£8.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Tennis Court - junior, per hour	£2.50	£3.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Tennis Court - where no more than 50% of players are Adults	£4.00	£4.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Adult training soccer/rugby/Gaelic/Hurling not on a pitch (per 2 hours including changing rooms, excluding floodlights)	£66.30	£68.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Junior training soccer/rugby/Gaelic/hurling not on a pitch (per 2 hours including changing rooms, excluding floodlights)	£39.78	£41.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Floodlights per hour	£39.70	£41.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Unmarked ground school/sports use (Morning or afternoon - 3 hours including changing rooms)	£66.30	£68.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Hire of changing rooms only (during normal staffing hours)	£56.10	£58.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Late cancellation fees	£28.50	£30.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Boot camp/ personal fitness sessions (per hour)	£56.10	£58.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Model Aircraft Licence Fee	£42.80	£44.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Volleyball	£30.60	£32.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Memorial bench in a park	£1,020.00	£1,062.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Indemnity - per container per week	£0.00	£200.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Deposit for indemnity per container	£0.00	£500.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Access through park land - hand tools only upto 3 hours	£0.00	£50.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Deposit - Access through park land - hand tools only	£0.00	£150.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Indemnity through land - vehicle access only (car /van) per week	£0.00	£100.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Deposit - Indemnity through land - vehicle access only (car /van)	£150.00	£150.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Indemnitys - Utility company works	£0.00	£1,000.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Deposit Indemnitys - Utility company works	£0.00	£5,000.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Indemnity Scaffold Licence Fee (0-10m)	£0.00	£250.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Indemnity Scaffold Licence Fee (10-15m)	£0.00	£300.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Indemnity Scaffold Licence Fee (15m+)	£0.00	£500.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Indemnity Hoarding Licence Fee(0-10m)	£0.00	£200.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Indemnity Hoarding Licence Fee (10-15m)	£0.00	£300.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Indemnity Hoarding Licence Fee (15m+)	£0.00	£500.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Indemnity Skip Licence Fee (per skip per week)	£0.00	£100.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Skips (fines) Per skip per week	£0.00	£255.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Deposit for skip (per skip)	£200.00	£200.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Deposits for scaffolding	£300.00	£300.00
REGENERATION & ENVIRONMENT	Public Realm (Recreation)	Deposit for hoarding	£300.00	£300.00
REGENERATION & ENVIRONMENT	Public Realm (Waste)			
REGENERATION & ENVIRONMENT	Public Realm (Waste)	Garden Waste Collection	£60.00	£60.00
REGENERATION & ENVIRONMENT	Public Realm (Waste)	Bulky Waste Collection	£35.00	£35.00
REGENERATION & ENVIRONMENT	Parish			
REGENERATION & ENVIRONMENT	Parish Liaison	Arrangements for Burials & Cremations (Public Health Act 1984 Section 46)	New	£780.00
REGENERATION & ENVIRONMENT	Parish Liaison	Property Search Burials & Cremations (Public Health Act 1984 Section 46)	New	£300.00
REGENERATION & ENVIRONMENT	Cemeteries			
REGENERATION & ENVIRONMENT	Cemeteries	Grave tendering 1 x per year, all cemeteries except Carpenders Park	New	£120.00
REGENERATION & ENVIRONMENT	Cemeteries	Grave tendering 2 x per year, all cemeteries except Carpenders Park	New	£180.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Cemeteries	Grave tendering 1 x per year, Carpenders Park	New	£80.00
REGENERATION & ENVIRONMENT	Cemeteries	Grave tendering 2 x per year, Carpenders Park	New	£140.00
REGENERATION & ENVIRONMENT	Applicable to only Brent residents			
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Burial rights Carpenders Park Lawn Cemetery	£2,700.00	£2,810.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Burial rights Willesden New, Alperton, Paddington Old Cemetery - Reclaim	£3,500.00	£3,580.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Burial rights Willesden New, Alperton, Paddington Old Cemetery - New Plot	£5,200.00	£5,310.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Interment	£880.00	£890.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Burial rights - Path side graves Carpenders Park Lawn Cemetery	£4,200.00	£4,280.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Burial rights - Path side graves Willesden New, Alperton, Paddington Old Cemetery	£5,800.00	£5,890.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Interment - Path side graves	£880.00	£890.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Burial rights - Woodland grave for 1 interment (includes 1 tree)	£3,880.00	£3,880.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Woodland grave for (1 interment) Interment	£880.00	£920.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Burial rights - Woodland grave for ashes	£3,025.00	£3,090.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Woodland grave for ashes Interment	£276.00	£320.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Grave Reopen	£1,190.00	£2,410.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Vault (reopen)	£880.00	£920.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Common Grave	£1,235.00	£2,410.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Cremated Remains In New Half Grave Space Burial Rights & Internment	£1,715.00	£2,310.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Cremated Remains In existing Grave Space Interment	£271.00	£320.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Cremated remains in existing vault	£395.00	£410.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Niche in Columbaria for First Five Years	£1,000.00	£1,000.00
REGENERATION & ENVIRONMENT	Cemeteries - Brent Residents	Each Additional Five Years for Niche in Columbaria	£500.00	£500.00
REGENERATION & ENVIRONMENT	Applicable to Non Brent residents			
REGENERATION & ENVIRONMENT	Cemeteries - Non-Residents	Burial rights Carpenders Park Lawn Cemetery	£5,508.00	£5,820.00
REGENERATION & ENVIRONMENT	Cemeteries - Non-Residents	Burial rights Willesden New, Alperton, Paddington Old Cemetery - Reclaim	£5,916.00	£6,120.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Cemeteries - Non-Residents	Burial rights Willesden New, Alperton, Paddington Old Cemetery - - New Plot	£6,550.00	£6,810.00
REGENERATION & ENVIRONMENT	Cemeteries - Non-Residents	Interment	£1,265.00	£1,425.00
REGENERATION & ENVIRONMENT	Cemeteries - Non-Residents	Burial rights - Path side graves Path side graves Carpenders Park Lawn Cemetery	£6,050.00	£6,150.00
REGENERATION & ENVIRONMENT	Cemeteries - Non-Residents	Burial rights - Path side graves Path side graves Willesden New, Alperton, Paddington Old Cemetery	£6,800.00	£6,910.00
REGENERATION & ENVIRONMENT	Cemeteries - Non-Residents	Interment - Path side graves (earth)	£1,265.00	£1,320.00
REGENERATION & ENVIRONMENT	Cemeteries - Non-Residents	Burial rights - Woodland grave for 1 interment (includes 1 tree)	£4,990.00	£5,200.00
REGENERATION & ENVIRONMENT	Cemeteries - Non-Residents	Burial rights - Woodland grave for ashes	£4,990.00	£3,200.00
REGENERATION & ENVIRONMENT	Cemeteries - Non-Residents	Interment - Woodland grave for ashes	£407.00	£407.00
REGENERATION & ENVIRONMENT	Cemeteries - Non-Residents	Grave Reopen	£1,880.00	£2,300.00
REGENERATION & ENVIRONMENT	Cemeteries - Non Residents	Interment	£1,840.00	£2,200.00
REGENERATION & ENVIRONMENT	Cemeteries - Non Residents	Burial rights - Cremated Remains In new half grave space	£2,450.00	£2,849.00
REGENERATION & ENVIRONMENT	Cemeteries - Non Residents	Interment - Cremated Remains In new half & existing grave space	£525.00	£625.00
REGENERATION & ENVIRONMENT	Cemeteries - Non Residents	Cremated remains in existing vault	£160.00	£240.00
REGENERATION & ENVIRONMENT	Cemeteries - Non Residents	Niche in Columbaria for First Five Years	£1,500.00	£1,500.00
REGENERATION & ENVIRONMENT	Cemeteries - Non Residents	Each Additional Five Years for Niche in Columbaria	£750.00	£750.00
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Earth Grave for 3 where applicable	£675.00	£890.00
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Shroud timbers & slats	£170.00	£220.00
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Grave surround	£150.00	£230.00
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Transfer burial rights	£110.00	£149.00
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Burial Register search fee	£60.00	£60.00
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Chapel hire up to 2 hours	£190.00	£198.00
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Saturday burials at Alperton, Paddington and Willesden	£840.00	£920.00
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Cancellation of an interment or late arrival of funeral cortege of more than 20 mins	£380.00	£420.00
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Memorial [full with Landing]	£425.00	£480.00
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Non Residents - Vaults Package Paddington Old Cemetery	£17,000.00	£17,050.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Vaults Package Paddington Old Cemetery	£15,000.00	£15,000.00
REGENERATION & ENVIRONMENT	Cemeteries - Additional Charges	Additional Internment of Ashes	£90.00	£110.00
REGENERATION & ENVIRONMENT	Cemeteries - Memorial Permits	Headstone / plaque	£330.00	£480.00
REGENERATION & ENVIRONMENT	Cemeteries - Memorial Permits	Inscriptions / works	£142.00	£320.00
REGENERATION & ENVIRONMENT	Cemeteries - Memorial Permits	Memorial removal for interment	£215.00	£420.00
REGENERATION & ENVIRONMENT	Cemeteries - Memorial Permits	Memorial replacement after interment	£215.00	£420.00
REGENERATION & ENVIRONMENT	Cemeteries - Memorial Permits	Memorial raise and level (full memorials)	£92.00	£120.00
REGENERATION & ENVIRONMENT	Cemeteries - Memorial Permits	Memorial raise and level (plaques)	£92.00	£94.00
REGENERATION & ENVIRONMENT	Cemeteries - Memorial Permits	Tree Plaque at Carpenders Park (Inc. VAT) (Single)	£398.00	£480.00
REGENERATION & ENVIRONMENT	Cemeteries - Memorial Permits	Tree Plaque at Carpenders Park (Inc. VAT) (Double)	£420.00	£520.00
REGENERATION & ENVIRONMENT	Cemeteries - Memorial Permits	Bench with plaque on to existing landing (Inc. VAT)	£1,530.00	£2,300.00
REGENERATION & ENVIRONMENT	Cemeteries - Memorial Permits	Bench Plaques only at Carpenders Park (Inc. VAT - 5 years)	£182.00	£320.00
REGENERATION & ENVIRONMENT	Cemeteries - Memorial Permits	Concrete based bench with plaque (inc. VAT not at Carpenders Park)	£2,238.00	£3,890.00
REGENERATION & ENVIRONMENT	Allotments			
REGENERATION & ENVIRONMENT	Allotments	Allotment type site 126m2 (5 pole)	£93.80	£97.00
REGENERATION & ENVIRONMENT	Allotments	Allotment cost per pole	£18.75	£20.00
REGENERATION & ENVIRONMENT	Planning			
REGENERATION & ENVIRONMENT	Planning	Pre-app 1 - Householder (extensions and alterations to a dwelling) (written response)	£120.00	£103.50
REGENERATION & ENVIRONMENT	Planning	Pre-app 2 - Small Minor development (1 home / up to 99 sqm) (written response)	£360.00	£310.50
REGENERATION & ENVIRONMENT	Planning	Pre-app 3 - Medium Minor development (2 to 4 homes/ 100 – 499 sqm) - written and meeting	£1,200.00	£1,200.00
REGENERATION & ENVIRONMENT	Planning	Pre-app 4 - Large Minor development (5 to 9 homes / 500 – 999 sq.m.) - written and meeting	£2,400.00	£2,120.00
REGENERATION & ENVIRONMENT	Planning	Pre-app 5 - Major development (10 to 24 homes / 1,000 - 1,999 sqm) - written and meeting	£5,280.00	£5,180.00
REGENERATION & ENVIRONMENT	Planning	Pre-app 6 - Large major development (25 to 49 homes / 2,000 - 3,999 sqm) - written and meeting	£6,500.00	£6,170.00
REGENERATION & ENVIRONMENT	Planning	Pre-app 7 - Medium major development (50 to 149 homes / 3,000 - 4999 sqm) - written and meeting	£9,000.00	£8,460.00
REGENERATION & ENVIRONMENT	Planning	Pre-app 8 - Strategic development (150 units + / 5,000 sqm) - written and meeting	£12,000.00	£10,500.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Planning	Pre-app 9 - Reserved matters (pursuant to an outline consent) - written and meeting	£2,200.00	Half full price
REGENERATION & ENVIRONMENT	Planning	Meeting (Pre-app 1 to 2)	£120.00	£103.50
REGENERATION & ENVIRONMENT	Planning	Revised submission from same applicant within 6 months of written feedback (Pre-app 2 to 8)	Half full price	Half full price
REGENERATION & ENVIRONMENT	Planning	Multiple options for pre-application request (pre-app 2 to 8)	Half full price	Half full price
REGENERATION & ENVIRONMENT	Planning	Issue related meeting - Major development (10+ homes, 1,000+ sqm)	£2,200.00	£2,070.00
REGENERATION & ENVIRONMENT	Planning	Presentation to Planning Committee	£2,000.00	£2,070.00
REGENERATION & ENVIRONMENT	Planning	Planning/development briefs/ frameworks/ masterplans	£9,000.00	£9,000.00
REGENERATION & ENVIRONMENT	Planning	Copies of planning decision notices	£25.00	£25.88
REGENERATION & ENVIRONMENT	Planning	Copies of archived documents	£25.00	£25.88
REGENERATION & ENVIRONMENT	Planning	Confirmation of compliance with clauses in a S106	£500.00	£500.00
REGENERATION & ENVIRONMENT	Planning	S106 Legal Fee (per hour)	£230 per hour with minimum amount of £1,750	£230 per hour with minimum amount of £1,750
REGENERATION & ENVIRONMENT	Planning	S106 Planning Negotiation Fee - Simple (1-3 obligations)	£905.00	£905.00
REGENERATION & ENVIRONMENT	Planning	S106 Planning Negotiation Fee - Moderate (4-7 obligations)	£1,540.00	£1,540.00
REGENERATION & ENVIRONMENT	Planning	S106 Planning Negotiation Fee - Complex (8+ obligations / review mechanisms)	£2,115.00	£2,115.00
REGENERATION & ENVIRONMENT	Planning	S106 Planning Negotiation Fee - Simple Deed of Variation	£450.00	£450.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Initial for Simple Agreement	£480.00	£480.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Initial for Moderate Agreement	£540.00	£540.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Initial for Complex Agreement	£605.00	£605.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Standard Simple Obligation	£120.00	£120.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Standard Moderate Obligation	£360.00	£360.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - General - Standard Complex Obligation	£630.00	£630.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Affordable Housing	£630.00	£630.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Viability Review	£1,100.00	£1,100.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Sustainability	£785.00	£785.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Energy	£785.00	£785.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Sustainability and Energy	£1,570.00	£1,570.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Highway Works (No Verification)	£360.00	£360.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Travel Plan	£1,570.00	£1,570.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Car Club (Off Site)	£785.00	£785.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Permit Fee (No Approval)	£120.00	£120.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Permit Free (Approval)	£360.00	£360.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Training and Employment	£785.00	£785.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Community Access Plan	£630.00	£630.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Notices	£60.00	£60.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Financial Contributions	£180.00	£180.00
REGENERATION & ENVIRONMENT	Planning	S106 Monitoring Fee - Specific - Considerate Constructors Scheme	£120.00	£120.00
REGENERATION & ENVIRONMENT	Brent Start			
REGENERATION & ENVIRONMENT	Brent Start	Learning and skills - Accredited courses	£3.60	£3.75
REGENERATION & ENVIRONMENT	Brent Start	Learning and Skills - Personal and community development learning	£5.00	£5.20
REGENERATION & ENVIRONMENT	Brent Start	Learning and Skills - Personal and community development learning - concessions (A)	£2.50	£2.60
REGENERATION & ENVIRONMENT	Brent Start	Learning and Skills - Personal and community development learning - concessions (B)	£1.25	£1.30
REGENERATION & ENVIRONMENT	Brent Start	Learning and Skills - targeted community development courses	£3.60	£3.75
REGENERATION & ENVIRONMENT	Brent Start	Learning and Skills - targeted community development courses - concessions (A)	£1.80	£1.90
REGENERATION & ENVIRONMENT	Brent Start	Full cost recovery courses	£18.00	£18.65
REGENERATION & ENVIRONMENT	Brent Start	Room hire	£30.00	£31.00
REGENERATION & ENVIRONMENT	Food and Health & Safety			
REGENERATION & ENVIRONMENT	Food and Health & Safety	Cadaver certificate (3 working days' notice)	£69.00	£70.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Cadaver certificate (urgent next day service)	£135.00	£136.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Food Export Health Certificates (3 working days)	£70.00	£71.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Food Export Health Certificates (urgent next day service)	£135.00	£136.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Food and Health & Safety	Food destruction certificate	£260.00	£261.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Freezer breakdown certificate	£260.00	£261.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Pool water analysis single pool	£243.00	£243.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Pool water analysis double pool	£413.00	£413.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Schools Legionella Water Sampling	£1,587.00	£1,587.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Schools Drinking Water Sampling	£531.00	£531.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Food Hygiene Rating Scheme (FHRS) rating re-assessment	£301.00	£302.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Food Business Start-up Scheme	£301.00	£301.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Food Hygiene Coaching Service	£495.00	£495.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Special treatments exhibition including any treatment from categories B, C or D	£1,375 plus £96 per applicant administering	£1,375 plus £96 per applicant administering
REGENERATION & ENVIRONMENT	Food and Health & Safety	Special treatments - lasers (Cat A)	£867.00	£867.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Special treatments - massage, acupuncture, tattooing etc (cat B)	£705.00	£705.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Special treatments - beauty treatments, etc (Cat C)	£421.00	£421.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Special treatments - manicure, nose and ear piercing, etc (Cat D)	£232.00	£232.00
REGENERATION & ENVIRONMENT	Food and Health & Safety	Special treatments - licence variation including addition or change of therapist	£122.00	£122.00
REGENERATION & ENVIRONMENT	Food Safety	Primary Authority - bulk purchase (per hour)	£63.00	£66.00
REGENERATION & ENVIRONMENT	Food Safety	Primary Authority - pay as you go (per hour)	£78.00	£82.00
REGENERATION & ENVIRONMENT	Licensing			
REGENERATION & ENVIRONMENT	Licensing	Animal Boarding Licence (up to 20 animals)	£330.00	£330.00
REGENERATION & ENVIRONMENT	Licensing	Breeding of Dogs Licence (with one bitch)	£330.00	£330.00
REGENERATION & ENVIRONMENT	Licensing	Animal Boarding Licence (over 20 animals)	£367.00	£367.00
REGENERATION & ENVIRONMENT	Licensing	Breeding of Dogs Licence (with more than one bitch)	£367.00	£367.00
REGENERATION & ENVIRONMENT	Licensing	Performing Animals Registration	£367.00	£367.00
REGENERATION & ENVIRONMENT	Licensing	Pet Animals (Pet Shop Licence)	£367.00	£367.00
REGENERATION & ENVIRONMENT	Licensing	Dangerous Wild Animals	£393.00	£393.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Licensing	Leaflet distribution (application)	£200.00 + £79.00 per person per day	£200.00 + £79.00 per person per day
REGENERATION & ENVIRONMENT	Licensing	Occasional sales except educational establishments (application)	£199.00 + £10.00 per stall	£199.00 + £10.00 per stall
REGENERATION & ENVIRONMENT	Licensing	Sex establishments	£363.00	£400.00
REGENERATION & ENVIRONMENT	Licensing	Street trading (new application)	£82.00	£82.00
REGENERATION & ENVIRONMENT	Licensing	Street trading (daily fee)	£3.00	£4.00
REGENERATION & ENVIRONMENT	Licensing	Street trading (variation)	£55.00	£55.00
REGENERATION & ENVIRONMENT	Licensing	Temporary Street Trading (per day per stall)	£178.00	£179.00
REGENERATION & ENVIRONMENT	Licensing	Scrap Metal Site Licence	£604.00	£604.00
REGENERATION & ENVIRONMENT	Licensing	Scrap Metal Collectors Licence	£352.00	£352.00
REGENERATION & ENVIRONMENT	Licensing	Explosives Registration	£109.00	Various Fees from £54.00 - £500.00
REGENERATION & ENVIRONMENT	Licensing	Explosives Licence	Various Fees from £54.00 - £500.00	Various Fees from £54.00 - £500.00
REGENERATION & ENVIRONMENT	Licensing	Film Classification (per 15 minutes)	£15.00	£60 minimum charge, £15 per 15 minutes thereafter
REGENERATION & ENVIRONMENT	Licensing	Premises Licence - Licensing Act 2003 (see separate list of fees for specific charges)	Various Fees from £10.50 to £64,000	Various Fees from £10.50 to £64,000
REGENERATION & ENVIRONMENT	Licensing	Premises Licence - Gambling Act 2005 (see separate list of fees for specific charges)	Various Fees from £15.00 - £15,000	Various Fees from £15.00 - £15,000
REGENERATION & ENVIRONMENT	Licensing	Marriage Licence (see separate list of fees for specific charges)	Various Fees from £600.00 to £1,500	Various Fees from £600.00 to £1,500
REGENERATION & ENVIRONMENT	Licensing	Licensing Surgeries (to help businesses with applications)	£165.00	£165.00
REGENERATION & ENVIRONMENT	Licensing	Issue of 3 Month Tempory Covid Street Trading Licence	£355.00	£100.00
REGENERATION & ENVIRONMENT	Land Charges			
REGENERATION & ENVIRONMENT	Land charges	Full Official Search (LLC1 and CON29 2016)	£266.67	£289.80
REGENERATION & ENVIRONMENT	Land charges	Full Official Search and each additional Parcel	£50.83	£56.93
REGENERATION & ENVIRONMENT	Land charges	LLC1	£80.00	£82.80
REGENERATION & ENVIRONMENT	Land charges	LLC1 Additional Parcel	£25.00	£25.88
REGENERATION & ENVIRONMENT	Land charges	CON 29 - 2016	£200.00	£207.00
REGENERATION & ENVIRONMENT	Land charges	Con 29 - 2016 each additional Parcel	£30.00	£31.05
REGENERATION & ENVIRONMENT	Land charges	CON 290 requested each question submitted with LLC1 and CON 29 - 2016 forms	£30.00	£31.05

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Land charges	CON 29 O each question requested separately	£40.00	£41.40
REGENERATION & ENVIRONMENT	Land charges	Copy Search of replies	£40.00	£41.40
REGENERATION & ENVIRONMENT	Land charges	CON29 O requested separately for each additional parcel	£30.00	£31.05
REGENERATION & ENVIRONMENT	Land charges - EIR	CON29 2016 Individual first question	£25.00	£25.88
REGENERATION & ENVIRONMENT	Land charges - EIR	CON29 2016 Individual each additional question	£3.00	£3.11
REGENERATION & ENVIRONMENT	Land charges - EIR	CON29 2016 Individual All questions listed on our website under Environmental Informational Regulations details 'Local Land Charges	£100.00	£103.50
REGENERATION & ENVIRONMENT	Land charges - EIR	CON29 2016 Individual each additional parcel	£6.00	£6.21
REGENERATION & ENVIRONMENT	Land charges - EIR	Copy of replies CON29 2016 individual replies	£15.00	£15.53
REGENERATION & ENVIRONMENT	Public Realm (Highways)			
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Temporary Crossing – Commercial:	£555.00	£578.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Crane Oversail	£555.00	£578.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Crane (mobile platform):	£335.00	£349.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Scaffold Licence Fee (0-10m)	£235.00	£244.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Scaffold Licence Fee (10-15m)	£300.00	£312.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Scaffold Licence Fee (15m+)	£620.00	£624.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Hoarding Licence Fee(0-10m)	£235.00	£239.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Hoarding Licence Fee (10-15m)	£300.00	£312.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Hoarding Licence Fee (15m+)	£620.00	£646.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Skip Licence Fee	£56.00	£58.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Skips (fines)	£255.00	£255.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Building Material licences (Residential)	£165.00	£171.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Builders Material Licences (Commercial)	£330.00	£343.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Skip Company - Annual Registration fee:	£300.00	£312.00
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Container/Portacabin licences:	£335.00	£349.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
REGENERATION & ENVIRONMENT	Public Realm (Highways)	Admin fee for refunds processing	£60.00	£63.00
REGENERATION & ENVIRONMENT	Trading Standards			
REGENERATION & ENVIRONMENT	Trading Standards	Registration of Premises for Auction	£356.00	£357.00
REGENERATION & ENVIRONMENT	Trading Standards	Primary Authority - bulk purchase (per hour)	£63.00	£66.00
REGENERATION & ENVIRONMENT	Trading Standards	Primary Authority - pay as you go (per hour)	£78.00	£82.00
REGENERATION & ENVIRONMENT	Trading Standards	Verification of Weights & Measures Equipment (per hour)	£66.00	£66.00
REGENERATION & ENVIRONMENT	Trading Standards	Calibration of Weights for Business 9per Hour	£66.00	£66.00
REGENERATION & ENVIRONMENT	Trading Standards	Testing of Working Standards and Testing Equipment for other Las (per hour)	£66.00	£66.00
REGENERATION & ENVIRONMENT	Trading Standards	Extra Staff Member assisting with above W&M fees (per hour)	£42.00	£42.00
REGENERATION & ENVIRONMENT	Trading Standards	Use of Safety Lab (per hour)	£73.00	£73.00
REGENERATION & ENVIRONMENT	Trading Standards	Licence to store explosives	Various Fees from £54.00 - £500.00	Various Fees from £54.00 - £500.00
REGENERATION & ENVIRONMENT	Trading Standards	Financial Investigator (per hour, plus contract fee)	£42.00	£42.00
REGENERATION & ENVIRONMENT	Trading Standards	Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014, Full Charge Penalty Notice	Upto £5,000	Upto £5,000
REGENERATION & ENVIRONMENT	Trading Standards	Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014, Reduced Charge Penalty Notice	£2,500.00	£2,500.00
REGENERATION & ENVIRONMENT	Trading Standards	Penalty Charge Notice under Part 3, Chapter 3 Consumer Rights Act 2015 (Maximum Penalty)	Upto £5,000	Up to £5,000
REGENERATION & ENVIRONMENT	Trading Standards	Full financial penalty issued under the Tenant's Fees Act 2019 (Maximum Penalty)	Upto £30,000	Upto £30,000
REGENERATION & ENVIRONMENT	Trading Standards	Full financial penalty issued under the Client Money Protection Schemes for Property Agents (Requirement to Belong to a Scheme etc.) Regulations 2019	Penalty between £1 - £30,000.00	Up to £30,000
REGENERATION & ENVIRONMENT	Trading Standards	Enforcement Officer hourly rate	£61.00	£62.00
REGENERATION & ENVIRONMENT	Trading Standards	Senior/Supervisory Staff hourly rate	£81 - £91	£82 - £92
REGENERATION & ENVIRONMENT	Trading Standards	*Issue of various Covid Fixed Penalty Notices	£1,000 - £10,000	£1,000 - £10,000
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality			
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Weddings Internal Saturday Before 4pm	£395.00	£434.50
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Weddings Internal Saturday After 4pm	£577.00	£634.70
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Weddings Internal Sunday Before 1pm	£485.00	£533.50

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Weddings Internal Sunday After 1pm	£637.00	£700.70
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Weddings external Monday - Friday Before 4pm	£485.00	£485.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Weddings external Monday - Friday After 4pm	£551.00	£551.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Weddings external Saturday Before 4pm	£551.00	£551.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Weddings external Saturday After 4pm	£667.00	£667.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Weddings external Sunday Before 1pm	£606.00	£606.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Weddings external Sunday After 1pm	£788.00	£788.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Bank Holidays Before 4:30pm	£1,000.00	£1,000.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Bank Holidays After 4:30pm	£1,000.00	£1,000.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Private Ceremonies (M- F)	£130.00	£130.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Citizenship Private Ceremony-weekend	£170.00	£170.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Issue of Letter	£30.00	£30.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Secure Deposit	£100.00	£150.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Change of date	£50.00	£55.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Notice priority fee per notice	£15.00	£20.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises external Garden Monday - Friday Before 4pm	£309.00	£363.50
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises external Garden Monday - Friday After 4pm	£543.00	£616.50
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises external Garden Saturday Before 4pm	£408.00	£484.50
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises external Garden Saturday After 4pm	£598.00	£684.70
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises external Garden Sunday Before 1pm	£490.00	£583.50
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises external Garden Sunday After 1pm	£653.00	£750.70
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Ceremonies Internal Monday - Friday Before 4pm	£242.00	£285.00
CUSTOMER AND DIGITAL SERVICES	Registration and Nationality	Approved Premises Ceremonies Internal Monday - Friday After 4pm	-	£515.00
CHIEF EXECUTIVE	Legal Services			
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Housing Management - Residential Conveyancing. Loft cellers garden	£1,361.00	£1,398.43

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Housing Management - Residential Conveyancing. Deed of rectification	£575.00	£590.81
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Housing Management - Residential Conveyancing. Single Lease extension for enfranchisement of a single house	£1,259 if assessment by Tribunal then additional £70 per hour if Senior Legal Assistant or £100 per hour if Lawyer	£1,293 if assessment by Tribunal then additional £75 per hour if Senior Legal Assistant or £105 per hour if Lawyer
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Housing Management - Residential Conveyancing. Collective Enfranchisement	£1,259 if assessment by Tribunal then additional £70 per hour if Senior Legal Assistant or £100 per hour if Lawyer	£1,293 if assessment by Tribunal then additional £75 per hour if Senior Legal Assistant or £105 per hour if Lawyer
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Housing Management - Residential Conveyancing. License for Alteration	£786.00	£807.62
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - S106 Agreements.	£232 per hour based on minimum of £1,570	£238 per hour based on minimum of £1,613
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Section 38 and Section 278 Agreements.	£2,552 plus a charge rate of £231 per hour	£2,622 plus a charge rate of £237 per hour
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Commercial Property Transactions, Lease	£628 for leases between £0-£5,000 per year / £838 for leases with rent between £5,001 and £10,000 per year / £943 for leases with rent between £10,000 upwards	£645 for leases between £0-£5,000 per year / £861 for leases with rent between £5,001 and £10,000 per year / £968 for leases with rent between £10,000 upwards
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Commercial Property Transactions. Licence to Assign	£681.00	£699.73
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Commercial Property Transactions. Licence for alteration	£681.00	£699.73
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Commercial Property Transactions. Licence to underlet	£681.00	£699.73
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Commercial Property Transactions. Collaboration Agreement	£1,572.00	£1,615.23
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Commercial Property Transactions. Development Agreement subject to Lease	£3,144.00	£3,230.46
CHIEF EXECUTIVE	Legal Services	Third Party Charges for Legal Work - Commercial Property Transactions. S123 LGA Notice	£314.00	£322.64
ASSISTANT CHIEF EXECUTIVE	Communications			
ASSISTANT CHIEF EXECUTIVE	Communications	Film Licence	£95.00	£95.00
ASSISTANT CHIEF EXECUTIVE	Communications	Location Fees (high) per day	£5,000.00	£5,000.00
ASSISTANT CHIEF EXECUTIVE	Communications	Location Fees per day (Medium)	£2,500.00	£2,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Location Fees per day (low)	£750.00	£750.00
ASSISTANT CHIEF EXECUTIVE	Communications	Parking Fees (per parking bay suspension)	£50.00	£50.00
ASSISTANT CHIEF EXECUTIVE	Communications	Full Page Advertising in Your Brent Magazine	£1,770.00	£1,770.00
ASSISTANT CHIEF EXECUTIVE	Communications	Half Page Advertising in Your Brent Magazine	£973.00	£973.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
ASSISTANT CHIEF EXECUTIVE	Communications	Quarter Page Advertising in Your Brent Magazine	£643.00	£643.00
ASSISTANT CHIEF EXECUTIVE	Communications	Eighth Page Advertising in Your Brent Magazine	£275.00	£275.00
ASSISTANT CHIEF EXECUTIVE	Communications	Late Notice Admin Fee	£150.00	£150.00
ASSISTANT CHIEF EXECUTIVE	Communications	Additional/Film Officer time fee/site visits	£75 per hour	£75 per hour
ASSISTANT CHIEF EXECUTIVE	Communications	Film Officer out of hours fee weekdays (between 9pm-7am) and all weekend	£150 per hour	£150 per hour
ASSISTANT CHIEF EXECUTIVE	Communications	No Notice of Objection (subject to online payment system going ahead)	£50.00	£50.00
ASSISTANT CHIEF EXECUTIVE	Communications	Parks A Filming (large crew): Roundwood Gladstone Barham Park Fryent Country Welsh Harp	£2,500.00	£2,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Parks A Filming (medium crew): Roundwood Gladstone Barham Park Fryent Country Welsh Harp	£2,000.00	£2,000.00
ASSISTANT CHIEF EXECUTIVE	Communications	Parks A Filming (small crew): Roundwood Gladstone Barham Park Fryent Country Welsh Harp	£1,500.00	£1,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Parks B Filming (large crew) All other park and recreation grounds	£1,500.00	£1,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Parks B Filming (medium crew) All other park and recreation grounds	£1,000.00	£1,000.00
ASSISTANT CHIEF EXECUTIVE	Communications	Parks B Filming (small crew) All other park and recreation grounds	£500.00	£500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Parks Unit base	£800.00	£800.00
ASSISTANT CHIEF EXECUTIVE	Communications	Brent Civic Centre	£5,000.00	£5,000.00
ASSISTANT CHIEF EXECUTIVE	Communications	Cemeteries / Libraries / Sports Centres (large crew)	£2,500.00	£2,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Cemeteries / Libraries / Sports Centres (medium crew)	£2,000.00	£2,000.00
ASSISTANT CHIEF EXECUTIVE	Communications	Cemeteries / Libraries / Sports Centres (small crew)	£1,500.00	£1,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Willesden Sports Centre (large crew)	£3,500.00	£3,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Willesden Sports Centre (medium crew)	£3,000.00	£3,000.00
ASSISTANT CHIEF EXECUTIVE	Communications	Willesden Sports Centre (small crew)	£2,500.00	£2,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Roundwood Youth Centre (large crew)	£2,500.00	£2,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Roundwood Youth Centre (medium crew)	£2,000.00	£2,000.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
ASSISTANT CHIEF EXECUTIVE	Communications	Roundwood Youth Centre (small crew)	£1,500.00	£1,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Housing Estates (large crew)	£2,500.00	£2,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Housing Estates (medium crew)	£2,000.00	£2,000.00
ASSISTANT CHIEF EXECUTIVE	Communications	Housing Estates (small crew)	£1,500.00	£1,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Temporary structures	£250.00	£250.00
ASSISTANT CHIEF EXECUTIVE	Communications	Cherry pickers / Cranes / Mobile platforms	£300 + £100 per sqm deposit	£300 + £100 per sqm deposit
ASSISTANT CHIEF EXECUTIVE	Communications	Scaffolding	From £211 + 100 per sqm deposit for two weeks	From £211 + 100 per sqm deposit for two weeks
ASSISTANT CHIEF EXECUTIVE	Communications	Stop / Go Traffic management	£250 per location	£250 per location
ASSISTANT CHIEF EXECUTIVE	Communications	Full road closure	£2,500.00	£2,500.00
ASSISTANT CHIEF EXECUTIVE	Communications	Highways officer site visit	£250 per hour	£250 per hour
ASSISTANT CHIEF EXECUTIVE	Communications	Drone admin fee	£150 per application	£150 per application
ASSISTANT CHIEF EXECUTIVE	Conference and Events			
ASSISTANT CHIEF EXECUTIVE	Conference and Events	The Grand Hall 10 hours hire package (Monday to Sunday)	£5,900.00	£5,900.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	The Grand Hall 12 hours hire package (Saturday and Sunday only)	£8,100.00	£8,100.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	The Grand Hall 18 hours hire package (Saturday and Sunday only)	£9,800.00	£9,800.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	The Grand Hall additional set up or de-rig hire (per hour)	£300.00	£300.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	The Grand Hall bank holiday surcharge fee	£1,030.00	£1,030.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	The Grand Hall (per hour, min 6 hours required)	£600.00	£600.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	Conference Hall (per hour, min 5 hours required)	£200.00	£260.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	The Bridge (available only with the Grand Hall)	£650.00	£500.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	One Board Room (per hour)	£40.00	£41.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	Two Board Rooms together (per hour)	£70.00	£82.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	Three Board Rooms together (per hour)	£100.00	£123.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	Four Board Rooms together (per hour)	£130.00	£164.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	Foyer stall hire (8 hours)	£100.00	£155.00

DIRECTORATE	SERVICE CATEGORY	SERVICE PROVIDED	21/22 CHARGE £ (Excl. VAT)	22/23 PROPOSED CHARGE £ (Excl. VAT)
ASSISTANT CHIEF EXECUTIVE	Conference and Events	Day Delegate Rate (with sandwich lunch and 3 servings of tea and coffee) per person, min numbers apply	£45.00	£65.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	Day Delegate Rate (with finger buffet lunch and 3 servings of tea and coffee) per person, min numbers apply	£55.00	£65.00
ASSISTANT CHIEF EXECUTIVE	Conference and Events	Charitable discount. A discount of 20% - 50% on Conference Hall and Board Rooms hire are available for charitable purpose events that are closely aligned to the Council's Borough Plan and will benefit the borough and its local residents.	10% - 40%	25% - 50%
ASSISTANT CHIEF EXECUTIVE	Conference and Events	Discretionary discount to attract bookings at quiet times	10% - 25%	10% - 20%

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Budget Consultation- Summary of findings and key themes

The online 2022/23 budget consultation opened on 6 December 2021 and ended on 31 January 2022.

The online consultation asked Brent residents to read the Draft Budget 2022/23, including appendices, and answer the following questions:

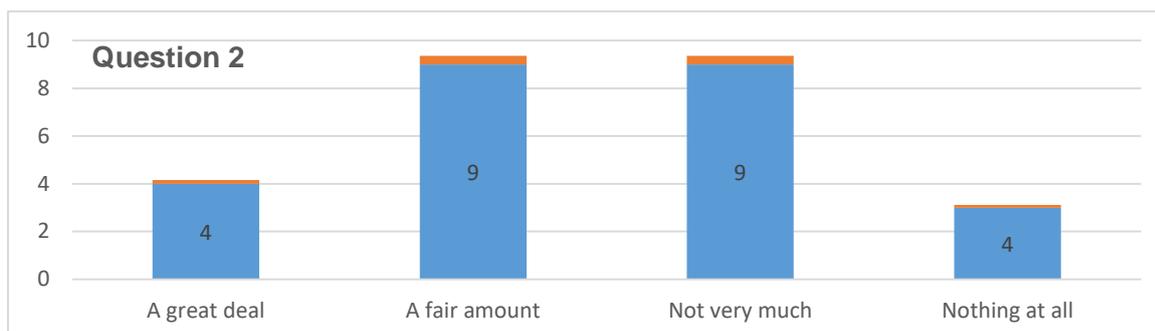
1. Do you have any comments about our draft budget strategy?
2. Having read the draft budget proposals, how much do you now feel you understand the Council's overall financial position and the need to both increase council tax and deliver savings in 2022/23 in order to deliver a balanced budget?
3. To what extent do you agree or disagree with the budget proposals?
4. Please provide any other comments you may have on the proposals for the Budget 2022/23.
5. If you have any other ideas for ways we could save money, please let us know.
6. Do you have any comments on the proposal to increase service charges in Council owned and managed blocks?
7. Could Brent Housing Management do any more to provide help and support if you are concerned about paying your rent and bills?

In addition to the questions above standard equalities monitoring questions were asked, to better understand the demographic of the residents who responded.

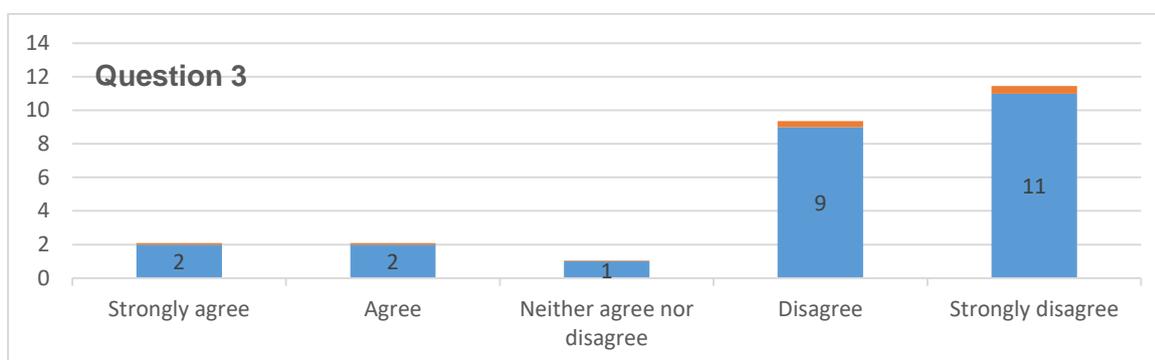
The key themes collected from the comments to **Question 1** '*Do you have any comments about our draft budget strategy?*' include:

- The proposal to increase Council Tax, with many stating that the increase is being made at a time when the general cost of living is also increasing.
- The Council should make further cuts to its spending.

For **Question 2** 50% respondents answered that they had 'nothing at all' or 'not very much' understanding of the Council's overall financial position and the need to both increase council tax and deliver savings between 2020/21 and 2022/23 in order to deliver a balanced budget. 50% responded that they have 'a fair amount' or 'a great deal' of understanding on the Council's overall financial position.



For **Question 3** 77% of respondents answered that they 'disagree' or 'strongly disagree' with the budget proposals. Whilst 15% answered that they 'agree' or 'strongly agree' with the proposals. The final 8% answered that they 'neither agree nor disagree'.



The most popular theme to **Question 4** 'Please provide any other comments you may have on the proposals for the Budget 2022/23:' was the Increase in Council Tax during times of increases to other household bills.

For **Question 5** 'If you have any other ideas for ways we could save money, please let us know', a summary of the points made is below:

- Make further cuts, some suggested to staff salaries, Council magazine and LTNs.
- Some suggested introducing more CPZ and increase charges.

For **Question 6** 'Do you have any comments on the proposal to increase Council tenant rents? A mixed response was received from respondents whilst some are in agreement of the proposal others felt that the increase is being made at an inappropriate time and could result in higher household debt.

For **Question 7** 'Do you have any comments on the proposal to increase service charges in Council owned and managed blocks?' Like question 6 a mixed response was received from respondents whilst some are in agreement of the proposal others felt that the increase is being made at an inappropriate time and could result in higher household debt.

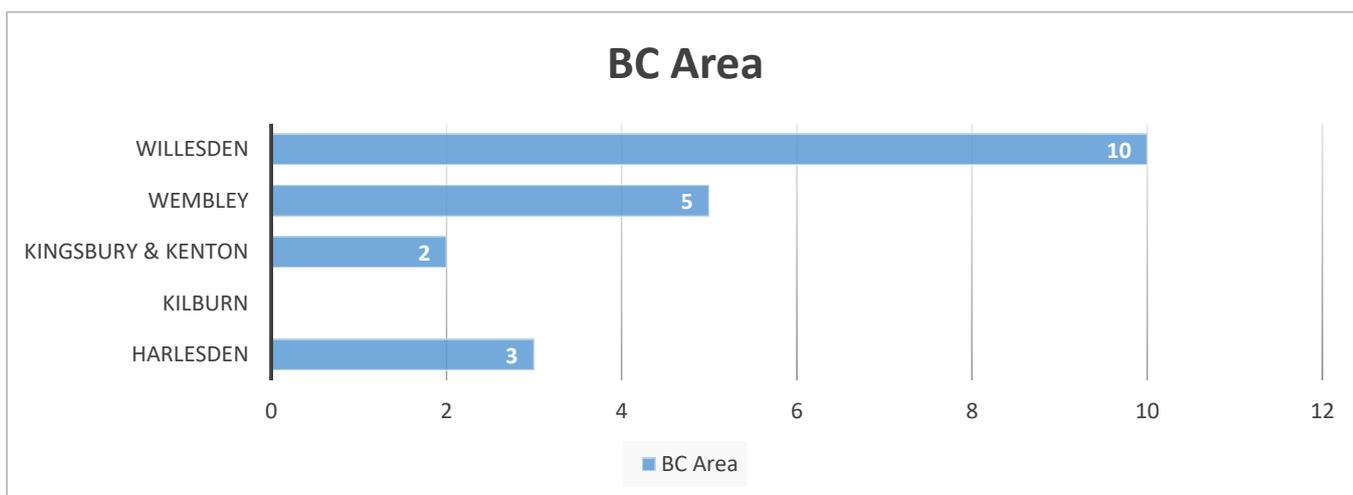
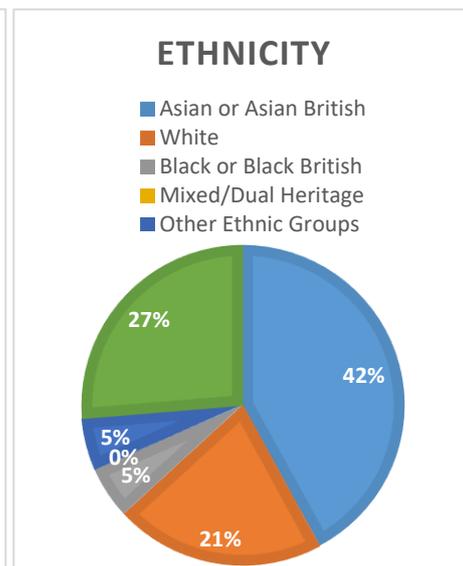
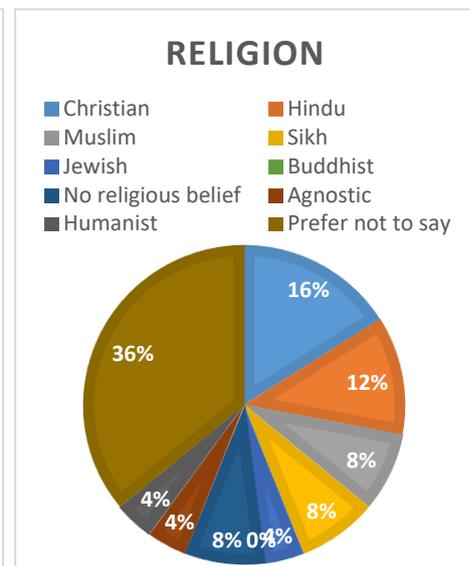
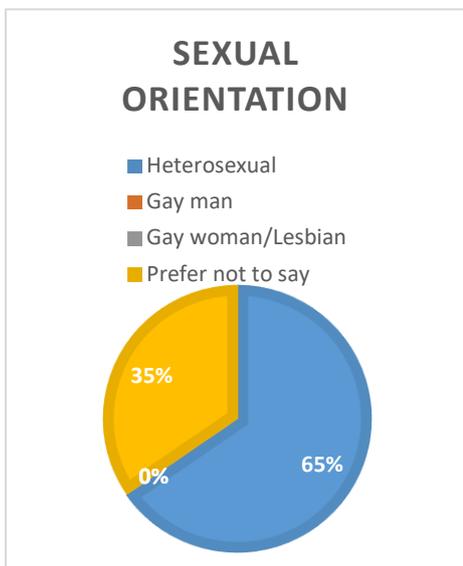
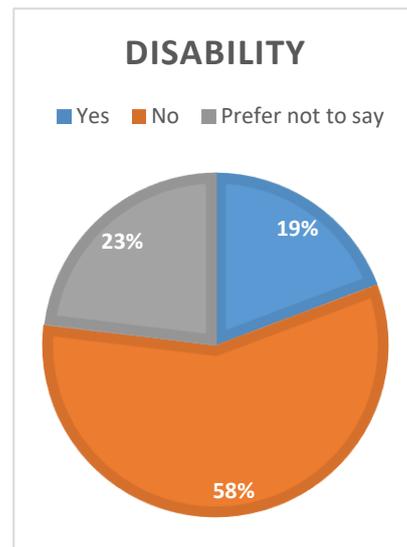
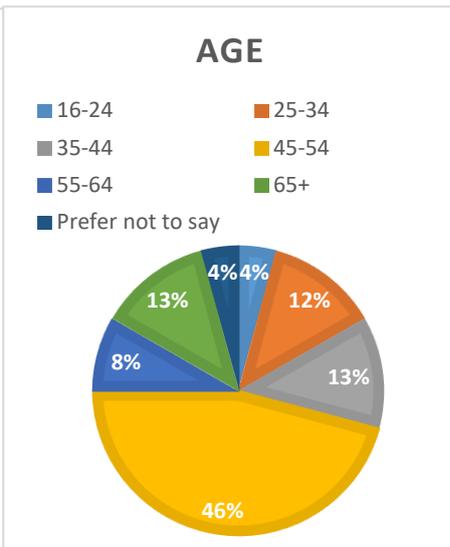
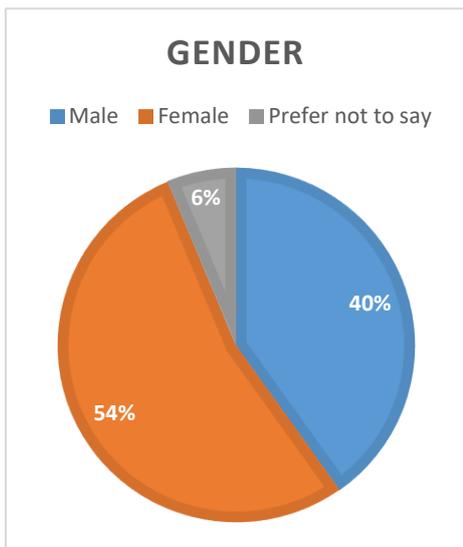
For **Question 8** 'Could Brent Housing Management do any more to provide help and support if you are concerned about paying your rent and bills?' Some suggested a

support scheme to be available to vulnerable groups that helps people not to fall into debt.

Overall, the most commented theme was the proposed increase in Council Tax. It is acknowledged that increasing Council Tax will be difficult for some households to manage in the current circumstances and sections 4.10 – 4.13 of the draft budget report set out the rationale the Council considers as part of its decision making. In summary, the increase will provide much needed funding to limit the impact of COVID-19 pressures expected in 2022/23, in particular for the Adult Social Care department, as well as preventing the wholesale cuts key services that many other Councils are having to consider. In addition, the Council continues to invest in the Council Tax Support scheme, which provides over £30m of support for around 28,000 households who are financially vulnerable. In addition, the Council's Resident Support Fund has made available additional funds for residents who are having difficulty due to unforeseen financial circumstances as a result of COVID-19.

Comments and feedback on the budget consultation demonstrates a wide range of views, many common viewpoints and emphasises the fact that Brent residents are concerned over what the expenditure reductions mean not only for them but also for the wider community.

Below is a summary of the demographic information of those that responded to the consultation:



ADVICE FROM THE DIRECTOR OF LEGAL, HR AUDIT AND INVESTIGATIONS**1. INTRODUCTION**

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

2. WHEN THE BUDGET MUST BE SET

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

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

3. SETTING OF THE COUNCIL TAX

Section 30 of the Local Government Finance Act (the Act) provides that no amount of council tax may be set before the earlier of the following—

- (a) 1st March in the financial year preceding that for which the amount is set;
- (b) the date of the issue to the authority of the last precept capable of being issued to it (otherwise than by way of substitute) by a major precepting authority for the financial year for which the amount is set.

This year the GLA meeting at which the precept will be set will take place in the morning of the 24 February 2022, which is the same day as the council's budget setting meeting at which the council tax would normally be set. In the event that the precept is not issued by the GLA by the time Council comes to make its decision on 24 February, the Council will only be able to calculate the Brent element of the council tax at that meeting.

Section 67 of the Act permits the setting of the council tax to be delegated to a special council tax setting committee established under that section. It is proposed that a meeting of the committee established under this section be called shortly after the 24 February so that the council tax can be set at that meeting in the event that it cannot be set by Council on 24 February.

4. NOTICE

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

5. MEMBERS' FIDUCIARY DUTIES

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

The budget must not include expenditure on items which would fall outside the Council's powers. Expenditure on lawful items must be prudent, and any forecasts or assumptions such as rates of interest or inflation must themselves be rational. Powers to spend money must be exercised bona fide for the purpose for which they were conferred and any ulterior motives risk a finding of illegality. In determining the Council's overall budget requirement, Members are bound to have regard to the level of Council Tax necessary to sustain it. Essentially the interests of the Council Taxpayer must be balanced against those of the various service recipients.

Within this overall framework, there is of course considerable scope for discretion within the 2022/23 financial year, especially on the part of the Cabinet. Setting a budget is not the same as deciding what expenditure will in fact be incurred. To budget for expenditure is to estimate likely expenditure and/or make financial provision for such expenditure. However, Members will bear in mind that in making the budget commitments are being entered which will have an impact on future years. Some such commitments are susceptible to change in future years, such as staff numbers which are capable of upward or downward adjustment at any time. Other commitments however impose upon the Council future obligations which are binding and cannot be adjusted, such as loan charges to pay for capital schemes. For some specific proposals within the overall Budgetary framework, Cabinet decisions have already been made. For some other proposals, subject to relevant consultation where necessary, decisions by the Cabinet will need to be made, especially where the making of such a decision would result or would be likely to result in the permanent closure of a facility used by the public or a permanent and significant reduction in the level of services or facilities provided to the public other than where such closure or reduction in service is considered necessary by the relevant strategic director for reasons of health and safety.

In making those subsequent decisions the Cabinet will be required to consider all relevant matters including the results of any consultation and the Council's equality duties. This will include that should the Cabinet (or other decision

maker) consider it appropriate, for example when being asked to make service changes to achieve a budget reduction and having taken into account all relevant facts (including but not limited to the results of any consultation and after due consideration of the Council's equalities duties) they have the option of not making the budget reductions detailed within the overall budget. They will still be required to balance the budget overall using the appropriate constitutional procedures, for example, finding the savings from elsewhere or using reserves and otherwise complying with the Council's rules on budget setting and management.

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

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

6. ARREARS OF COUNCIL TAX AND VOTING

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

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

Members should note the following points:

- (i) These rules are extremely wide in scope. Virtually any Council decision which has financial implications is one which might affect the making of the budget underlying the Council Tax for next year and thus is caught. The former DoE (now MHCLG) shared this interpretation as it made clear in its letter to the AMA dated 28th May 1992.

- (ii) The rules do not apply just to full Council meetings but extend to committees and sub-committees of the Council and to the Cabinet.
- (iii) Members who make a declaration are not entitled to vote on the matter in question but are not prevented by the section from taking part in the discussion.
- (iv) Members will have a defence under section 106 of the 1992 Act if they did not know that the section applied to them (i.e., that they were in arrears to the relevant extent) at the time of the meeting. Thus unwitting Members who for example can prove that they did not know and had no reason to suppose at the time of the meeting that their bank has failed to honour a standing order will be protected should any prosecution arise.
- (v) It is not enough to state that a benefit application has been submitted which has not yet been determined, as Members remain liable to pay pending determination.
- (vi) Breach of the rules is a criminal offence under section 106 of the 1992 Act which attracts a maximum fine at level 3 on the standard scale, currently £1,000.

Members' attention is also be drawn to the effect of the Local Authorities (Standing Orders)(England)(Amendment) Regulations 2014 which came into effect on 25 February 2014 which is that where any vote is taken at a Council meeting on setting the budget for the authority, the Minutes of the meeting will record the names of all Councillors present at the vote and how each Councillor voted (for or against) or the fact that they abstained from voting.

7. DISCLOSABLE PECUNIARY INTERESTS

Members are reminded to consider whether they have a disclosable pecuniary interest or a personal interest in the setting of the council's budget. If a member has a relevant interest they must disclose the interest at the meeting, subject to the provisions in the Code in respect of sensitive interests. If the interest is:

- a disclosable pecuniary interest; or
- a personal interest which a member of the public knowing the facts would reasonably regard it as so significant that it is likely to prejudice their judgement of the public interest (and it affects their financial position or the financial position of a connected person (as defined in the Code) or relates to a regulatory matter affecting or likely to affect them or a connected person.

The member may not participate in the discussions or vote on the matter, although if the interest is prejudicial but not a disclosable pecuniary interest, the member may remain for the purposes of making representations or asking questions.

Members should seek early advice to avoid any confusion on the night of the meeting if they consider they have a relevant interest.

Dispensations

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

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

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

8. RESPONSIBILITIES OF THE DIRECTOR OF FINANCE AND AUDITORS' POWERS

Director of Finance and Monitoring Officer

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

Under section 25 of the Local Government Act 2003 the Director of Finance is required to report to the authority on the robustness of the estimates made for the purposes of the calculations required to be made by the Council and the adequacy of the proposed financial reserves. These are the estimates which the Cabinet is required to determine and submit to Full Council and are contained within this report. However, if the Council were minded to agree a budget based on different estimates e.g. if Council did not agree with the estimates provided by the Cabinet then those estimates which the Council would adopt would effectively become 'the estimates' for the purpose of Section 25 and as such should be subject to a report by the Director of Finance.

External Auditors' Powers

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

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

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

9. SPECIFIC BUDGET ADVICE

Balances and Other Budget Calculations

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

In addition to advising on the robustness of the estimates as set out above, the Director of Finance is also required to report on the robustness of the proposed financial reserves. The same advice applies to these as to the other calculations required to be made by the Council.

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

Localism Act 2011

Sections 72 to 79 and Schedules 5 to 7 of the Localism Act 2011 amended the legislation regarding the calculation of council tax. Schedule 5 of the Localism Act provides for a council tax referendum to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the

Secretary of State. Authorities will not be able to exceed the Secretary of State's principles without having held such a referendum. The principles applicable for 2022/23 are discussed at paragraphs 5.7 to 5.8 of the main report.

Alternative Proposals

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

Capital Programme

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

Expenditure Charged to the Housing Revenue Account

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

Equalities Legislation

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

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

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

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

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

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

Due regard to the need to eliminate discrimination, advance equality, and foster good relations must form an integral part of the decision making process. The Council must consider the effect that implementing a particular policy will have in relation to equality before making a decision.

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

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

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

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

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Brent

**Appendix P
BRENT COUNCIL PAY POLICY
STATEMENT**

Financial Year 2022/23

April 2022

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BRENT COUNCIL PAY POLICY STATEMENT

Financial Year 2021/22

Purpose

The council's pay policy outlines Brent's policy on pay and benefits for all employees (excluding schools) and has been developed to meet the relevant statutory provisions of the Localism Act 2011.

The pay policy will be reviewed on an annual basis and will be approved by Full Council in advance of each new financial year.

The pay policy statement can be amended during the course of any financial year, but only by a resolution of the Full Council. The revised version of the statement will be published as soon as reasonably practicable.

Strategic Context

The current and future pay and benefit arrangements are embodied in the council's Workforce Strategy which reflects the Borough Plan priorities. The council's Borough Plan provides the strategic framework for the council's workforce and people priorities.

The overarching objective for the Workforce Strategy is to have the right people, with the right skills, attitudes and experience, in the right place at the right time to enable the organisation to deliver on its strategic priorities and corporate objectives.

Key strategic aims of the Workforce Strategy are:

- Achieving organisational effectiveness and strong performance management.
- Recruiting, retaining and rewarding a diverse, highly skilled and motivated workforce.
- Valuing diversity and reducing inequalities.
- Developing high performing managers and talented staff.
- Building the professionalism and skills of the workforce to support projects aligned to the council's strategic priorities and the delivery of high quality services.

The council is committed to being a good employer and maintaining its excellent track record in employing a diverse workforce which reflects the local community. In order to recruit and retain a high quality workforce, the council will pay its staff at appropriate salary levels to attract and retain staff, throughout the council, particularly those in hard to recruit roles.

Employee Benefits

The council's pay arrangements and terms and conditions play a key role in enabling the council to fully realise its objectives and ensuring the workforce is 'fit for purpose'. The council is committed to fair and equitable pay and benefits arrangements to maintain a flexible, talented and performance focused workforce. The council published its Gender Pay Gap Report on 15 March 2021. This revealed that the overall mean gender pay gap based on data taken from the HR databases on 31 March 2020 was 5.7% and the median gender pay gap was 6.8%.

All the council's pay arrangements are contained within a single policy document.

Pay Rates and Scales

Pay scales are reviewed annually in line with the relevant national agreements and any changes are usually effective from 1 April or 1 September each year depending on the pay scales applicable to different groups of staff.

The following pay scales have been adopted by the council:

- Greater London Provincial Council (GLPC) London Pay Scales (main pay scales)
- Senior Manager Pay Scales (senior managers including Chief Officers)
- Soulbury Pay Scales (Education Psychologists, Advisors and Inspectors)
- Soulbury Pay Scales (Youth and Community Service, Young People and Community Service Managers)
- Teaching Pay Scales (for centrally employed local authority teachers)

Remuneration of Senior Management (Chief Officers)

The council defines its senior management as the top 3 tiers in the management structure. This includes all statutory and non-statutory Chief Officers and Deputy Chief Officer roles. It comprises the Chief Executive, Strategic Directors and Operational Directors.

Currently the pay, expenses and key benefits for the Council Management Team are published on the council's website. The Council Management Team comprises the Chief Executive and the Strategic Directors, together with the Director of Finance and the Director of Legal, HR & Audit and Investigations.

The rates of pay of the Chief Executive and Strategic Directors and other Senior Managers are in accordance with the council's senior manager pay scales agreed from time to time by the General Purposes Committee.

The council may, from time to time, engage senior managers under contracts for services. The council generally will aim to pay such individuals at a rate consistent with the pay of directly employed staff performing a comparable role, although there may be exceptional circumstances which support a higher pay rate for a short term period to ensure continuity of service and meet any statutory obligations.

Remuneration of Lowest Paid Employees

The council defines its lowest paid employees as those staff paid on the lowest established grade and scale point which in Brent is Scale 1 spinal column point 1 of the Greater London Provincial Council (GLPC) Pay Scales which is currently £20,658 per annum or the pay of its lowest paid employee where they are on a higher salary which is currently £22,185.

London Living Wage

The council has implemented the London Living Wage. All staff are paid at or above the London Living Wage. Level 2 and 3 Apprentices are paid at the highest National Living Wage rate and Level 4 and above Apprentices are paid at or above the London Living Wage. The Council is an accredited London Living Wage Employer and asks its contractors supplying services to the Council to pay their staff the London Living Wage. As contractors are employers in their own right, the council cannot force contractors to pay the London Living Wage but has built into its procurement procedures a requirement to do so in relation to council contracts where possible. The Council also encourages schools to pay the London Living Wage.

Pay Multiple

The 'pay multiple' is the ratio between the highest paid salary and the lowest/median average salary of the council's workforce. The council's highest paid employee is the Chief Executive. The current median salary is £36,708.

The lowest pay multiple is 1:9.4; the median pay multiple is 1:5.7.

This is within what is regarded as good practice for the median salary multiple as described by Will Hutton in his 2011 Fair Pay Review in the Public Sector which identified multiples at or around 8.00. The council has not set a target for a maximum multiple. The lowest pay multiple has decreased from 1:10:6 in 2016/2017.

Job Grading

Single Status was introduced in 2009 for staff on the main pay scales. Single Status introduced common job evaluation schemes and pay scales for the council's former manual workers, administrative, professional, technical and clerical employees with the exception of education psychologists, nursery nurses, youth and community workers, chief officers and the chief executive.

Some of the staff who transferred to the council from Brent Housing Partnership in 2017 have yet to move over to Single Status.

Senior managers including chief officers have locally determined rates of pay agreed by the General Purposes Committee which are linked to national negotiations for the determination of pay awards. A revised pay and grading structure for senior managers was introduced on 1 April 2013. The aim of the review was to reduce costs whilst ensuring the council's pay arrangements remained competitive. Changes to the pay and grading structure may be agreed by the General Purposes Committee from time to time following any further review.

Also in 2013, the council rationalised the terms and conditions for senior managers. Those senior management posts which fall within the Joint National Committee (JNC) Chief Officer definition are employed on JNC terms and conditions and all other senior managers are employed on National Joint Committee (NJC) for Local Government Services terms and conditions with some local variations. The senior management posts which fall within the JNC definition are predominately the strategic directors and other directors with statutory responsibilities e.g. Section 151 officer. This means that the majority of senior managers have terms and conditions which are largely consistent with those for other staff. A number of changes were also made to the JNC for Chief Officer terms and conditions to align them more with the terms and conditions for all other staff.

Local Conventions for the GLPC Job Evaluation Scheme

Virtually all local authorities and organisations that use the GLPC Scheme have local conventions in place. A convention is the term given to the local interpretation of the wording of a job evaluation scheme, which are usually written down. Without local conventions, evaluators may interpret the scheme's factor level definitions differently.

This exposes the authority to the potential risk of inconsistency and can lead to inaccurate gradings.

The council in March 2013 introduced local conventions to ensure that the scheme is applied consistently and fairly to all employees. These have been reviewed and amended in accordance with refreshed guidance notes on the job evaluation scheme issued by the GLPC in 2016.

Pay on Appointment

All employees are normally appointed on the lowest pay spinal column point for their job evaluated grade. Employees may be appointed at a higher point, where they are currently earning more than the lowest pay spine for the role and/or where it is considered that they already possess the skills and experience needed to justify a higher salary within the grade. Appointment at a higher point on the salary scale has to be authorised by the service Operational Director and the Head of HR or operational director responsible for HR.

The council delegates authority to the Senior Staff Appointments Sub-Committee to make appointments to the council of all officers at Operational Director level and above, with the exception of the Chief Executive, in which case a recommendation to appoint is made to Full Council for its final decision to confirm the appointment or not. The starting salary for new appointments to these posts is agreed by the body making the appointment. The starting salary for any other post where the overall remuneration package on new appointment (excluding pension contributions in accordance with the Local Government Pension Scheme regulations) is to exceed £100,000 will normally be agreed by full council or a committee of the council unless the Chief Executive agrees otherwise.

Annual Pay Progression

Brent's pay policy is primarily based on evaluated pay grades, each having a salary range comprising a number of incremental points. Other pay grades are nationally prescribed and also have incremental progression arrangements. Most employees incrementally progress through the pay grade for their job. Progression will normally be one increment (pay spine column point) on the 1st of April each year until the top of the grade is reached for those on the main pay scales. Separate arrangements

apply during the first year of service where the start date is between 1 October and 31 March and on the anniversary of joining for those on senior manager pay scales.

Pay progression takes place on an annual basis and can be withheld if there is a disciplinary sanction or where performance is currently being addressed.

Performance Related Pay and Bonuses

Council employees including the Chief Executive and directors do not receive performance related payments or bonuses.

National / Regional Pay Agreements

The council operates the national (JNC/NJC) and regional (GLPC) collective bargaining arrangements for pay and conditions of service for all employees, including senior managers. Pay is increased in line with national and regional pay agreements.

Details of the national pay award for 2021/22 are not yet known. All proposals received from the trade unions will be considered in the context of the public sector pay freeze announced by the Chancellor in the 2020 Spending Review.

Market Supplements

The council re-introduced a market supplement policy in 2018 and the General Purposes Committee has agreed recruitment and retention allowances for some social work staff. Individual service areas do not have discretion to apply market supplements or other recruitment and retention payments and there is a governance structure in place to agree any new supplements based on a sound business case.

Fees for Election Duties

Election fees paid to employees (including chief officers) who assist in elections are in line with the rates agreed by the Government whenever general, regional or European elections occur. Where local elections occur fees will be determined using the cross-London agreed rates.

Pensions

All non-teaching employees are able to join the Local Government Pension Scheme (LGPS). Teachers are able to join the Teachers' Pension Scheme. Benefits for both schemes are paid in accordance with government regulations. National Health Service employees who transferred to the council under TUPE have access to the NHS Pension Scheme under special provisions agreed as part of the transfer into

local government. Employees joining Public Health after the transfer are employed on Council terms and conditions and do have access to the LGPS.

Payments on Termination of Employment

In the event that the council terminates the employment of an employee on the grounds of redundancy the terms of the council's redundancy and early retirement arrangements will apply. Termination payments are also subject to any caps or repayment requirements introduced by government legislation. It is anticipated that regulations on capping payments and repayment of severance will be introduced although the timescale is unclear. Where practicable, and unless the Chief Executive agrees otherwise, termination payments which exceed £100k will normally be agreed by full council or a committee of the council.

Re-employment of Employees

Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.

The re-engagement of employees including chief officers who are made redundant is subject to the council's re-engagement arrangements (contained within the council's Managing Change Policy). The policy sets out the minimum period a former employee must wait before being eligible to work for the council again, as well as outlining other restrictions.

Employees who are made redundant may not be re-engaged within twelve months of their termination of employment for reasons of redundancy. After twelve months the employee may be re-engaged via the normal recruitment procedures either to carry out similar work or a different job. Re-engagement is subject to the approval of the relevant Operational Director and Director of Legal, HR and Audit & Investigations.

Tax avoidance

All permanent Brent staff including senior managers are paid through payroll which means that all taxes are deducted at source. A review of temporary staff is regularly conducted and it is Brent's policy to cover vacancies through the use of approved agency workers or by appointing staff on fixed term contracts. Temporary workers providing services through their own companies will be carrying out projects and generally not covering permanent roles other than in exceptional circumstances e.g. where interim cover is essential whilst a permanent appointment is recruited. Where these situations do occur they will be limited in duration, usually to less than 6 months.

The council's approach to dealing with Her Majesty's Revenue and Customs' (HMRC) changes to regulations for provision of personal services from April 2017 and further

changes to off-payroll working introduced in April 2021, is to use the HMRC online assessment tool to determine the employment status of individuals for income tax purposes. Most agency workers, consultants and interims are required to pay tax on a PAYE basis, like council employees.

Publication and access to information

Brent's annual Pay Policy Statement will be published on the website where it can be easily accessed. Information about chief officers' remuneration is published on the council's website www.brent.gov.uk in the section Senior Managers' pay.

COUNCIL TAX SETTING COMMITTEE

Membership

The committee comprises of the five councillors (four labour and one conservative).

Terms of Reference

This committee is established under section 67 of the Local Government Finance Act 1992:

1. To note the annual budget 2022/23 for Brent agreed by Full Council.
2. To note the formal resolution by Full Council for Brent Council Tax in 2022/23.
3. To note the Greater London Authority precept level for 2022/23.
4. As a consequence, to set an amount of council tax for the financial year 2022/23 in accordance with Section 30 Local Government Finance Act 1992.
5. To agree the formal resolution for Council Tax in 2022/23.

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Full Council – 24 February 2022

Agenda Item 6.2

**6.2 Budget & Council Tax 2022/23 – Conservative Group
amendments to budget proposals**

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Council Meeting 24 February 2022

Conservative Group Amendment to the Council's Budget Proposals 2022/23

Advice from the Director of Finance

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

The Alternative Budget proposed by the Conservative Group would be a legal, balanced budget for 2022/23, although it is recognised that this carries financial risk. The potential implications for 2023/24 and beyond have not been considered as part of these proposals.

The proposal to remove the growth for London Living Wage (LLW) will mainly have an impact on the provision of homecare as well as upcoming re-procurements where LLW has been incorporated as a prerequisite. There is a risk that existing commitments may not be able to be contained within the current growth allocated for contract inflation.

The council currently spends approximately £1.8m per annum on landlord incentives. The budget is used to procure properties to end the homeless duty, and so move people out of temporary accommodation which is typically more expensive. It is also used to procure properties to prevent homelessness and therefore stop people going into temporary accommodation in the first instance. Consequently, reducing this budget may result in higher temporary accommodation costs if alternative housing cannot be secured outside of the borough.

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

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

Conservative Group – Alternative Budget 2022/23

Council is asked to consider the following alternative budget for 2022/23

Propose to increase Council tax by 1% only, with the full amount ring fenced for Adult Social Care.

This proposal will generate income of £137.4m, compared to £140.1m generated with the planned increase of 2.99%, leaving a shortfall of £2.7m

The proposal means a Brent Council Tax of £1,392.04 at Band D for 2022/23 compared to the Labour proposal for £1,419.48

The Council notes the following:

- The Conservatives have always been and still are the party of lower rates of taxation through responsible policies and budgeting, meaning that people will have more money in their pockets to spend and save as they wish.
- The Conservative have always proposed to tax the residents less leaving more money in their pockets to spend and save as they wish.
- Council tax increased by 3.99% in 2016/17, 3.99% in 2017/18, 4.99% in 2018/19, 4.99% in 2019/20, 3.99% in 2020/21 and 3.99% in 2021/22. Prior to this council tax was frozen. Therefore, since 2016, council tax has increased by over 30% (£319.32) overall. Well above the rate of inflation.

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

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

Propose to remove the landlord incentive and save £1.8m.

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

Delete a Cabinet member and save £0.02m.

There is currently a vacant Cabinet position for the position of Lead member of Children's Safeguarding, Early Help and Social Care. Given the importance of this position, we propose to merge the positions for Lead member of Environment and Lead member of Regeneration, Property and Planning.

Recognise New Homes Bonus in the revenue budget instead of the capital programme to balance the overall General Fund budget.

The Council will receive a grant of £3.1m in 2022/23. It is noted that this grant is used as part of the financing of the overall capital programme, however the grant conditions do not stipulate that it needs to be utilised in this way. Therefore, we proposed that a proportion of this grant is used to balance the overall revenue budget following the adjustments suggested above.

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

Conservative Group - Alternative budget proposals	Impact on 2022/23 budget
Propose to increase Council tax by 1%, ring fenced for Adult Social Care	2.7
Propose to remove the growth for London Living Wage	(1.5)
Propose to remove landlord incentives	(1.8)
Recognition of additional pressures on temporary accommodation budget	1.8
Reduce a cabinet member	(0.02)
Build New Homes Bonus into the base budget	(1.18)
Total	0.0

Councillor Suresh Kansagra
Kenton Ward

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 Brent	Full Council 24 February 2022
	Report from the Chief Executive
Auditor's Annual Report on the London Borough of Brent	

Wards Affected:	All
Key or Non-Key Decision:	Council
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Appendix A Auditor's Annual Report on the London Borough of Brent
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Minesh Patel Director of Finance Tel: 020 8937 6528 Email: Minesh.Patel@brent.gov.uk</p> <p>Rav Jassar Deputy Director of Finance Tel: 020 8937 1487 Email: Ravinder.Jassar@brent.gov.uk</p>

1.0 Purpose of the Report

1.1 This report presents the Council's external auditor's annual report on value for money as part of the 2020/21 audit of the year end accounts. It also sets out their key recommendations.

2.0 Recommendation(s)

2.1 To note the report and recommendations.

3.0 Background

3.1 The National Audit Office introduced a new Code of Audit Practice for 2020/21 which revised the approach to the audit of Value for Money (VFM).

There are three main changes:

- A new set of key criteria, covering financial sustainability, governance and improvements in economy, efficiency and effectiveness.
- More extensive reporting, providing commentary on arrangements across all key criteria.
- Auditors to arrive at a more sophisticated judgement on performance, as well recommendations.

3.2 As part of the auditors work, no significant weaknesses were identified in the Council's VFM arrangements and only improvement recommendations have been provided. In summary, there is one Financial Sustainability recommendation, six Governance recommendations and seven economy, efficiency and effectiveness recommendations. The full report is attached at Appendix A.

4.0 Financial Implications

4.1 There are no financial implications arising as result of this report.

5.0 Legal Implications

5.1 There are no legal implications arising as result of this report.

6.0 Equality Implications

6.1 Not applicable.

7.0 Consultation with Ward Members and Stakeholders

7.1 Not applicable.

8.0 Human Resources

8.1 Not applicable.

Report sign off:

Minesh Patel
Director of Finance

Auditor's Annual Report on the London Borough of Brent

Year ended 31 March 2021

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September 2021
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We are required under s 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) in 2020 requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Executive summary



Value for money arrangements and key recommendations

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The auditor is no longer required to give a binary qualified / unqualified VFM conclusion. Instead, auditors report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under specified criteria. As part of our work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. We identified risks in respect of:

- Financial sustainability
- Governance
- Improving economy, efficiency and effectiveness



Financial sustainability

The Authority is operating in an increasingly uncertain financial environment. For the second successive year, the Comprehensive Spending Review was a single year spending review. Brent, as with all local authorities, will need to continue to plan with little certainty over funding in the medium term.

Despite this uncertainty, and the challenges posed by COVID-19, the Authority has maintained a good financial position. The Authority has put forward a series of proposals which forecast a balanced budget for the next two years. In addition, as at 31 March 2021, the Authority held general revenue reserves of £15.1m and held £358.2m of earmarked reserves.

This places the Authority in a strong financial position. Having planned its budgets for future years well in advance will enable sensible phasing of proposals to minimise the impact of the financial climate on services to residents.

Our work has not identified any significant weaknesses in arrangements to secure financial stability at the Authority.

Further details can be seen on pages 7-10 of this report.



Governance

Our work this year has focussed on developing a detailed understanding of the governance arrangements in place at the Authority and the changes instigated as a response to the pandemic.

Our work on both business as usual governance and adapted structures has not identified any significant weaknesses in arrangements or improvement recommendations in relation to governance.

Further details can be seen on pages 11-18 of this report.



Improving economy, efficiency and effectiveness

The Authority has demonstrated a clear understanding of its role in securing economy, efficiency and effectiveness in its use of resources.

Our work has not identified any significant weaknesses in arrangements or improvement recommendations in relation to delivering economy efficiency and effectiveness.

Further details can be seen on pages 19-27 of this report.

Criteria	Risk assessment	Conclusion
Financial sustainability	No risks of significant weaknesses identified	No significant weaknesses in arrangements identified, but improvement recommendations made
Governance	No risks of significant weaknesses identified	No significant weaknesses in arrangements identified, but improvement recommendations made
Improving economy, efficiency and effectiveness	No risks of significant weaknesses identified	No significant weaknesses in arrangements identified, but improvement recommendations made



Opinion on the financial statements

We have substantially completed our audit of the Council's financial statements and plan to issue an unqualified audit opinion following the Audit & Standards Committee meeting on 22 September, in line with the national deadline of 30 September 2021. Our findings are set out in further detail on page 30.



Key recommendations



The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Authority. We have defined these recommendations as 'key recommendations'.

Our work has not identified any significant weaknesses in arrangements and therefore we have not made any key recommendations.

The range of recommendations that external auditors can make is explained in Appendix B.

Commentary on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources

All local authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money.

Local authorities report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 3, requires us to assess arrangements under three areas:



Financial Sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Authority makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Authority makes decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on each of these three areas, as well as the impact of COVID-19, is set out on pages 7 to 29.



Financial sustainability



We considered how the Council:

- identifies all the significant financial pressures it is facing and builds these into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans

2020/21 and ongoing financial pressures

Brent has historically performed well, with a record of strong financial and budgetary management. Despite the challenging environment in which it is operating, the 2020/21 outturn position for the council prior to accounting for the impact of COVID-19 resulted in break-even for the General Fund, a £0.3m underspend for the HRA and a £5.0m overspend for the DSG. The impact of COVID-19, which added a further £42m of costs and income losses, was offset by emergency funding from government.

At the end of 2020/21 the Dedicated Schools Grant (DSG) deficit is £10.5m. This is due to pressures in the High Needs Block. As a result, cost avoidance is required over the next 5 years. A management plan has been put in place which assumes a slow down in the growth of these pressures and assumes that the HNB funding increases by an average of 7% over the next few years. Although the pressure is forecast to slow down, the cumulative deficit will increase before a reduction occurs which is likely to be by 2024-25.

Whilst DSG deficit positions can be carried forward against the grant for future years, the Authority is required to have a multi-year deficit recovery plan in place. This does present a risk of a significant weakness in terms of financial stability. However, the Council is aware of this risk and have a number of action plans in place to address this. The Council's management information is good, and there is targeted monitoring and oversight of this area (a specific task force has been appointed to oversee this, in addition to Cabinet and Committee oversight). It is considered that sufficient action is being taken to address this risk and it is not considered necessary to additionally report this from a VFM perspective. This deficit has been identified by the Council as one of the highest risks set out on the Corporate Risk Register. Ongoing monitoring will remain necessary – especially over the reduction in demand assumed in future years. These assumptions will need to be reviewed regularly.

The Council has a strong reserves position with £338.7m in reserves (£398m 2019/20). Only reserves already earmarked for managing short term budgetary constraints have been utilised during the year. These totalled £2m. Reserves management is seen by the Council as critical and it has been seen that members understand reserves are not available to be spent to "balance the books". There is a plan to maintain this reserves position, not to regularly or permanently reduce them (other than those earmarked to finance the Council's ambitious housebuilding capital programmes).

Future years' budgets are currently balanced, so there is no up front intention to utilise these reserves. Significant work has been undertaken by the Authority to identify savings opportunities to balance the books, and the medium term financial planning undertaken demonstrates a prudent approach, with a recognition that future funding levels remain uncertain.

Financial sustainability

Savings plans

The Council monitors the delivery of planned savings, and mitigating actions where required, on a quarterly basis. These are reported to the Council Management Team (CMT) and to Cabinet. Over the last 10 years, the Council has successfully delivered a savings programme totalling £185m. Savings of £7.4m had been included within the 2020/21 budget. However, as a result of COVID-19, not all of these savings are considered achievable.

Overall, from a financial planning and budget setting point of view, the revised plan is broadly positive at this stage in that the majority of savings (63%) are on track to be delivered. The balance of planned savings is still expected to be delivered but with some slippage. This suggests that, other than re-profiling between years, the savings previously agreed should continue to be embedded in the MFTS. Work is ongoing to develop and oversee the mitigating actions considered necessary to implement the savings currently considered as unachievable.

Status of savings following 2021 review

	2020/21 original saving (£000)	2022/23 original saving (£000)	2022/23 original saving (£000)	Total (£000)
Savings on track to be delivered	2,828	4,095	1,740	8,663
Slippage on delivery but still achievable	4,341	0	0	4,341
Savings unachievable	235	185	30	450

Financial Planning

The Borough Plan clearly sets out corporate strategic priorities, which are referenced within the Council's financial planning. This planning aims to provide a framework to invest in the Plan's broader ambitions and long term priorities, as well as the recovery from COVID-19.

The capital programme also supports the Council's corporate priorities. Its budget is mainly focused on the key aim of building new homes. The Council's actual capital spend was £171.8m in 2020/21, an overrun of 76% against budget. There was slippage in capital spending due to COVID, but the spending achieved does reflect the Council's priorities as set out in the Borough Plan. We are satisfied there is a clear linkage between the Medium Term Financial Strategy and the priorities set out in the Borough Plan.

Whilst discretionary spending is subject to close scrutiny when spending and savings plans are being considered, these two types of spending are not clearly differentiated in the financial planning reports which underlie the budget and MTFP. We have identified this as an improvement recommendation.

Managing risks to financial resilience

The Council has incorporated uncertainty into its planning and based the MFTS on a mid-range scenario, having modelling three different scenarios of additional growth pressures. Based on this, the funding gap is estimated at £6.1m for 2021/22.

Some of this is being managed by planned savings. Some by a carry forward of COVID funding from 2020/21.

Generally, we find the Council to be well managed and there is a high level of understanding of its budgetary position, budgetary pressures and any savings required. There is an established process by which the budget is reviewed regularly, and issues are reported on a timely basis to those charged with governance.

Financial sustainability

Medium term financial planning

Usually the Medium Term Financial Strategy (MTFS) is updated annually as part of the draft budget. Additionally, a fundamental review of the MTFS was undertaken in 2020 for the period 2020/21 to 2022/23. As part of this review, sensitivity analysis and scenario modelling was undertaken on all aspects of the MTFS, including income assumptions, expenditure assumptions and savings assumptions.

A further review of these assumptions was undertaken early in 2021 to identify the future impact of COVID-19. The Council now has a series of proposals which forecast a balanced budget for the next two years. This will place the Council in a strong financial position, as planning the budgets for future years well in advance will enable sensible phasing of proposals to minimise the impact on services to residents.

As such, we are satisfied the Council identifies and manages risks to financial resilience and challenges the assumptions underlying its plans.

Conclusion

Overall, we are satisfied the Council has appropriate arrangements in place to ensure it manages risks to its financial sustainability. We have not identified any risks of serious weaknesses. We have identified one opportunity for improvement, this is set out overleaf.



Improvement recommendation



Financial Sustainability

Recommendation Consideration should be given to making a clear distinction between statutory and discretionary spending in the budgetary information provided to members and published on the web.

Why/impact This would help residents to understand the difference between these types of spending and would help inform them as to any spending which is made as a result of manifesto pledges or following a decision by the Council to undertake a specific project outside of or in addition to its statutory obligations.

Auditor judgement The different categories of spending could be made clearer. Currently it is not apparent whether any of the Council's spending is discretionary.

Summary findings No distinction is made in the financial information reported to TCWG between statutory and discretionary spending.

Management comment Officers will consider how this approach could be implemented.



The range of recommendations that external auditors can make is explained in Appendix B.

Governance



We considered how the Council:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effectiveness processes and systems are in place to ensure budgetary control
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards

Monitoring and assessing risk

The Corporate Risk Register is updated annually. It is visually very informative, with a front page scorecard setting out in a graph the likelihood and potential financial impact of each of the 11 key/core risks identified this year. In addition to the potential financial impact of each of the risks, the potential reputational damage of service failure is also considered. This corporate register is informed by the eleven individual departmental level risk registers. These are also updated annually, and follow a similar format with a RAG rating of risks based on an assessment of their impact/likelihood. These could be improved by all departments following the same format.

The Cabinet consider risks as part of their decision making role on corporate policies, including the annual budget setting processes, major policy decisions and major projects. The Council Management Team also reviews these corporate risks through quarterly monitoring reports. These include feedback from the Risk Management Group. Risks are identified within individual Service Plans and considered on a regular basis within departmental management teams. Key operational risks are reported through to the Corporate Management Team. A recent external review of the effectiveness of the Risk Management approach established that risk is well understood across all levels of management at the Council.

Robust business continuity management arrangements also exist within the Council, with all critical services having business continuity plans in place. The Council's understanding of and planning for risks appears sound, and does not demonstrate a risk of a serious weakness.

There is a good audit and investigations function operating at the Council and we are satisfied with the standard of work being carried out by Internal Audit. It has demonstrated itself to be a dynamic service capable of reacting and responding to changing circumstances. 32 audits were completed during the year, with a high level of recommendations accepted and implemented by management (over 90%). All recommendations which remain outstanding are reported to the Council Management Team for action and to the Audit and Standards Advisory Committee (ASC) for information.

Whilst no significant weaknesses from a VFM perspective have been identified by internal audit, we do consider there to be an opportunity to improve their own annual planning process. Internal audit do not undertake an independent review of recent or upcoming legislative changes which may impact the Authority. Currently, internal audit rely on management to identify legislation which may have an impact on their work. Whilst the extent of management involvement in the audit planning process is good and points to a positive working collaboration, we think an independent check on this to inform their plan would be a useful validation exercise.

Similarly, the Counter Fraud Specialists undertake a programme of work to support the ASC, including a mix of proactive and investigatory work. Findings are reported appropriately. There have been only minor instances of fraud identified as being perpetrated in 2020/21.

The payment of COVID grants to businesses, together with the urgency with which these grants were required to be paid, presented a new risk during the year. Payments were approved under emergency powers to ensure businesses in need were given immediate assistance. There appears to have been an appreciation of the risk posed by this situation, with internal audit involved from the start and all payments made using emergency powers subsequently reported to the ASC. We are satisfied the Council put in place procedures to review these payments. Subsequent internal audit reviews have also investigated these payments and further work is currently being undertaken to review any payments deemed inappropriate. We think members should also review and confirm whether any related parties were in receipt of these grants, and if so, whether any additional declarations should be made by members in respect of these grants.

Governance

Budgetary Setting Process

The budget-setting process is multi-layered and extremely thorough, with several stages. The draft budget is then presented to Cabinet for review in December, with additional papers presented to Cabinet to approve the budget in February. There is also a quarterly review of budget to outturn position by Cabinet.

The budget and MTFS are considered concurrently. There is not a separate, stand alone MTFS, but the longer-term projections and any risks to the medium term are incorporated into the reports accompanying the budgetary information considered by Cabinet quarterly.

This high level of scrutiny together with the Council's track record of achieving its planned savings and balancing its budget confirm the strength and validity of the budget setting processes in place.

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Budgetary control

There are good systems in place for oversight of the budget. The Finance Department engages at least monthly with budget holders. As well as quarterly budget reports to cabinet, budget holders have access to real time information via self-service budget reports. These can be viewed either at a summary (high) level or at a detailed level. There is stringent in year oversight of the budget at a high level, with the Policy Co-ordination Group, Scrutiny Committees and Council Management Team reviewing and assessing the actual outturn and future risks to the budget. The quarterly budget monitoring reports detail variances by department (and service lines within departments) demonstrating a regular identification of in-year variances. Actions being taken or to be taken by departments in response to such variances are set out.

Leadership and committee effectiveness/decision making

Appropriate leadership is in place. The Council operates a Leader and Cabinet form of executive arrangements. In addition, there are two scrutiny committees which hold the Cabinet to account.

The work of the Council's committees is governed by the constitution. This constitution is regularly reviewed and updated. The constitution is shared with all staff members on joining and is openly available on the Council's website. The Annual Governance Statement needs to be read alongside the Council's constitution, which sets out how the Council operates, how decisions are made and the policies which are followed to ensure that these are efficient, transparent and accountable to local people.

There is a good suite of policies in place, covering anti-fraud and corruption, and the Council has an established antifraud culture. We have identified some opportunities to strengthen these with a central register of members' interests and similarly a central register of gifts and hospitality declared.

Monitoring and ensuring appropriate standards

The Annual Governance Statement is compliant with the CIPFA code. An appropriate level of care is taken to ensure the Council's policies and procedures comply with all relevant codes and legislative frameworks.

Conclusion

Overall, we found no evidence of significant weaknesses in the Council's arrangements for ensuring that it makes informed decisions and properly manages its risks. We have identified some opportunities for improvement, set out overleaf.

Improvement recommendation



Governance

Recommendation All COVID grant payments to business should be reviewed, and members should check and confirm whether payments were made to any related parties and if so, whether any additional declarations are required to be made by them.

Why/impact There is a risk that these payments were made without being subject to the Council's usual level and timeliness of scrutiny. If payments have been made to related parties, this could pose a reputational risk for members and for the Council.

Auditor judgement The risk of related parties being in receipt of these grants should be included any retrospective checking of these payments.

Summary findings Whilst COVID grant payments were subject to later reviews to determine whether these were lawful and in accordance with grant conditions, it is not clear that these were checked against members' declared interests.

Management comment Internal Audit will seek conduct a post assurance review of these payments.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendation



Governance

Recommendation	In developing the annual plan, internal audit should consider an exercise to review legislation which has been enacted over the last year (or is due to be passed) which will have implications for the Council.
Why/impact	Whilst audit are part of management and collaborating with management is expected, audit could be more proactive to ensure they incorporate checking that there is compliance with new requirements (both statutory and other requirements) into their audit work.
Auditor judgement	There is scope to add a review of recent legislation in informing the internal audit plan. This would help ensure internal audit are reviewing all recent or updated compliance requirements.
Summary findings	Internal audit rely on management to inform them of legislative requirements. By performing an independent review themselves, internal audit can undertake a completeness check on this information.
Management comment	As part of current audit planning meetings with senior management and their respective DMTs, new or changing legislation is discussed and where necessary audits are included in the plan. As part of individual audits, compliance and awareness of legislation often forms part of the scope. Internal Audit are not strictly part of management, primarily to ensure that we maintain our required level of independence. Internal Audit will consider an exercise to review legislation passed over the last year.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendation



Governance

Recommendation	All but two of the eleven departmental risk registers follow the standardised format. This format is good, with a scorecard at the front of the register setting out the weighting and the scoring of risks. We recommend that all departments use this model, as the weighting and scoring system is good and focusses the assessment of risks on those which are high.
Why/impact	Higher risk areas or key strategic risks may not be given due weight in the assessment process. Ensuring all registers follow the standard format forces the analysis to target key areas.
Auditor judgement	There is a risk that the more significant risks are omitted from the analysis found in the risk registers.
Summary findings	Two of the departmental risks registers do not follow the standardised format. The standard format includes a weighting risks and identification those which represent the most significant potential loss, either in revenue terms or reputational terms. It would be better practice for all departmental risk registers to follow this format.
Management comment	A revised risk register format is to be proposed at the next round of risk register updates. The revised format retains the current heat map with the detail now contained in an excel spreadsheet. This enables management to better see and analyse risk information. The spreadsheet will show current and previous risk scores as agreed with the Audit and Standards Advisory Committee.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendation



Governance

Recommendation Whilst interests declared by members are available on their individual biographies on the website, the Council should consider the creation of a central, online register of members' interests. This would enable a review of the interests of the Cabinet or of a specific Committee as a whole.

Why/impact Having to check each member separately is piecemeal and makes it difficult to confirm the overall complexion of interests held.

Auditor judgement It is not immediately apparent if there are a number of interests or similar interests held by any particular committee or political grouping.

Summary findings Whilst there is a full register of members interests made available at the library, this is not available online as a single document. Transparency could be improved by making this information available in a single place online.

Management comment The creation of a central register for members' interests is a sensible recommendation for improving the council's transparency. However, having looked at the practicalities, it would require a duplication of effort as there is no functionality in the current system to download the data from individual members' entries. Set against the number of views we received on these webpages, the creation of merged registers seems a disproportionate response for a small number of users. We will revisit this proposal once the changes to the website have been implemented and in the meantime will investigate if other councils keep a central register and the systems they use to update it.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendation



Governance

Recommendation Whilst gifts and hospitality received are declared, as with members interests there is not a central register of all gifts and hospitality received.

Why/impact Transparency of gifts and hospitality received is important. This protects members from inappropriate allegations of corruption or bias. Currently it is difficult to see the entirety of gifts and hospitality received by time period or by Committee.

Auditor judgement It is not immediately apparent if there is any consistency in the gifts and hospitality being accepted by any particular committee or political grouping.

Summary findings Transparency could be improved by making this information available in a single place online. This could help the Authority (and members) to demonstrate that gifts and hospitality are not tools being used to lobby or incentivise members.

Management comment The creation of a central register for members' gifts and hospitality is also sensible recommendation for improving the council's transparency, but the same issues as outlined above apply.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendation



Governance

Recommendation	There is no requirement to register gifts or hospitality which have been declined. This could be helpful to report to other members as a matter of course, so they can be alert in case they are also approached and offered something which ought to be declined.
Why/impact	If there is a pattern of inappropriate gifts or hospitality being offered to members, this should be known and highlighted.
Auditor judgement	There is a risk that inappropriate gifts or hospitality could be accepted. Transparency could be improved by this knowledge sharing between officers and members.
Summary findings	Whilst all gifts and hospitality which have been accepted are recorded and published, it is not possible to see what has been declined. If one member or officer considers it inappropriate to accept a particular gift or offer of hospitality, it would be useful to share this (and the rationale for the refusal) with others.
Management comment	The same issues as above apply to this recommendation. In addition, the register for members' gifts and hospitality is linked to the Code of Conduct. Where gifts have been received creates a personal interest for the member in matters particularly affecting the giver of the gift or hospitality. This will also need to be considered as part of revisiting the proposals concerning the registers once the changes to the website have been implemented.



The range of recommendations that external auditors can make is explained in Appendix B.

Improving economy, efficiency and effectiveness



We considered how the Council:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships, engages with stakeholders, monitors performance against expectations and ensures action is taken where necessary to improve
- ensures that it commissions or procures services in accordance with relevant legislation, professional standards and internal policies, and assesses whether it is realising the expected benefits

Performance review, monitoring and assessment

The Council has a strong Performance Management Framework, overseen by the Corporate Performance Team (CPT), within the Chief Executive's Department. The CPT works with Departmental Management Teams to strategically align the Council's performance monitoring and reporting and coordinate the production of two main reports, the Quarterly Performance Report for Cabinet, and the Portfolio Performance Packs. Members play a regular role in performance management, and are expected to provide challenge to officers. Cabinet receives a report on performance each quarter. Cabinet portfolio holders also have regular meetings with Strategic Directors and review finance and performance indicators.

In addition, the review and follow up of both internal and external audit recommendations is sound, with regular reports to Cabinet on the progress in implementing these recommendations.

The performance information produced for scrutiny is very good. A highly detailed and explanatory performance scorecard is included within these reports. This scorecard has recently been revised to align more closely with the Borough Plan, and sets out RAG ratings for over 130 KPIs used to assess the Council's performance against the targets set out in the Borough Plan. The KPIs are set out by strategic priority, so members are able to focus on those which are relevant to their individual portfolios.

This scorecard clearly sets out areas for improvement with a helpful commentary against each KPI, explaining issues which have arisen and actions taken, and we are satisfied the monitoring of performance is good.

An additional purple category has been added to the RAG ratings this year, to highlight areas where performance deterioration is directly attributable to the impact of COVID. This provides a helpful context to the high number of performance targets not met this year.

Whilst this benchmarking provides good information to management and to members, it is only against the Council's own internally-derived targets. There is not a clear or consistent use of benchmarking against other authorities as a tool to assess the Council's performance or to identify areas for improvement.

The Borough Plan is an aspirational tool setting out a strategic vision for Brent. The work underpinning this plan is rigorous, as is the scrutiny and oversight of its delivery. The Council are clear that the strategies in this Plan must remain relevant to its communities and as such, it is reviewed every three years to ensure it remains current and demonstrates that the Council have listened to and responded to its communities. We have identified minor opportunities to improve this plan.

Where services are outsourced, contract review is delegated to the relevant service. As this review is disaggregated, the Council has established a Commissioners Network which provides tools and training to those officers with responsibility for the oversight and management of contracts. Training and knowledge sharing is also provided by this network. Whilst this is appropriate, we have identified that as contract monitoring currently sits within services, we recommend that monitoring of contracts on a 'business as usual' basis be included within a regular reporting cycle, be that to Scrutiny Committees or to relevant service committees. We have also identified an opportunity to strengthen and regularise this network.

Improving economy, efficiency and effectiveness

Partnership working

The Borough Plan sets out the objectives of partnerships, expected outcomes and deliverables. There is a formalised and rigorous oversight of the work undertaken by the Council in partnership with other bodies.

All the plans which make up the Borough Plan (e.g. Community Safety, Climate Strategy, Black Community Action Plan, Equality Strategy, Health & Wellbeing etc) are on a three-year cycle, all with annual delivery targets for both the Council and its partners. These plans are reviewed quarterly by the Council Management Team (officer level), Cabinet and Scrutiny Committees. Each plan has a lead provider (usually but not always the Council) and is overseen by its own Board.

A performance framework has been developed and implemented in 2021/22 to bring all the strategies together in one matrix. This will simplify reporting performance against plans and should be looked at as part of our 2021/22 VFM work.

The engagement with key stakeholders has increased over the pandemic (Brent Connects and other engagement activities became virtual, which resulted in increased participation). The number of partners with whom the Council works also increased as a result of the pandemic, with more third sector and voluntary organisations working in partnership with the Council. The Borough Plan makes partnership a key theme. However, how the Council works with its partners is not explicitly set out. We have identified this as an improvement recommendation.

Procurement

The Council has an extensive and detailed procurement strategy, updated in 2021 to incorporate the Council's Social Value and Ethical procurement strategy, which had been a separate policy. It is good these have now been aligned. This strategy is reviewed and updated annually and is subject to Scrutiny Committee and other Committee approvals.

There are detailed KPIs in this procurement strategy. These KPIs are aspirational, but there is little information as to where Brent is now. Also, there are few numerical objectives in the KPIs in the procurement strategy. Together, this might make it difficult for stakeholders to measure success against this plan. Consideration should be given to defining social value in the procurement strategy, to setting out the Council's current position (against which to benchmark targets) and to adding numerical (rather than just aspirational) targets in the plan. As at the time of writing, we understand there is an annual procurement report due to be reviewed by members in October 2021. This report will provide some additional details on the achievement of the ambitions set out in the procurement strategy. There are also opportunities to strengthen the monitoring of suppliers against the social values set out in the procurement strategy.

Conclusion

Overall, we are satisfied the Council has appropriate arrangements in place to ensure it manages risks to its oversight in ensuring economy, efficiency and effectiveness in its use of resources. We have identified some opportunities for improvement, set out overleaf.



Improvement recommendation



Improving economy, efficiency and effectiveness

Recommendation The Council should consider including an analysis which benchmarks its performance against that of other authorities, both in its internal financial management information and in its corporate performance scorecard.

Why/impact There is a risk the Council's performance monitoring is not sufficiently stretching or ambitious. There does appear to be some benchmarking within the Council, but this is ad hoc and not consistent across the services.

Auditor judgement Benchmarking could indicate areas for improvement not immediately identified. There is a risk these opportunities could be missed.

Summary findings We found little consistent use of benchmarking as a tool across the Council's services and within the Borough-wide plan. Benchmarking is a useful tool and including more benchmarking within the Council's self-assessment tools could improve this work.

Management comment As noted the council uses Benchmarking as an analysis tool when making decisions. Benchmarking is only used when a credible dataset is available so a like for like comparison can be assessed. Over the last decade it has become increasingly difficult to find appropriate datasets as authorities have diverged from a standard model of delivery. However, officers are continuously looking for new datasets to support their analysis.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendation



Improving economy, efficiency and effectiveness

Recommendation	Routine reporting of services provided by external contractors should be included in the information provided to and reviewed by those charged with governance.
Why/impact	Currently, the performance of contractors is reviewed at a service level only. Whilst this is essential in securing oversight of service provision, a 'business as usual' oversight of major contracts is not routinely undertaken at committee level.
Auditor judgement	As contract monitoring is undertaken entirely at a service level, there is a risk that issues are not identified by or escalated to those charged with governance at an early stage.
Summary findings	We found that routine monitoring of contracts, whilst undertaken at a service level, is not reported to those charged with governance on a 'business as usual' basis.
Management comment	Summary performance metrics can be agreed for specific major contracts that a Committee would like updates on with the Directorates and included in the Annual Procurement Strategy Report.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendation



Improving economy, efficiency and effectiveness

Recommendation All those charged with the management and monitoring of contracts within their service should meet at least annually for refresher training. This should include establishing and monitoring KPIs for service performance, as well as dispute resolution and escalation.

Why/impact This would provide an opportunity to knowledge share and to share best practices. This should also ensure contract managers are provided with an opportunity to consider whether their contract monitoring could be improved.

Auditor judgement It is not clear whether there is a consistency in contract monitoring and management across the services. There is a risk that examples of weak contract management are not identified and acted upon.

Summary findings More use could be made of the commissioners network to identify, gather and disseminate best practice across the authority. Officers charged with contract monitoring and management tend to operate within the silo of their directorate. Networking and knowledge sharing could be improved.

Management comment Annual training and refresher sessions are offered as part of the Commissioning Network.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendation



Improving economy, efficiency and effectiveness

Recommendation The Borough Plan is very high level with lots of strategic aims and goals, but it isn't very specific. It doesn't say how the Borough plans to achieve those goals. Consideration should be given to referring to the action plans in place in achieve these aims and objectives.

Why/impact We are aware there are delivery plans which aim to set this out, and the Corporate Performance Scorecard also considers some of the actions taken to meet the aims of the Borough Plan, but this is not immediately accessible from reading the text of the Borough Plan. Consideration should be given to referring to the action plans in place in achieve these aims and objectives to enable a resident to understand what actions the Council is taking to achieve these objectives.

Auditor judgement It is not clear from reading the Borough Plan in isolation what needs to change and how it needs to change to meet the objectives of the Borough Plan.

Summary findings Any action plan(s) on which the Authority is embarking in order to meet the aims of the Borough Plan are is not clear from a read through of the Borough Plan. Adding some context setting out how these aims and objectives are to be achieved would help a reader to understand the route to achieving meaningful change.

Management comment We are happy to take the recommendations on board and make these points clearer. We are about to do a full refresh for the next 3 year's delivery plan – starting with all staff sessions in October to review the Borough Plan. We will ensure there is a clear delivery plan.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendation



Improving economy, efficiency and effectiveness

Recommendation Working with partners is a key theme throughout the Borough Plan. However, the plan is not explicit in setting out how it works with partners. Nor is it clear in the Corporate performance Scorecard which of the KPIs are being delivered by partners.

Why/impact It might not be clear to residents on reading the Borough Plan what work the Council is doing with partners. Whilst there may be more detail in the delivery plans, more explicit references to the partners with whom the Council works might give the Borough Plan more of a context for residents.

Auditor judgement Transparency could be improved if the work being undertaken by partners is set out explicitly in the Borough Plan.

Summary findings It is not immediately apparent what work is being done by partners (either alone or supported by the Council) and what work is being done by the Council in meeting the aims and objectives of the Borough Plan.

Management comment We are happy to take the recommendations on board and make these points clearer. We will be explicit about partner delivery and ensure there performance is recorded.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendation



Improving economy, efficiency and effectiveness

Recommendation Consideration should be given to defining social value in the procurement strategy, to setting out the Council's current position (against which to benchmark targets) and to adding numerical (rather than just aspirational) targets in the plan.

Why/impact The current reporting of performance does not enable stakeholders to assess the current performance of the authority against which the targets set.

Auditor judgement It would be more transparent if the Council sets out its current position. Targets could then be assessed against the current position, and it would be clearer to a reader what needs to change for the Council to meet its social value goals.

Summary findings The procurement strategy, which partly incorporates and refers to the Council's Social Value and Ethical procurement Strategy does not set out the Council's current position as a baseline against which to measure and assess the Council's actions and targets.

Management comment There is a separate Social Value and Ethical policy which clearly sets out how we can support Council priorities through the delivery of Social Value. Clear outcomes/ KPI's are set out with a financial commitment set out against each priority that would be payable to the Council if not delivered. All Social Value over £100k has a weighting applied of 10% showing the importance the council place on this aspect.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendation



Improving economy, efficiency and effectiveness

Recommendation	Whilst we understand the social values in the Council's procurement Policy have been communicated to its suppliers, it is not clear that mechanisms exist to measure whether these values are being met. The Council should consider the development of a mechanism to measure whether and how suppliers are meeting these goals.
Why/impact	We understand penalties are in place for non-compliance, but there is a risk that without formal measurement mechanisms in place, the Council's social value aspirations might not be met. This is linked to the above recommendation to define social value more clearly (where possible).
Auditor judgement	It would be helpful to suppliers if measurement mechanisms are explicitly set out in the procurement strategy (or in the social value and ethical procurement strategy referred to within and so captured as part of the procurement strategy). This would enable potential bidders to understand the Council's expectations in terms of social value.
Summary findings	The procurement policy and the social value and ethical procurement policy both set out the Council's aims and objectives, but are not explicit as to what suppliers need to do to meet the Council's criteria for social value.
Management comment	The Council have set up mechanisms of the Social Value committed to through our procurements. Using this capture template will now allow us to conduct follow up reviews at appropriate times with contract managers to determine progress.



The range of recommendations that external auditors can make is explained in Appendix B.

COVID-19 arrangements



Since March 2020 COVID-19 has had a significant impact on the population as a whole and how local government services are delivered.

We have considered how the Council's arrangements have adapted to respond to the new risks they are facing.

Financial sustainability

The impact of COVID-19 has cut across the Council, impacting both its income in the collection rates of housing rents, Council Tax and Business Rates, and expenditure which has seen additional pressures, most notably on adult social care.

The COVID-19 related overspend by the Council was £42m comprising of £29.1m of additional expenditure and £12.9m of income losses to services.

This overspend has been offset by emergency funding from the Ministry of Housing, Communities and Local Government (MHCLG) and corresponding COVID-19 related underspends in the General Fund.

The Council has maintained a good oversight of its COVID-19 related costs and income losses. These were identified early on and subject to detailed monitoring and scrutiny. The MTFS was reviewed and updated during the year, and detailed quarterly reporting against the budget to cabinet was maintained throughout the year.

£13.2m of the remaining £13.3m of COVID-19 funding (combination of ring-fenced and non-ringfenced) received has been transferred to reserves to address any unbudgeted additional costs of COVID-19 in 2021/22 and £0.1m as deferred income.

Despite this 'cushion', the Council expects these financial pressures to be ongoing. Whilst it has set a balanced budget for 2021/22, with savings and efficiencies built in, the Council will undoubtedly need to maintain its high level of monitoring and scrutiny over its finances in order to achieve this budget.

Governance

While the Council generally maintained a business-as-usual approach to its governance arrangements during the pandemic, some adjustments were required. As a result of the lockdown restrictions announced on the 16th March 2020, the Council adjusted some of its internal control processes to support effective governance throughout the pandemic. As soon as these were lawful, the Council started holding members' meetings online.

All committees, but especially Cabinet and the Community & Wellbeing Scrutiny Committees have maintained a keen interest in the Council's response to the pandemic.

Internal audit have acted in an advisory capacity throughout, where processes and systems have had to adapt to changed circumstances. Internal audit also demonstrated it can offer a responsive service, adapting its annual plan to accommodate new reviews required as a result of changed circumstances.

Despite this, internal audit still completed 32 audits in the year and a further 29 follow up audits. Additional, unplanned audits were carried out, notably on COVID grant payments. There has been a solid acceptance and implementation of prior year internal audit recommendations based on the follow up reviews carried out (see table below). Internal audit did not identify any serious weaknesses in internal controls over the course of the year.

Action Status	Number
Implemented	167
Partially Implemented	44
Not Implemented	9
No Longer Relevant	4

COVID-19 arrangements

All office-based staff were provided with the necessary equipment to work from home, enabling a smooth transition to remote working where this was possible. Home-based working has continued throughout the pandemic and there has been a good level of continuity of service. Enabling staff to work from home also supported the Council in protecting its frontline staff and residents by reducing the risk of virus transmission. PPE was also sourced and provided to all Council staff where this was deemed necessary.

Improving economy, efficiency and effectiveness

The Council has been mindful of the impact on the pandemic on its most important resource, its staff. Actions have been put in place to support staff wellbeing and supporting staff remains a key priority for the Council. In aiming to maintain staff wellbeing, the Council has been able to maintain an efficient and effective delivery of its statutory services.

The Council has maintained its quarterly reporting of performance against the targets in the Borough Plan throughout the year. In addition, a purple category has been added to the RAG ratings on the Corporate performance Scorecard to highlight key performance indicators where the rating has declined or fallen short of target, but this has been primarily as a result of COVID.

This is good, and has enabled those charged with governance to understand which of the Council's activities have been most impacted and the extent of this impact.

Partnership working is a key theme of the Borough plan, and work with community partners increased during the pandemic. This is set out in the reporting to those charged with governance. During COVID the Council implemented a steering group to provide intelligence and oversight on the work of partners, to provide the Council with a cross-theme understanding of the lived experience of residents and the work of and with partners during that time.

Conclusion

Our review has not identified any significant weaknesses in the Authority's VFM arrangements for responding to the COVID-19 pandemic.



Opinion on the financial statements



Audit opinion on the financial statements

We have substantially completed our audit of the Council's financial statements and plan to issue an unqualified audit opinion following the Audit & Standards Committee meeting on 22 September, in line with the national deadline of 30 September 2021.

Other opinion/key findings

We have not identified any significant unadjusted findings in relation to other information produced by the Council, including the Narrative Report, Annual Governance Statement or the Pension Fund financial statements.

Audit Findings Report

More detailed findings can be found in our AFR, which was published and reported to the Council's Audit & Standards Committee on 22 September 2021.

Issues arising from the accounts

All adjusted and unadjusted misstatements identified for the Council's 2020/21 financial statements are disclosed in the 20/21 Audit Findings Report, Appendix C.

Preparation of the accounts

The Council provided draft accounts in line with the national deadline. The quality of the draft financial statements and on the whole the supporting working papers continue to be of a good standard.

Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the Council. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

We will complete our work on the Whole of Government Accounts consolidation pack in line with the national deadline.

Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation.



Appendices

Appendix A - Responsibilities of the Council



Role of the Chief Financial Officer (or equivalent):

- Preparation of the statement of accounts
- Assessing the Council's ability to continue to operate as a going concern

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B - An explanatory note on recommendations

A range of different recommendations can be raised by the Council's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Council to discuss and respond publicly to the report.	No	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as 'key recommendations'.	No	N/A
Improvement	These recommendations, if implemented should improve the arrangements in place at the Council, but are not a result of identifying significant weaknesses in the Council's arrangements.	Yes	FS p. 10 Governance p. 13-18 3Es p. 21-27



	<p align="center">Full Council 24 February 2022</p>
	<p align="center">Report from the Strategic Director of Regeneration and Environment</p>
<p>Brent Local Plan 2022 Adoption</p>	

Wards Affected:	All, excluding parts of Harlesden, Kensal Green, Stonebridge and Tokyngton where Old Oak and Park Royal Development Corporation is the Local Planning Authority
Key Decision:	Council
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	<p>Appendix 1: Recommendations of the Inspectors Examining the draft Brent Local Plan 2019-2041</p> <p>Appendix 2: Schedule of Inspectors' Main modifications to the draft Brent Local Plan</p> <p>Appendix 3: Schedule of Minor modifications to the draft Brent Local Plan</p> <p>Appendix 4: Schedule of modifications to the draft Brent Local Plan Policies Map</p> <p>Appendix 5: Brent Local Plan 2022 text showing modifications</p> <p>Appendix 6: Brent Local Plan Policies Map</p> <p>Appendix 7: Brent Local Plan Integrated Impact Assessment Adoption Report</p>
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	<p>Paul Lewin, Team Leader, Planning Policy. Tel: 020 8937 6710 Email: paul.lewin@brent.gov.uk</p>

1.0 Purpose of the Report

- 1.1 This report summarises the key stages since Full Council approved submission of the draft Brent Local Plan for Examination on 19th February 2020. These include the examination and associated hearings and the recommendations of

the Inspectors appointed on behalf of the Secretary of State to examine the Local Plan.

- 1.2 The Inspectors' report recommends that subject to incorporation of its main modifications that the draft Brent Local Plan can be regarded as legally compliant and sound. It is recommended that Full Council consider the report, and incorporate main modifications, other non-'main' modifications and modifications to the policies map to the draft Brent Local Plan that was submitted for examination, prior to approving its adoption.
- 1.3 Following this, it is also recommended that Full Council formally revokes parts of the existing Brent Development Plan which the new policies will supersede.

2.0 Recommendations

- 2.1 That Council considers the report of the Inspectors appointed to examine the draft Brent Local Plan, as set out in Appendix 1 of this report.
- 2.2 That Council approves the proposed schedule of 'main' modifications recommended as set out in Appendix 2 as necessary by the Inspectors to make the draft Brent Local Plan capable of being found sound.
- 2.3 That Council approves non-main modifications to the draft Brent Local Plan as shown in Appendix 3 and modifications to the draft Brent Local Plan Policies Map as shown in Appendix 4.
- 2.4 That Council adopts the Brent Local Plan 2022 as set out within Appendix 5 incorporating the draft Local Plan submitted for examination with modifications set out in Appendices 2 and 3, and also the associated policies map within Appendix 6 that will incorporate modifications as set out in Appendix 4.
- 2.5 That Council revokes the Brent Core Strategy 2010, Brent Site Allocations Development Plan Document 2011, the Wembley Area Action Plan 2015 and the Development Management Policies Plan 2016 so that they are no longer considered Development Plan Documents for the purposes of determining planning applications within the area that the Council remains the Local Planning Authority and also their associated policies map.
- 2.6 That Council delegates authority to the Strategic Director Regeneration and Environment in consultation with the Cabinet Member for Regeneration, Property and Planning to make any further necessary minor modifications and confirm the final format of the printed Brent Local Plan 2022.

3.0 Detail

- 3.1 The Brent Local Plan is a significant document for the Council and the population, businesses and visitors to Brent. It sets out a vision for the development of the borough until 2041. It is the spatial dimension to delivering the aspirations set out in the Council's Borough Plan. It addresses the challenge of trying to meet the needs of the existing and predicted substantial

expansion of Brent's population by around 65,000 to almost 394,000 residents. These people will need access to homes, jobs, social infrastructure. The Council and its residents will also need to become more determined in addressing the impacts of climate change. This growth incorporating a predicted additional 46,000 homes has been balanced against conserving or enhancing what matters most to people inside and outside of the Borough of Brent, such as its recognised areas of heritage character and open spaces.

- 3.2 Its contents have been informed by continuous engagement internally within the Council and externally with communities, partners, infrastructure providers and investors. Since initial engagement occurred with public events in August 2017, there have been a further four rounds of public consultation. The Plan has been subject to an exacting examination by independent Planning Inspectors on behalf of the Secretary of State. It is now at a point where it is possible for it to be adopted by the Council and used as the policy basis to determine planning applications.

Submission and Examination of the draft Brent Local Plan

- 3.3 Council considered a [report on 19th February 2020](#) and resolved to submit the [draft Brent Local Plan](#) for examination. This included [proposed modifications](#) as a result of representations received during consultation in 2019. These modifications were considered necessary to ensure that the Plan is 'sound'. Also included were the associated [policies map](#) and [integrated impact assessment](#). Council also resolved to delegate authority to the Strategic Director Regeneration and Environment in association with the Cabinet Member for Regeneration, Property and Planning to make any necessary proposed modifications to the Brent Local Plan throughout the examination process. This was to ensure that it could be found 'sound' by the Planning Inspector.
- 3.4 The draft Brent Local Plan was submitted for examination on 17th March 2020. Due to the Covid-19 pandemic, as might be expected, there was a delay to the commencement of the examination. The Inspectors, Christa Masters, MA (Hons), MRTPI and Andrew McCormack BSc (Hons), MRTPI identified a number of examination [matters, issues and questions \(MIQs\) on 14th July 2020](#). The Council and those who submitted representations were invited to respond on these.
- 3.5 An opportunity for people to address the MIQs in examination hearings sessions was offered by the Inspectors. This also allowed the Inspectors to further clarify the Council's position subsequent to the extensive written answers it had provided in response to the MIQs. The hearings took place on a wholly virtual basis from 29th September until 16th October 2020. Although this arrangement was a direct response to the circumstances created by the pandemic, it worked well. It certainly improved accessibility for the potential casual visitor compared to physically having to attend at a venue.
- 3.6 The Hearings sessions included a range of contributors, but were predominantly site owners, developers or their representatives, although

Sudbury Town Residents' Association in their capacity as a neighbourhood forum were represented by a barrister who attended numerous sessions. The Council was able to address a number of objections through undertaking additional work prior to the hearings, such as updating Strategic Flood Risk Assessment work, or proposing modifications to policy which reduced the number of attendants, particularly from statutory bodies.

- 3.7 The Council were also set a number of actions by the Inspectors during the examination hearings. Some of these were addressed before the closure of the hearings, whilst the remainder were completed after. For some policies within the hearings the Inspectors indicated clear concerns and suggested the need for modifications. A significant concern was the site allocations and consistency between them in different place chapters. The Council accepted the need for greater consistency and this has resulted in it putting forward a substantial number of main modifications, although these were mostly associated with consistency of presentation and haven't significantly altered the substance of those policies.
- 3.8 Other more significant modifications were to some employment policies to ensure that the draft Plan could be regarded as being in general conformity with the London Plan, as well as addressing viability issues. Similarly the definition of a tall building and the flexibility on the location of tall buildings that previously existing in Policy BD2 has had to change to be in conformity with the Secretary of State's directions in relation to London Plan tall buildings policy D9. Now tall buildings (that is those over 30 metres) will only be regarded in terms of location as compliant with policy D9 in areas identified by the Local Plan.
- 3.9 In addition, the Inspectors considered that the 'intensification corridors' should not have specific boundaries drawn around properties and considered that greater clarity was required on how they had been designated. This was accepted and has been amended to identifying appropriate lengths of streets as supported by a justification paper. The Inspectors did not support the identification of cores for tall buildings zones, preferring a general designation of a wider single zone. This is considered acceptable; whilst a core indicates the extent of the tallest buildings, the reality is that identifying a definitive boundary may be unnecessarily restrictive in advance of submission of more detailed proposals. Policy BD2 is clear that heights should be reduced towards the edges of the zones.
- 3.10 Post the hearings some considerable time was taking in agreeing a statement of common ground with Highways England to remove an objection. This has required modifications to policies on Staples Corner and Neasden Stations Growth Areas to identify that additional transport modelling with input from Highways England and Transport for London will be necessary. This modelling will need to be undertaken prior to the adoption of the respective masterplan supplementary planning documents for those areas. In addition, post the hearings the Inspectors recommended to the Council that the Tesco and Ikea sites adjacent to the North Circular Road were removed from being shown within a Strategic Industrial Location and that policy BE1's 10% affordable

workspace was only applied to major employment floorspace developments of 3000 sq.m. or more.

- 3.11 These changes are considered acceptable. Whilst IKEA and Tesco have been subject to long term designations as industrial land, the reality is that for nearly 30 years in both cases they are significant areas that have been in retail use. On the affordable workspace policy, it became clear at the examination hearings that from a viability perspective the range of options tested by the Council was limited. It would have been preferable to provide more evidence to better address some well-considered points set out in representations that were made at the hearings by those objecting. Nevertheless, what evidence to accept is at the discretion of the Inspectors and they didn't think it appropriate to allow the Council to do this. On the basis of the evidence submitted at that time, the Inspectors were justified in seeking the proposed modifications for this policy.

Consultation on modifications to the draft Local Plan

- 3.12 [Main modifications](#), [minor modifications](#) and [modifications to the policies map](#), together with [associated updates to the evidence base](#) to support modifications were approved by the Strategic Director Regeneration and Environment in association with the Cabinet Member for Regeneration, Property and Planning on [25th June 2021](#) for consultation. These were consulted upon from 8th July until 19th August 2021. The Council submitted the [consultation representations received](#) as well as a [summary, Council responses and suggested further modifications](#) for the Inspectors to consider.
- 3.13 The Council received the Inspectors' report as set out in Appendix 1 of this agenda item on the 17th January 2022. This concluded that the submitted Brent Local Plan 2019-2041 provides an appropriate basis for the planning of the London Borough of Brent, provided that a number of main modifications are made to it; these were set out in an accompanying schedule contained in Appendix 2.
- 3.14 It should be noted that the Inspectors proposed a small number of further main modifications taking account of the representations received and the Council's responses. These modifications included amongst other things issues raised by Thames Water around greater clarity on water infrastructure requirements in relation to site allocations. They also dealt with updates to the planning history of sites or changes in circumstances on sites since the plan was submitted, such as increases in dwelling numbers considered capable on sites, e.g. Northfields in Alperton.
- 3.15 As a result of the representations received however, the Inspectors were not persuaded that a proposed modification to the policies map to show Kilburn Square as a Tall Buildings Zone was appropriate. The Council had suggested this modification to address the impact of another modification to the Plan necessary to remove the Mayor's (as represented by the GLA) non-conformity objection to the Council's Tall Buildings Policy BD2. This would have better supported aspirations to allow for the most effective use of land for the provision

of Council housing at Kilburn Square through potential incorporation of a tall building. Although disappointing, it is understandable why the Inspectors came to the conclusion that it is not suitable as a Tall Buildings Zone. The Council's Tall Buildings Strategy used to inform the identification of the Plan's Tall Building Zones for the submitted draft Plan focussed on ensuring new tall buildings are located in clusters. Kilburn Square currently only has one tall building (the 17 storey 1-90 Kilburn Square) and the scope for what could be considered a cluster is limited. The option for a tall building at Kilburn Square could however still be pursued as part of a future planning application. Recent decisions on applications for tall buildings in areas not specifically identified in Local Plans indicate that lack of compliance with London Plan policy D9 can be balanced up against conformity of the development plan as a whole and other material considerations.

- 3.16 In addition to the main modifications it is recommended to Council that the Plan is also subject to non-main modifications as set out in Appendix 3. These are modifications that are not so significant to be identified as 'main', that is they do not change policy, but include for example factual updates, reflect the change in the document from a draft to adopted version, or address grammatical or spelling or punctuation issues. The majority of these were subject to consultation in association with the main modifications and were shared with the inspectors. Those that were not subject to consultation are identified in red in Appendix 3.
- 3.17 As indicated there have also been modifications to the policies map that accompanies the Local Plan which have been subject to consideration by the Inspectors and consultation. The final modifications to the policies plan that was submitted are shown in Appendix 4.

Recommendations of Inspectors' Report and options for the Council

- 3.18 The Inspectors' report is not binding on the Council, in the sense that although the Inspectors consider that subject to modifications the Plan can be considered sound, the Council is not obliged to proceed to adoption. It could choose to not adopt the plan. It however, cannot decide to adopt the plan through only selecting some of the main modifications and not others. Now that the examination process has concluded, no further main modifications can be made unless the Plan is subject to intervention by the Secretary of State, or the Courts.
- 3.19 If circumstances warranted it, the Council has the potential to legally challenge the content of the Inspector's report to seek reconsideration or removal of parts it might feel particularly aggrieved about and then decide whether to proceed to adoption or not. The scope for such a challenge would be limited and either likely relate to a procedural error, lack of consideration of evidence or an obviously erroneous decision based on all the information that would have been in front of the Inspectors.
- 3.20 As identified, the proposed modifications for the most part were drafted by and approved by the Council for the Inspectors to recommend incorporation into the

Plan. Taking account of representations received, the Inspector's changes to these have been relatively minor. It is considered that the modifications will not prejudice to such an extent the operation of the policies initially proposed and submitted by the Council and therefore a decision to not proceed to adopt the Plan, or to legally challenge the Inspector's report would not be warranted.

- 3.21 Not adopting the Plan would mean the Council would have to continue to rely on some old policies in the determination of applications. Circumstances are very different now to when for example the Brent Core Strategy was adopted in 2010. Not least the borough has some challenges around planning for a substantially increased housing, employment and population needs. The draft Local Plan positively addresses these. Adopting the Plan will also clarify for at least the next five years the borough's housing target. This would otherwise within four years change (once the London Plan has been adopted for five years) to a higher level based on the standard national methodology which brings additional risk of unsuitable development in inappropriate locations.
- 3.22 The adoption of the Local Plan will bring planning policies more up to date and therefore improve the efficiency of the planning service in terms of decision making, this will be related to time and clarity of position, which should reduce the potential for appeals and make the Council's position more robust.

Conclusion

- 3.23 On this basis, it is recommended to Full Council that the Brent Local Plan submitted for examination and associated policies map incorporating proposed modifications as set out in Appendices 2, 3 and 4 is adopted. All the modifications have been consolidated into a final version of the Plan which is set out in Appendix 5, with the associated policies map in Appendix 6 (to be amended with changes in Appendix 4). Legislation requires that the adopted plan is accompanied by an adoption statement. This will be made available on the Council's website in due course assuming Full Council approves the recommendations. In addition the final Integrated Impact Assessment (IIA), including the sustainability appraisal (incorporating strategic environmental assessment) associated with the adopted Plan will also be available. The IIA adoption report is set out in Appendix 7 and sets out the final assessment of the policies against the IIA's sustainability objectives.
- 3.24 As the Brent Local Plan 2022 and its associated policies map was produced on the basis of replacing policies within the [Brent Core Strategy 2010](#), [Brent Site Allocations Development Plan Document 2011](#), the [Wembley Area Action Plan 2015](#) and the [Development Management Policies Plan 2016](#), it is recommended that these development plan documents and their associated policies map are now formally revoked by the Council. This will mean that they will no longer be considered as part of the development plan to be used in the determination of planning applications in the part of the borough where the Council remains the local planning authority.
- 3.25 The Brent Core Strategy 2010 and Brent Site Allocations Development Plan Document 2011 will however remain part of the development plan for parts of

the borough where the Old Oak and Park Royal Development Corporation is the local planning authority. On adoption of their local plan, they will also have to revoke these documents and the remaining parts of the Brent Unitary Development Plan which the Council formally revoked in 2016 when adopting the Development Management Policies Plan.

- 3.26 Appendix 5 is essentially the basic text of the Local Plan. To improve its presentation a final 'glossy' version will be produced, similar in quality to the publication version of the Plan. This will also remove all the track changes showing the main and minor modifications and their references. It has not been possible to do this and present it to Full Council as part of the recommendations due to the limited time between receipt of the Inspectors' report and consideration of this agenda item. Consequently, it is also recommended that Council delegate authority to the Strategic Director Regeneration & Environment in consultation with the Cabinet Member for Regeneration, Property and Planning to make further editorial 'non-main' modifications to the document should they be necessary. These are for example, grammatical, factual or presentational associated with printing the final 'glossy' typeset published copy with associated graphical illustrations, figures, page numbers and photographs that will be made available for the public.

4.0 Financial Implications

- 4.1 There are likely to be no significant financial implications associated with the adoption of the Local Plan. There will be modest expenditure associated with publishing the Local Plan and associated advertising. These have been accounted for within the provisions of the planning policy budget.

5.0 Legal Implications

- 5.1 Planning documents (both statutory and non-statutory) have a clearly defined process for their adoption and revocation which has been followed. The Procedure for preparing and adopting a local plan is set out in section 19 to 24 of The Planning and Compulsory Purchase Act 2004 and part 6 of the Local Plan Regulations 2012. In preparing the plan the Council has to have regard to the matters set out in section 19(2) of The Planning and Compulsory Purchase Act 2004.
- 5.2 The Inspectors' report considers first whether the Plan's preparation has complied with the duty to co-operate. It then considers whether the Plan is sound and whether it is compliant with the legal requirements. Paragraph 35 of the National Planning Policy Framework 2021 makes it clear that in order to be sound, a Local Plan should be positively prepared, justified, effective and consistent with national policy. Accordingly the Plan is subject to internal Planning Inspectorate quality assurance checks to reduce the risk of judicial review. The Council is satisfied that all legal requirements pre and post adoption have and will be met.
- 5.3 Notwithstanding this, parties that feel aggrieved by the contents of the adopted Local Plan may decide to judicially review the Plan's adoption. They have 6

weeks to submit a challenge. This could be on the basis of the conclusions of the Inspectors' report, usually focussing on limitations of the evidence base, insufficient consideration of parts of the evidence base, or irrational decisions not sufficiently justified. Alternatively it could be the processes that the Council has gone through in adopting the Plan. On the rare occasions judicial reviews succeed, the Courts can intervene to revoke all or particular parts of the Plan.

- 5.4 As an adopted Development Plan Document, the Brent Local Plan 2022 will form part of the development plan (along with the London Plan, West London Waste Plan and relevant neighbourhood plans). When determining an application for planning permission, as set out in [section 70\(2\) of the Town and Country Planning Act 1990](#) and [section 38\(6\) of the Planning and Compulsory Purchase Act 2004](#) the decision must be taken in accordance with the development plan unless there are material considerations that indicate otherwise.

6.0 Equality Implications

- 6.1 The Equality Act 2010 introduced a new public sector equality duty under section 149. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Council must, in exercising its functions, have "due regard" to the need to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
3. Foster good relations between people who share a protected characteristic and those who do not.

- 6.2 The Local Plan has been subject to Equality Impact Assessment, with the input of the Council's equalities officer, along with Health Impact Assessment and Strategic Environmental Assessment. This is set out in the Integrated Impact Assessment. This has informed the policies, including analysis of potential alternatives, to seek to reduce adverse impacts and wherever possible improve the outcomes for those with protected characteristics and the social, economic and environmental outcomes of the Plan.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 Consultation has been extensive and on-going throughout the preparation of the Local Plan. It has included leaflets delivered to every home in the borough. Public workshops in each Brent connects area at issues and options stage. Additional workshops at preferred options stage. Workshops with specific groups, e.g. developers/landowners, housing associations, youth parliament, disability groups, mothers, faith groups, utilities and meetings with adjacent London Boroughs/Old Oak Development Corporation/GLA. Drop in/information sessions in all local libraries and other locations relevant to local communities, e.g. temples.

- 7.2 Ward members have been engaged through the Local Plan Members' Liaison Group which has met regularly. All members have been invited to numerous workshops at issues and options stage and preferred options stage. The Resources and Public Realm Scrutiny Committee 15th January 2019 considered the Preferred Options consultation version of the draft Local Plan and the results of consultation. Members have been informed of progress of the Plan and events through the members' bulletin. The Cabinet member has routinely sent e-mails to all members at key stages of the engagement process.
- 7.3 Wider awareness raising has been through press-releases, members' bulletin, Brent Magazine articles, announcements on the website, public notices, placing documents in libraries and writing to statutory consultees and people on the council's Local Plan consultation database who might have expressed an interest in being kept informed on the Local Plan. In addition, those who made representations on the published Local Plan were invited to submit further representations as part of the examination process by the Inspectors as well as an opportunity to appear at Local Plan examination hearing sessions to put across their views in person.

Report sign off:

Alan Lunt

Strategic Director of Regeneration
and Environment.

Related Documents

[Updating the Council's Planning Strategy \(The Local Plan\) Brent Cabinet 14th February 2017](#)

[Brent Local Plan Issues and Options February 2018](#)

[Brent Local Plan Consultation Report November 2018](#)

[Brent Local Plan Preferred Options November 2018](#)

[Brent Local Plan Preferred Options Consultation Summary October 2019](#)

[Brent Local Plan Preferred Options Consultation Responses and Officer Comments October 2019](#)

 Brent	<p align="center">Full Council 24 February 2022</p>
	<p align="center">Report of the Director of Finance</p>
<p align="center">External Audit Appointment for 2023/24 to 2028/29</p>	

Wards Affected:	All
Key or Non-Key Decision:	Council
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	None
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	<p>Minesh Patel, Director of Finance Tel:020 8937 4043 Email:minesh.patel@brent.gov.uk</p> <p>Ben Ainsworth, Head of Finance Tel:020 8937 1731 Email:Benjamin.ainsworth@brent.gov.uk</p>

1.0 Summary

- 1.1. This report sets out proposals for appointing the external auditor to the Council for the accounts for the five-year period from 2023/24.
- 1.2. The Council is currently opted into the ‘appointing person’ national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.
- 1.3. PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. All local government bodies need to make important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.
- 1.4. The report concludes that the sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally because:
 - collective procurement reduces costs for the sector and for individual authorities compared to a multiplicity of smaller local procurements;

- if it does not use the national appointment arrangements, the Council will need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract;
 - it is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms, and a local procurement would be drawing from the same limited supply of auditor resources as PSAA's national procurement; and
 - supporting the sector-led body offers the best way of ensuring there is a continuing and sustainable public audit market into the medium and long term.
- 1.5. If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to make the decision at full Council. To opt into the national scheme from 2023/24, the Council needs to return completed opt-in documents to PSAA by 11 March 2022.

2.0 Recommendation

- 2.1 That the Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

3.0 Background

- 3.1 Under the Local Government Audit & Accountability Act 2014 ("the Act"), the Council is required to appoint an auditor to audit its accounts for each financial year. The Council has three options:
1. To appoint its own auditor, which requires it to follow the procedure set out in the Act.
 2. To act jointly with other authorities to procure an auditor following the procedures in the Act.
 3. To opt in to the national auditor appointment scheme administered by a body designated by the Secretary of State as the 'appointing person'. The body currently designated for this role is Public Sector Audit Appointments Limited (PSAA).
- 3.2 In order to opt in to the national scheme, a Council must make a decision at a meeting of the Full Council.
- 3.3 The auditor appointed at the end of the procurement process will undertake the statutory audit of accounts and Best Value assessment of the council in each financial year, in accordance with all relevant codes of practice and guidance. The appointed auditor is also responsible for investigating questions raised by electors and has powers and responsibilities in relation to Public Interest Reports and statutory recommendations.

- 3.4 The auditor must act independently of the council and the main purpose of the procurement legislation is to ensure that the appointed auditor is sufficiently qualified and independent.
- 3.5 The auditor must be registered to undertake local audits by the Financial Reporting Council (FRC) and employ authorised Key Audit Partners to oversee the work. As the report below sets out there is a currently a shortage of registered firms and Key Audit Partners.
- 3.6 Auditors are regulated by the FRC, which will be replaced by a new body with wider powers, the Audit, Reporting and Governance Authority (ARGA) during the course of the next audit contract.
- 3.7 Councils therefore have very limited influence over the nature of the audit services they are procuring, the nature and quality of which are determined or overseen by third parties.

Appointment by the Council itself or jointly

- 3.8 The Council may elect to appoint its own external auditor under the Act, which would require the Council to:
 - Establish an independent auditor panel to make a stand-alone appointment. The auditor panel would need to be set up by the Council itself, and the members of the panel must be wholly or a majority of independent members as defined by the Act.
 - Manage the contract for its duration, overseen by the Auditor Panel.
- 3.9 Alternatively, the Act enables the Council to join with other authorities to establish a joint auditor panel. Again, this will need to be constituted of wholly or a majority of independent appointees. Further legal advice would be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council would need to liaise with other local authorities to assess the appetite for such an arrangement

The national auditor appointment scheme

- 3.10 PSAA is specified as the 'appointing person' for principal local government under the provisions of the Act and the Local Audit (Appointing Person) Regulations 2015. PSAA let five-year audit services contracts in 2017 for the first appointing period, covering audits of the accounts from 2018/19 to 2022/23. It is now undertaking the work needed to invite eligible bodies to opt in for the next appointing period, from the 2023/24 audit onwards, and to complete a procurement for audit services. PSAA is a not-for-profit organisation whose costs are around 4% of the scheme with any surplus distributed back to scheme members.
- 3.11 In summary the national opt-in scheme provides the following:
 - the appointment of a suitably qualified audit firm to conduct audits for each of the five financial years commencing 1 April 2023;
 - appointing the same auditor to other opted-in bodies that are involved in formal collaboration or joint working initiatives to the extent this is possible with other constraints;

- managing the procurement process to ensure both quality and price criteria are satisfied. PSAA has sought views from the sector to help inform its detailed procurement strategy;
- ensuring suitable independence of the auditors from the bodies they audit and managing any potential conflicts as they arise during the appointment period;
- minimising the scheme management costs and returning any surpluses to scheme members;
- consulting with authorities on auditor appointments, giving the Council the opportunity to influence which auditor is appointed;
- consulting with authorities on the scale of audit fees and ensuring these reflect scale, complexity, and audit risk; and
- ongoing contract and performance management of the contracts once these have been let.

Pressures in the current local audit market and delays in issuing opinions

- 3.12 Much has changed in the local audit market since audit contracts were last awarded in 2017. At that time the audit market was relatively stable, there had been few changes in audit requirements, and local audit fees had been reducing over a long period. 98% of those bodies eligible opted into the national scheme and attracted very competitive bids from audit firms. The resulting audit contracts took effect from 1 April 2018.
- 3.13 During 2018 a series of financial crises and failures in the private sector year led to questioning about the role of auditors and the focus and value of their work. Four independent reviews were commissioned by Government: Sir John Kingman's review of the Financial Reporting Council (FRC), the audit regulator; the Competition and Markets Authority review of the audit market; Sir Donald Brydon's review of the quality and effectiveness of audit; and Sir Tony Redmond's review of local authority financial reporting and external audit. The recommendations are now under consideration by Government, with the clear implication that significant reforms will follow. A new audit regulator (ARGA) is to be established, and arrangements for system leadership in local audit are to be introduced. Further change will follow as other recommendations are implemented.
- 3.14 The Kingman review has led to an urgent drive for the FRC to deliver rapid, measurable improvements in audit quality. This has created a major pressure for audit firms to ensure full compliance with regulatory requirements and expectations in every audit they undertake. By the time firms were conducting 2018/19 local audits during 2019, the measures they were putting in place to respond to a more focused regulator were clearly visible. To deliver the necessary improvements in audit quality, firms were requiring their audit teams to undertake additional work to gain deeper levels of assurance. However, additional work requires more time, posing a threat to the firms' ability to complete all their audits by the target date for publication of audited accounts. Delayed opinions are not the only consequence of the FRC's drive to improve audit quality. Additional audit work must also be paid for. As a result, many more fee variation claims have been needed than in prior years.
- 3.15 This situation has been accentuated by growing auditor recruitment and retention challenges, the complexity of local government financial statements and increasing levels of technical challenges as bodies explore innovative ways of developing new or

enhanced income streams to help fund services for local people. These challenges have increased in subsequent audit years, with Covid-19 creating further significant pressure for finance and audit teams.

- 3.16 None of these problems is unique to local government audit. Similar challenges have played out in other sectors, where increased fees and disappointing responses to tender invitations have been experienced during the past two years.

The invitation

- 3.17 PSAA is now inviting the Council to opt in for the second appointing period, for 2023/24 to 2027/28, along with all other eligible authorities. Based on the level of opt-ins it will enter into contracts with appropriately qualified audit firms and appoint a suitable firm to be the Council's auditor.

The next audit procurement

- 3.18 The prices submitted by bidders through the procurement will be the key determinant of the value of audit fees paid by opted-in bodies. PSAA will:
- seek to encourage realistic fee levels and to benefit from the economies of scale associated with procuring on behalf of a significant number of bodies;
 - continue to pool scheme costs and charge fees to opted-in bodies in accordance with the published fee scale as amended following consultations with scheme members and other interested parties (pooling means that everyone within the scheme will benefit from the prices secured via a competitive procurement process – a key tenet of the national collective scheme);
 - continue to minimise its own costs, around 4% of scheme costs, and as a not-for-profit company will return any surplus funds to scheme members. In 2019 it returned a total £3.5million to relevant bodies and in 2021 a further £5.6million was returned.
- 3.19 PSAA will seek to encourage market sustainability in its procurement. Firms will be able to bid for a variety of differently sized contracts so that they can match their available resources and risk appetite to the contract for which they bid. They will be required to meet appropriate quality standards and to reflect realistic market prices in their tenders, informed by the scale fees and the supporting information provided about each audit. Where regulatory changes are in train which affect the amount of audit work suppliers must undertake, firms will be informed as to which developments should be priced into their bids.
- 3.20 The scope of a local audit is fixed. It is determined by the Code of Audit Practice (currently published by the National Audit Office), the format of the financial statements (specified by CIPFA/LASAAC) and the application of auditing standards regulated by the FRC. These factors apply to all local audits irrespective of whether an eligible body decides to opt into PSAA's national scheme or chooses to make its own separate arrangements. The requirements are mandatory; they shape the work auditors undertake and have a bearing on the actual fees required.
- 3.21 There are currently nine audit providers eligible to audit local authorities and other relevant bodies under local audit legislation. This means that a local procurement

exercise would seek tenders from the same firms as the national procurement exercise, subject to the need to manage any local independence issues. Local firms cannot be invited to bid. Local procurements must deliver the same audit scope and requirements as a national procurement, reflecting the auditor's statutory responsibilities.

Assessment of options and officer recommendation

- 3.22 If the Council did not opt in there would be a need to establish an independent auditor panel to make a stand-alone appointment. The auditor panel would need to be set up by the Council itself, and the members of the panel must be wholly or a majority of independent members as defined by the Act. Independent members for this purpose are independent appointees, excluding current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing to which audit firm to award a contract for the Council's external audit.
- 3.23 Alternatively, the Act enables the Council to join with other authorities to establish a joint auditor panel. Again, this will need to be constituted of wholly or a majority of independent appointees. Further legal advice would be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council would need to liaise with other local authorities to assess the appetite for such an arrangement.
- 3.24 These would be more resource-intensive processes to implement for the Council, and without the bulk buying power of the sector-led procurement would be likely to result in a more costly service. It would also be more difficult to manage quality and independence requirements through a local appointment process. The Council is unable to influence the scope of the audit and the regulatory regime inhibits the Council's ability to affect quality.
- 3.25 The Council and its auditor panel would need to maintain ongoing oversight of the contract. Local contract management cannot, however, influence the scope or delivery of an audit.
- 3.26 The national offer provides the appointment of an independent auditor with limited administrative cost to the council. By joining the scheme, the council would be acting with other councils to optimise the opportunity to influence the market that a national procurement provides.
- 3.27 The recommended approach is therefore to opt in to the national auditor appointment scheme.

Risk Management

- 3.28 The principal risks are that the Council:
- fails to appoint an auditor in accordance with the requirements and timing specified in local audit legislation; or
 - does not achieve value for money in the appointment process.

3.29 These are also concerns over the quality of the audits and the timeliness of audits as only 9% of the 2020/21 Local Authority audits (including Brent) were completed by the statutory deadline of 30th September 2021. These risks are:

- A lack of experienced Local Authority auditors, across UK there are only 97 Key Audit Partners who are authorised to act as engagement leads for local audits and only 9 approved audit firms, of this only 5 have contracts with PSAA in the current appointment period. Lack of auditors with contracts with PSAA reduces capacity for each audit, which affects quality and ability to meet statutory deadline.
- The low cost achieved by PSAA in the current round of appointment may have affected audit quality. The Kingman report published in December 2018 references the reductions in audit fees for principal local authorities (both the 23% reduction achieved by PSAA and earlier reductions, which amounted to some 55%, compared to previous fees). It states that 'The Review has serious concern that these arrangements, in practice, may well be prioritising a reduction in cost of audit, at the expense of audit quality. Furthermore a survey by PSAA of the 9 approved audit firms shows that they are unanimous in their view that fees have not kept pace with the increasing risks (both from increased scrutiny over external audit and from the impact of austerity).
- The government set target date of 31st July for the audit of Local Authorities was extended to 30th September for 2 years from 2020/21, with a review at the end on whether there is a continued need to have an extended deadline. If the target date reverts back to 31st July this would cause problems for audit firms as it reduces capacity, which is already stretched, by restricting the number of auditor hours available to a two month period. This may encourage firms to fill the gap with inexperienced resources drawn from other sectors and disciplines, which would impact quality.

3.30 In response to these risks PSAA has made some changes to their procurement, including changes to their bidding rules relating to lots to encourage more bidders and increasing the quality:price ratio to 80:20 for evaluating tender bids. However, it is unclear whether this will have the desired effect, therefore the Council will have to work closely with their external auditor to ensure a quality and timely audit.

3.31 If the council were to procure this contract itself these risks would still exist, a key issue is that the Ethical Standards that the FRC sets for the Audit firms prohibit conventional contract management tools, such as linking payment to delivery of the contractual requirements on time. This prohibition is to limit the extent to which clients can influence the outcome of audits.

3.32 It is therefore considered that the best option for the council is to opt into the PSAA scheme, as opting out would create a significant administrative burden and increase the risk of not appointing an auditor in accordance with the requirements and timing specified in local audit legislation.

4.0 Financial Implications

4.1 There is a risk that current external audit fee levels could increase when the current contracts end. It is clear that the scope of audit has increased, requiring more audit

work. There are also concerns about capacity and sustainability in the local audit market.

- 4.2 Opting into a national scheme provides maximum opportunity to ensure fees are as realistic as possible, while ensuring the quality of audit is maintained, by entering into a large scale collective procurement arrangement.
- 4.3 If the national scheme is not used some additional resource may be needed to establish an auditor panel and conduct a local procurement. Until a procurement exercise is completed it is not possible to state what, if any, additional resource may be required for audit fees from 2023/24.

5.0 Legal Implications

- 5.1 Section 7 of the Local Audit and Accountability Act 2014 requires a relevant Council to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year.
- 5.2 Section 8 governs the procedure for appointment including that the Council must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Section 8 provides that where a relevant Council is a local Council operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the Council under those arrangements.
- 5.3 Section 12 makes provision for the failure to appoint a local auditor. The Council must immediately inform the Secretary of State, who may direct the Council to appoint the auditor named in the direction or appoint a local auditor on behalf of the Council.
- 5.4 Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a sector-led body to become the appointing person. In July 2016 the Secretary of State specified PSAA as the appointing person.

6.0 Equality Implications

- 6.1 There are no direct equality implications in agreeing the report.

7.0 Human Resources Implications

- 7.1 There are no direct Human Resources implications in agreeing the report.

Report sign off:

Minesh Patel
Director of Finance

 Brent	Full Council 24 February 2022
	Report from the Director of Finance
Treasury Management Mid-Year Report 2021-22	

Wards Affected:	All
Key or Non-Key Decision:	Council
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	One Appendix 1: Treasury Management Indicators
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Amanda Healy Head of Finance Email: amanda.healy@brent.gov.uk Tel: 020 8937 5912 Homun Bui Senior Finance Analyst Email: Homun.Bui@brent.gov.uk Tel: 020 8937 3745

1.0 Purpose of the Report

1.1 This report updates Members on treasury activity for the first half of the financial year 2021-22.

2.0 Recommendation(s)

2.1 Council is asked to note the 2021-22 Mid-Year Treasury report in compliance with CIPFA's Code of Practice on Treasury Management (the Code).

3.0 Detail

Background

- 3.1 The Council's Treasury Management Strategy is underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.
- 3.2 The Code also recommends that Members be informed of Treasury Management activities at least twice a year. This update report therefore ensures this authority is embracing best practice in accordance with CIPFA's recommendations.
- 3.3 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."
- 3.4 In addition to reporting on risk management, the Code requires the Council to report on any financial instruments entered into to manage treasury risks.

Economic Background

- 3.5 The economic recovery from coronavirus pandemic continued to dominate the first half of the financial year. By the end of the period over 48 million people in the UK had received their first dose of a COVID-19 vaccine and almost 45 million their second dose.
- 3.6 The Bank of England (BoE) maintained Bank Rate at 0.1% and its Quantitative Easing programme at £895 billion. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent.
- 3.7 Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% (from 2.9%), in part reflecting tighter supply conditions. The path of CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation.
- 3.8 Government initiatives continued to support the economy through the first half of the financial year but came to an end on 30th September 2021, with businesses required to either take back the 1.6 million workers on the furlough scheme or make them redundant.
- 3.9 In the three months to July, the unemployment rate fell to 4.6%. The employment rate increased, and economic activity rates decreased, suggesting an improving labour market picture. Latest data showed growth in average total pay (including bonuses) and regular pay (excluding bonuses) among employees was 8.3% and 6.3% respectively over the period. However, part of

the robust growth figures is due to a base effect from a decline in average pay in the spring of last year associated with the furlough scheme.

- 3.10 Annual CPI inflation rose to 3.2% in August, exceeding expectations for 2.9%, with the largest upward contribution coming from restaurants and hotels. The Bank of England now expects inflation to exceed 4% by the end of the calendar year owing largely to developments in energy and goods prices. The Office of National Statistics' (ONS') preferred measure of CPIH which includes owner-occupied housing was 3.0% year/year, marginally higher than expectations for 2.7%.
- 3.11 The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% but announced a change to its inflation-targeting regime. The European Central Bank maintained its base rate at 0% and deposit rate at -0.5%.
- 3.12 The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.33% by the end of June 2021 and then climbing to 0.64% on 30th September. Over the same period the 10 year gilt yield fell from 0.80% to 0.71% before rising to 1.03% and the 20-year yield declined from 1.31% to 1.21% and then increased to 1.37%.
- 3.13 The movement in standard rates at which local authorities can borrow from the Public Works Loans Board (PWLB) on maturity loans is shown in the table below including the highest and lowest rates during the period.

PWLB Rates %

Period	Mar-21	Jun-21	Sep-21	Period Low	Period High
1 year	0.98	1.03	1.10	0.95	1.18
5 year	1.36	1.38	1.43	1.25	1.62
10 year	1.85	1.86	1.80	1.59	2.01
20 Year	2.29	2.28	2.15	1.93	2.44
30 year	2.33	2.30	2.14	1.92	2.46

Debt Management

- 3.14 Local authorities can borrow from the PWLB provided they can confirm they are not planning to purchase 'investment assets primarily for yield' in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 Officer. Councils that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. The Council is not planning to purchase any investment assets primarily for yield within the next three years and so is able fully access the PWLB.
- 3.15 Competitive market alternatives may be available for Councils with or without access to the PWLB. However, the financial strength of the individual Council

and borrowing purpose will be scrutinised by commercial lenders. Further changes to the CIPFA Prudential Code expected in December 2021 are likely to prohibit borrowing for the primary purpose of commercial return even where the source of borrowing is not the PWLB.

- 3.16 The settlement time for a PWLB loan has been extended from two working days (T+2) to five working days (T+5). In a move to protect the PWLB against negative interest rates, the minimum interest rate for PWLB loans has also been set at 0.01% and the interest charged on late repayments will be the higher of Bank of England Base Rate or 0.1%.
- 3.17 The Infrastructure Bank which is wholly owned and backed by HM Treasury has earmarked £4bn for lending to local authorities. The availability of this lending, for which there will be a bidding process, is yet to commence. Loans will be available for qualifying projects at gilt yields plus 0.6%, which is 0.2% lower than the PWLB certainty rate
- 3.18 The Municipal Bonds Agency (MBA) is working to deliver a new short-term loan solution, available in the first instance to principal local authorities in England, allowing them access to short-dated, low rate, flexible debt. The minimum loan size is expected to be £25 million. Importantly, local authorities will borrow in their own name and will not cross guarantee any other authorities.

The table below demonstrates no new long term loans have been raised so far this year:

	Balance on 01/04/2021	Debt repaid*	New Borrowing	Balance on 30/09/2021
	£m	£m	£m	£m
Short Term Borrowing	117.0	70.0	10.0	57.0
Long Term Borrowing	542.1	6.6	0.0	535.5
TOTAL BORROWING	659.1	76.6	10.0	592.5
Average Rate of Borrowing %	3.3%	0.3%	0.3%	3.6%

** £91.1m of the PWLB loans are referred to as EIP, whereby the Councils pays down the loans in half-yearly equal installments over the lifetime of the loan. The marginal increase in the average interest rate can be attributed to the Council paying back its EIP loans and short-term borrowing. This is because the EIP loans have a much lower average interest rate of 1.79% and the short-term borrowing had an average interest rate of 0.20% compared with the rest of the debt, which is 5.13%.*

- 3.19 The Council's main objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.
- 3.20 In keeping with these objectives, new external borrowing was kept to a minimum of £10m to meet cash flow requirements. This strategy enabled the Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. With short-term interest rates remaining much

lower than long-term rates and temporary investments earning Bank Rate or lower, the Council considered it more cost effective in the near term to use internal resources and borrowing short-term loans to manage cash flow.

- 3.21 The Council has an increasing Capital Financing Requirement due to the elements of the capital programme funded by borrowing. An estimated borrowing requirement is determined by the liability benchmark, which takes into account the Council's usable reserves, planned capital expenditure and minimum revenue provision. This has shown that further borrowing of £60m will be required during 2021/22.
- 3.22 PWLB funding margins have remained relatively low in the first half of 21/22, there has been no evidence that lower rates can be achieved through alternative sources of funding. Given the low rates of borrowing, the Council will also consider forward funded deals in order to secure low rates. The Council will continue to monitor alternative sources of funding and pursue the lower cost solutions and opportunities as they arise. The Council will evaluate and pursue these lower cost solutions and opportunities as they arise and will look to take advantage of the low borrowing rates for the HRA to provide certainty for its business plan.
- 3.23 The persistence of low interest rates (see para 3.13) means that it would be uneconomic to reschedule PWLB debt, because early repayment of the loan would incur a heavy penalty, to compensate the PWLB for having to lend the money on at lower rates. The cost of re-financing our loans under the Government's approach means is not economical however, this analysis might change if interest rates returned to higher levels.
- 3.24 The Authority continues to hold £70.5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the quarter.

Treasury Investment Activity

- 3.25 The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances ranged between £152.9m and £42.5m due to timing differences between income and expenditure.
- 3.26 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 3.27 The Council's investment position is shown in the table below.

	Balance on 01/04/2021	Investments Repaid	Investments Made	Balance on 30/09/2021
	£m	£m	£m	£m
Debt Management Account Deposit Facility	0.0	0.0	0.0	0.0
Money Market Funds	82.7	331.3	314.3	65.7
TOTAL INVESTMENTS	82.7	331.3	314.3	65.7
Average Rate of Investments	0.01%	0.01%	0.02%	0.02%

3.28 The Council held most of its cash in Money Market Funds. The return on Money Market Funds net of fees also fell over the six months and for many funds net returns range between 0% and 0.3%. In many instances, the fund management companies have temporarily lowered or waived fees to maintain a positive net return.

3.29 On 30th September the overnight deposit rates on Debt Management Account Deposit Facility (DMADF) deposits dropped below zero percent to -0.015% due to a fall in the Q3 Gilt markets. The rate was 0.01% for all other longer maturities. All rates returned to 0.01% the following day. The Council did not incur any negative interest rate during the first half of 2021/22.

3.30 The inter-local authority market has remained above zero throughout the first half of the year but rates have remained extremely low. There is limited availability for investments with local authorities for less than one-month so the Council utilised money market funds to manage these short-term differences between income and expenditure.

3.31 There was a £17m downward movement in short-term investments as short-term borrowing matured throughout the first half of the year. Investment balances are expected to remain low over the next 6 months as the Council's internal resources have been utilised and new borrowing is required. The Council is reviewing its borrowing options which may include short-term loans, PWLB borrowing and forward borrowing.

3.32 Security of capital has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2021/22. In accordance with the policy, new investments can be made with the following classes of institutions:

- A+ or above rated banks;
- AAA rated Money Market Funds;
- Other Local Authorities;
- Housing Associations;
- UK Debt Management Office;
- Corporate Bonds
- Collective Investment Schemes (Pooled Funds)
- Real Estate Investment Trusts

A short summary of the investment products available to the council along with an indication of relative risk is provided below:

3.33 The table below shows the different assets classes available to the council for its investment portfolio together with the major driver of the return and a summary of the key risks for each asset class.

Asset Classes (approx. return)	Cash (0.3%)	Bonds (1.0%)	Equities (4.0%)	Property (3.25%)
Income driven by	Short term interest rates	Medium term interest rates	Dividends / share prices	Rental income / vacancies
Key Risk(s)	Bank defaults	Company defaults	Company performance and perception of future performance	Property prices, least liquid asset class

3.34 Detailed consideration of the other asset classes would need to be undertaken by the Council prior to investment in conjunction with its treasury advisors. However, investments in Equities and Property classes tend to be considered over a longer time frame, which are not currently suitable for the Council given its significant capital spending plans.

Risks

3.35 Regardless of the approach taken, the Council will be required to manage significant risks in relation to its treasury investment portfolio. Some key risks are: -

- Liquidity risk - that is the council having funds tied up in long-term investments when it needs to use that money. Increasing the duration of fixed cash deposits increases liquidity risk, however this can be mitigated through good cash flow management.

Mitigation – see Prudential Indicator 2 – Appendix 1

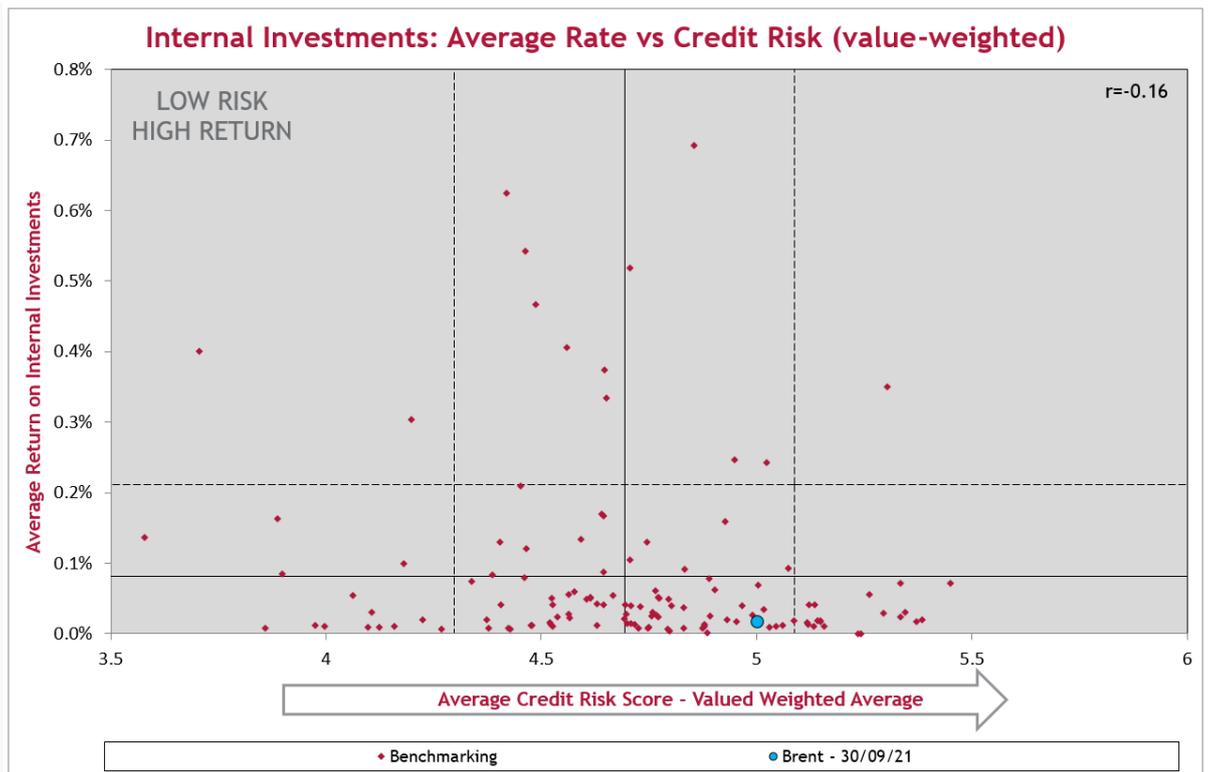
- Credit risk - the risk that a bank or other institution will not be able to pay back the money invested with it. For longer term investments, the council is more exposed to credit risk. Should a counterparty's credit worthiness change, the council may not be able to get all their money back or may face heavy penalties if it can do so.

Mitigation – see Prudential Indicator 1 – Appendix 1

- Interest rate risk – the risk of the council's budget being affected by unforeseen changes in interest rates. Longer term cash deposits increase this risk and will negatively affect the council should interest rates rise. On the other hand, the council may benefit should interest rates fall.

Benchmarking to other councils

3.36 The graph below shows a comparison between Brent’s investment portfolio and that of Arlingclose’s (the Council’s treasury advisor) other Local Authority clients. Brent’s portfolio has a very low risk profile compared with many of the others and has a much shorter dated, which also equates to a lower yield. However, many authorities are to the left of Brent, obtaining similar yields for much higher risk.



3.37 A credit rating of 4 is equivalent to credit score of AA-. The Council has a target rating of A which is a rating of 6. The current portfolio has a credit rating of A+ (Credit score 5) which exceeds our target rating.

Budgeted Income And Outturn

3.38 The Council’s external interest budget for the year is £23.6m, and for investment income is £6.6m. The average cash balances, representing the Council’s reserves and working balances, were £107m during the period to 30 September 2021. The Council expects to receive significantly lower income from its cash and short-dated money market investments than it did in 2020/21 and earlier years due to the low interest rate environment and the immediate cash requirements, which only allow for short-term investments. Dividends and income paid will ultimately depend on many factors including but not limited to the duration of COVID-19 and the extent of its economic impact.

Compliance

- 3.39 Officers confirm that they have complied with its Treasury Management Indicators for 2021/22, which were set in February 2021 as part of the Council's Treasury Management Strategy Statement (TMSS). Details can be found in Appendix 1.

Summary

- 3.40 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 the first half of 2021/22. As indicated in this report, 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.

4.0 Financial Implications

- 4.1 These are covered throughout the report.

5.0 Legal Implications

- 5.1 There are no direct legal implications.

6.0 Equality Implications

- 6.1 No direct implications.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 None.

8.0 Human Resources/Property Implications

- 8.1 No direct implications.

Related Document:

Treasury Management Strategy – Report to Full Council as part of the Budget Report – February 2021.

Report sign off:

Minesh Patel
Director of Finance

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Appendix 1

Treasury Management Indicators

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

1. Credit risk indicator	Target	Actual
Portfolio average credit rating	A	A+

Liquidity : The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling [three] month period, without additional borrowing.

2. Liquidity risk Indicator	Target	Actual
Total cash available within 3 months	£20m	£66m

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

3. Interest rate risk indicator	Limit	Achieved
Upper limit on one-year revenue impact of a 1% rise in interest rates	£5m	£0.1m
Upper limit on one-year revenue impact of a 1% fall in interest rates	£5m	£0.1m

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Maturity structure of borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Maturity Structure of Fixed Rate Borrowing	Upper Limit	Lower Limit	Actual Fixed Rate Borrowing as at 30/09/21	% Fixed Rate Borrowing as at 30/09/21	Compliance with Set Limits?
	%	%	£m		
Under 12 months	40	0	53.0	9%	Yes
12 months and within 24 months	40	0	5.0	1%	Yes
24 months and within 5 years	40	0	0.0	0%	Yes
5 years and within 10 years	60	0	0.0	0%	Yes
10 years and within 20 years	75	0	148.4	25%	Yes
20 years and within 30 years	75	0	101.9	17%	Yes
30 years and within 40 years	75	0	223.7	38%	Yes
Over 40 years	75	0	60.50	10%	Yes

Time periods start on the first day of each financial year. LOBOs are classified as maturing on the next call date i.e. the earliest date that the lender can require repayment.

Principal sums invested for periods longer than a year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Principal sums invested for periods longer than a year:	Principal invested beyond 21/22 year end	Principal invested beyond 22/23 year end	Principal invested beyond 23/24 year end
Limit	£50m	£50m	£50m
Actual sums invested for longer than a year	£0	£0	£0

 Brent	Full Council 24 February 2022
	Report from the Director of Legal, HR, Audit and Investigations
Members' Allowance Scheme Annual Review (including changes to Dependants' Carers' Allowance; and Maternity, Paternity, Adoption and Sickness Pay)	

Wards Affected:	All
Key or Non-Key Decision:	Council
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Two: Appendix 1: Dependants' carers' allowance Appendix 2: Maternity, paternity, adoption and sickness pay
No. of Appendices:	None
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Katie Smith, Head of Executive & Member Services katie.smith@brent.gov.uk Tel. 0208 937 1399

1. Summary

- 1.1 A Members' Allowance Scheme, which sets out the allowances Members are entitled to receive for carrying out their responsibilities has to be made for the Financial Year 2022/23.
- 1.2 This report details the annual review process as well as proposals for updating the Council's provision for councillors with dependants through revisions to the relevant sections in Part 6, Members' Allowance Scheme, of the Brent Constitution.

2. Recommendations

That Full Council:

- 2.1 Considers and approves the changes to the Members' Allowance Scheme proposed in Appendices 1 and 2 which update and clarify the Council's

support for councillors with caring responsibilities in relation to a) dependants' carers' allowance and b) maternity, paternity, adoption and sickness pay.

- 2.2 Makes a Members Allowance Scheme in the proposed terms set out in this report for the Financial Year 2022/23.
- 2.3 Notes that a further detailed review of the level of allowances payable under the Scheme will be undertaken by Constitution Working Group following which further changes to the Scheme may be recommended to Council.
- 2.4 Authorises the Director of Legal, HR Audit & Investigations to comply with the statutory requirements to publicise the Council's Members' Allowance Scheme.

3. Detail

Background

- 3.1 Brent Council's Members' Allowance Scheme (which is included in the Council's Constitution at Part 6 and is published on the Council's website) was subject to full formal review at the Annual Council Meeting in 2018 and since then has been subject to ongoing annual review at each of the Council's budget setting meetings.
- 3.2 These reviews have been informed by the most recently available report from the Independent Remuneration Panel (IRP) for London Councils. The latest review and report undertaken by the IRP (entitled "The Remuneration of Councillors in London 2022 – Report of the Independent Panel")¹ was published in December 2021 so this year's annual review has been based on the contents of that report, which will continue to inform the Council's decision making in respect of its scheme for a maximum period of four years.
- 3.3 The 2022 IRP report recognises the importance of the role played by elected members not only in terms of their representational role but also given the increasing challenges and demands in managing the delivery of local services and on the allocation of financial resources. The report highlights the increasingly difficult and complex nature of choices and work faced by local councillors in terms of managing these challenges and increasing level of demand on services, especially given the impact of the pandemic and ongoing recovery. In addition, reference is made to the growth in other public sector activities including community safety, increasing expectations for closer working with health services and the voluntary sector, as well the growing role of councillors acting as a point of information, advice and reassurance for local communities. The report also recognises the increasing expectations of the public in terms of access to their local councillors supported by the growth in digital connectivity, social media etc.
- 3.4 Whilst conscious of the above, the review also takes account of the continuing financial challenges faced by local authorities, including as a result of the

¹ <https://www.londoncouncils.gov.uk/node/39359>

pandemic, and has therefore not recommended a general increase in allowances. Having taken account of adjustments made in accordance with annual local government pay settlements over previous years, the review has recommended a Basic Allowance set at £12,014. The current basic allowance payable under Brent's Members Allowance Scheme is already comparable at £12,484.

- 3.5 It is for Full Council to make a scheme for the payment of allowances to its Members specifying the amount of entitlement by way of basic allowance (which is mandatory) and other allowances such as special responsibility and dependants' carers' allowances (which are discretionary). Such a scheme has to be in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 and the Council is required to have regard to the recommendations made by the Independent Remuneration Panel (IRP). Given the publication of the most recent review and upcoming local elections, it is recommended that a more detailed review of the Allowance Scheme is undertaken by Constitution Working Group following the local elections, with consideration in terms of this review limited at this stage to a) whether any annual uplift should be applied to the existing allowances; and b) the proposed changes to the Dependants' Carers' Allowance; and Maternity, Paternity, Adoption and Sickness Pay.

Annual Uplift

- 3.6 The scheme states that Basic, Special and Civic allowances "shall be increased with effect from each April, by a percentage equal to the inflation pay award agreed as part of the Local Government Pay Settlement in the previous financial year, unless otherwise determined by the Council". This is consistent with the most recent IRP report. Given the pay freeze on public sector employees implemented during the previous year, a decision was taken by Full Council in February 2021 not to apply any uplift in relation to the Members Allowance Scheme for the 2021/2022 financial year.
- 3.7 In terms of the 2022/23 financial year, given the level of basic allowance for Brent is in line with the level suggested within the current IRP review it is recommended (following consultation with members of the Constitution Working Group) that, as agreed in the previous year, no uplift is applied to relation to the Members Allowance Scheme for the 2022/23 Financial Year.

Special Responsibility Allowances

- 3.8 The IRP has also reviewed the payment of Special Responsibility Allowances (SRA) but at this stage have not recommended any significant change and instead have announced that they intend to undertake a further review of councillors' remuneration during 2022-23 in order to further assess new patterns of demand and expectations. On this basis, no changes are recommended, at this stage, in relation to the current level of SRAs payable under the scheme pending any further review by CWG following the local elections in May 2022. Any changes recommended as a result following this review would be subject to approval by Full Council.

4. **Dependants' Carers' Allowance; and Maternity, Paternity, Adoption and Sickness Pay**

4.1 The Council is committed to supporting councillors with caring responsibilities, and makes provision to do so through the Members' Allowance Scheme, Part 6 of the Council's Constitution:

- **Dependants' Carers' Allowance** – which sets out how councillors can claim for child care costs and which activities are eligible. The meetings and activities where councillors can claim for such costs are determined by the Local Authorities (Members' Allowances) (England) Regulations 2003.
- **Maternity, Paternity, Adoption and Sickness Pay** – which sets out the remuneration any councillor (or appointed replacement) is eligible for in the event of this type of leave.

4.2 Following a review, this report suggests updates to both policies to reflect practice in other London boroughs and provide more clarity for councillors who become – or already are – parents or carers, and for officers who are administering these policies. In undertaking this review, research has been conducted to benchmark Brent's approach with that of other councils and to take into account the Local Government Association (LGA) policy and, where relevant, the Council's Family Leave policy.

4.3 The review has also considered the findings of the Report of the Independent Panel on the Remuneration of Councillors established by London Councils published in January 2021.² That report concluded that:

"It is important that obstacles to becoming a councillor should be removed wherever possible. Care costs can be a significant deterrent to service as a councillor. Our strong view is that in appropriate cases when they undertake their council duties, councillors should be entitled to claim an allowance for care of dependents. The dependents' carers' allowance should be set at the London living wage but (on presentation of proof of expense) payment should be made at a higher rate when specialist nursing skills are required..."

Member allowances schemes present an opportunity to better support councillors by providing not just remuneration but wider support packages. Our view is that members' allowances schemes should allow the continuance of Special Responsibility Allowances in the case of sickness, maternity and paternity leave in the same terms that the council's employees enjoy such benefits (that is to say, they follow the same policies)."

4.4 The Council's current policy provides a fair and flexible provision for parents and carers. The benchmarking with other London boroughs shows that Brent provides a mid-ranking level of support. Some councils have more restrictive policies in terms of what can be claimed, and others, in contrast, provide a more generous policy, including paid travel to and from meetings for Members and for carers, or additional time off for members who deliver a premature

² [Remuneration report-2022 20222.pdf](#)

baby or have a stillbirth. However, it is clear that Brent's policy would benefit from more clarity so that Councillors know how it applies to their situation.

- 4.5 In summary, the suggested revisions (shown in red) at Appendices 1 and 2 would make Brent's policies more consistent with provision offered elsewhere across London, and closer to the recommendations put forward by the LGA in their parental leave policy.³ Changes are suggested to achieve the following aims:

Dependants' Carers' Allowance

To clarify:

- Who is, and is not, eligible to be claimed for (e.g. age cut off dates, living situations, familial relationships)
- The definition of a carer – the proposal is that this cannot be an immediate family member and they must be over 18 (in line with other councils)
- The protocol for claiming
- Which meetings can – and cannot be - claimed for

Maternity, Paternity, Adoption and Sickness Pay

- To clarify the maximum and exceptional periods for maternity leave
- To include reference to adoption leave.
- To include reference to paternity leave and shared parental leave
- To reflect a situation where both new parents are Brent Councillors
- To reiterate existing policy on Councillors being able to claim for only one Special Responsibility Allowance at a time.
- To clarify the implications of a Councillor on maternity, paternity, shared parental or adoption leave not standing for re-election or losing their seat.

5. *Publicity*

- 5.1 As soon as reasonably practicable after the making or amendment of a Scheme, copies of the Scheme have to be made available for inspection at the Civic Centre and a notice has to be published in a local newspaper. It is recommended that the Director of Legal, HR, Audit & Investigations be authorised to comply with these requirements.

³ <https://local.gov.uk/parental-leave-policy-councils>

6. Financial Implications

- 6.1 The actual overall cost of the payment of allowances depends on which Members are appointed to the roles where an SRA is received, as only one such allowance is payable irrespective of the number of roles held. At the end of each financial year, the payments made to each Member are published in accordance with statutory rules.
- 6.2 The changes proposed in relation to the Dependants' Carers' Allowance; and Maternity, Paternity, Adoption and Sickness Pay aim to clarify and update processes, and are unlikely to result in additional expenditure or in savings.

7. Legal Implications

- 7.1 The Council's Members' Allowance Scheme must comply with the relevant provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003; the Local Government and Housing Act 1989 and the Local Government Act 2000. In adopting or amending the scheme the Council is required to have due regard to the report published by its Remuneration Panel, which is the IRP appointed by London Councils.

8. Consultation with Ward Members and Stakeholders

- 8.1 The outcome of the annual review and proposed changes to the Dependants' Carers' Allowance; and Maternity, Paternity, Adoption and Sickness Pay have been subject to consultation with members of the Constitution Working Group.

9. Equality Implications

- 9.1 Under section 149 of the Equality Act 2010, the council has a duty when exercising its functions to have "due regard" to the need to eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act and advance equality of opportunity and foster good relations between persons who share a protected characteristic and persons who do not. This is the public sector equality duty. The protected characteristics are age, disability, gender reassignment, marriage and civic partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.2 "Due regard" is the regard that is appropriate in all the circumstances. The weight to be attached to the effect is a matter for the council. As long as the council is properly aware of the effects and has taken them into account, the duty is discharged. Depending on the circumstances, regard should be had to the following:
- the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision;
 - the need to remove or minimise disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic;

- the need to take steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes taking account of disabled persons' disabilities. There can be a positive duty to take action to help a disabled person. What matters is how they are affected, whatever proportion of the relevant group of people they might be;
- the need to encourage persons who share a protected characteristic to participate in public life (or in any other activity in which participation by such persons is disproportionately low); and
- the need to tackle prejudice and promote understanding.

9.3 In terms of the outcome of the review, the IRP have continued to advocate the setting of allowances at a level that enables people to undertake the role of councillor, whilst not acting as an incentive to do so. The changes proposed in relation to Dependants' Carers' Allowance; and Maternity, Paternity, Adoption and Sickness Pay are an example of how the scheme can be used to remove barriers for those wishing to stand as councillors and to ensure any disadvantages are removed or minimised. Since women are more likely to be care givers than men, and are more likely to take maternity and parental leave, the changes in respect of this policy will particularly support women.

10. Human Resources/Property Implications (if appropriate)

None.

Report sign off:

DEBRA NORMAN

Director Legal, HR, Audit and
Investigations

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Appendix 1: Dependants' Carers' Allowance (Part 6, Members' Allowance Scheme)

5

(1) A dependants' carers' allowance may be claimed by a councillor in respect of such expenses of arranging for the care of their children or dependants as are necessarily incurred in the attendance at meetings or the performance of functions of a type specified in Schedule 2.

(2) For the purposes of 5(1) above:

- A Councillor's dependants are defined as children aged 15 or under, elderly, disabled or unwell relatives who cannot be left alone (either temporarily or permanently).
- Payments will not normally be made to carers who are family members or person's resident at the Councillor's home.
- Carers must be aged 18 or over.

(3) The Carers' Allowance can also cover costs associated with Councillors who themselves need the help of a carer in order for them to fulfil their duties as a Councillor.

(4) The maximum rate for this allowance is based on the Living Wage Foundation's 'real living wage' (unless specialist care is required and approved) to meet, or contribute towards, the actual costs incurred in arranging care. The maximum period from which any one claim can be made is the duration of the meeting/duty.

(5) Payments will only be made where:

- ii) receipts are produced for any claim; and
- iii) written/email approval of the claim has been obtained from the Head of Executive and Member Services prior to the meeting.

(6) Any queries on expenses or claims should be referred to the Head of Executive and Member Services.

(7) For the purposes of regulation 7(1)(h) of the Local Authorities (Members' Allowances) (England) Regulations 2003 (see Schedule 2), the following are approved duties in respect of which councillors are entitled to claim a dependants' carers' allowance:

- i) all approved internal and external learning and development sessions as part of the Council Member Learning and Development programme;
- ii) meetings with government departments and other official bodies;
- iii) meetings and/or briefings convened or authorised by Chief Officers provided that councillors of at least two political groups have been invited;
- iv) Cabinet member/officer meetings;
- v) formal inspections and site visits authorised by the Council;
- vi) conferences that a councillor is appointed to attend;
- vii) formal joint meetings with members of other authorities; and
- viii) meetings of all other bodies to which councillors are appointed as a representative of the Council or a Committee. These include:
 - a. joint committees with staff;
 - b. working panels;
 - c. steering groups; and
 - d. advisory groups and outside bodies (appointed to by the Council).
- ix) the carrying out of any other duty approved by the authority, or any duty of a

class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or any of its committees or subcommittees.

Summary: Care costs can be claimed for all formal Council work including attending Council meetings, committees and sub-committees, meetings for other bodies for which councillors have been appointed by the council, as well as attending internal and external learning and development sessions.

Care costs cannot be claimed for ward work, constituency meetings, meeting preparation or travel time as these are covered by the Basic Allowance.

*

SCHEDULE 2

Extract from The Local Authorities (Members' Allowances) (England) Regulations 2003 Dependants' carers' allowance

7.

(1) A scheme may provide for the payment to members of an authority of an allowance ("dependants' carers' allowance") in respect of such expenses of arranging for the care of their children or dependants as are necessarily incurred in—

- (a) the attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;
- (b) the attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority and at least one other local authority within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee, provided that—
 - (i) where the authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited; or
 - (ii) if the authority is not so divided, it is a meeting to which at least two members of the authority have been invited;
- (c) the attendance at a meeting of any association of authorities of which the authority is a member;
- (d) the attendance at a meeting of the executive or a meeting of any of its committees, where the authority is operating executive arrangements;
- (e) the performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;
- (f) the performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;
- (g) the performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any school approved for the purposes of section 342 of the Education Act 1996 (approval of nonmaintained special schools)(1); and
- (h) the carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or any of its committees or subcommittees.

Appendix 2: Maternity, Paternity, Adoption and Sickness Pay-(Part 6, Members' Allowance Scheme)

13.

(1) A Councillor shall continue to receive in full a basic allowance as set out in Schedule 1 of this Scheme during any period of maternity, paternity, adoption¹ and sickness leave.

(2) Councillors giving birth are entitled to up to six months maternity leave with the option to extend up to 52 weeks with the approval of the Chief Executive following consultation with the Chief Whip, where applicable. Maternity leave can begin:

- (a) When the councillor chooses but no earlier than 11 weeks before the expected week of childbirth, or
- (b) from the day following childbirth if the baby is born earlier

(3) A Councillor entitled to a Special Responsibility Allowance shall continue to receive their allowance during any period of maternity, paternity, adoption and sickness leave in the same way that the Council's employees enjoy such benefits.

(4) If another Councillor is appointed to cover the period of absence, the replacement will be entitled to receive the same allowance. In accordance with paragraph 3.3 of this scheme, no Councillor shall receive more than one Special Responsibility Allowance.

(5) Councillors shall be entitled to take up to 2 weeks paternity leave if they are the biological father or nominated carer of their partner/spouse following the birth of their child(ren).

(6) A Councillor who has made Shared Parental Leave arrangements is requested to advise the Council of these at the earliest possible opportunity. Every effort will be made to replicate the Council's staff policy in terms of leave as far as practicable with the approval of the Chief Executive following consultation with the Chief Whip, where applicable.

(7) Where both parents are Councillors, leave may be shared up to a maximum of 24 weeks for the first six months and 26 weeks for any leave agreed thereafter, up to a maximum of 50 weeks. Special and exceptional arrangements may be made in cases of prematurity with the approval of the Chief Executive following consultation with the Chief Whip, where applicable.

(8) If an election is held during the Member's maternity, paternity, shared parental or adoption leave and they are not re-elected, or decide not to stand for re-election, their basic allowance and SRA if appropriate will cease from the Monday after the election date when they would technically leave office.

¹ Where adoption has taken place through an approved adoption agency.

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	<p>Council 24 February 2022</p>
<p>Report from the Strategic Director of Customer and Digital Services</p>	
<p>Council Tax Reduction Scheme Amendment for 2022/23 – Energy Rebate Grant</p>	

Wards Affected:	All
Key or Non-Key Decision:	Council
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	One Appendix A: Amended Council Tax Reduction Scheme for the 2022/23 financial year
Background Papers:	<p>Council tax Information Letter:</p> <p>4/2022: Council Tax information letter - 15 February 2022 (publishing.service.gov.uk)</p> <p>Regulation:</p> <p>The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 (legislation.gov.uk)</p>
Contact Officer(s):	Peter Cosgrove, Head of Revenue and Debt, Email: peter.cosgrove@brent.gov.uk

1.0 Purpose of the Report

- 1.1 The government announcement of 3 February 2022 regarding Energy Bills Rebate included provision for most properties in council tax bands A to D to receive a £150 rebate payment. The announcement also made provision for local authorities to create a discretionary scheme to support some properties in bands E to H.
- 1.2 In accordance with Standing Order 30(s) approval has been obtained to this being accepted as an urgent item for consideration at Full Council. The reasons for urgency are as follows:

As of 12 February 2022, the government requires councils to amend their council tax reduction schemes to disregard the Energy Rebate payment as income from these schemes as they apply to both residents of working and pension age. The government has given local authorities very short notice to implement this change and this is why this report is being submitted on an urgent basis. Therefore, the purpose of this report is to seek Council's approval to make the required changes to the Council's Council Tax Reduction Scheme for 2022/23 as prescribed by central government. Only Full Council has the power to make or amend the Council's Council Tax Reduction Scheme.

2.0 Recommendation(s)

- 2.1 Having been accepted as an urgent item, Council approves the amended Council Tax Reduction Scheme for the 2022/23 financial year as set out in Appendix A to this report to take effect from 1 April 2022;
- 2.2 That Council notes that the change to the Council Tax Reduction Scheme for the 2022/23 as prescribed by central government is as follows:
- (i) any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
 - (a) an applicant's entitlement to a reduction under the scheme; or
 - (b) the amount of any reduction under the scheme and.
- 2.3 That Council also notes that the Energy Rebate of £150 is paid whether or not a resident is in receipt of Council Tax Support

3.0 Detail

- 3.1 The Council's Council Tax Reduction Scheme ("CTRS") was agreed by Council on 25 November 2019 and came into effect on 1 April 2020. That CTRS scheme was also effective for the financial year 2021/22. The Council's original intention was for the CTRS scheme to continue unamended for the 2022/23 without any changes and this is why no consultation was carried out. However, on 12 February 2022, The Council Tax (Demand Notices and Reduction Schemes)(England)(Amendment) Regulations 2022 (hereafter referred to as the 2022 Regulations") came into force and the 2022 Regulations state that for local council tax support schemes, the 2022 Regulations amend the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 to require that from 1 April 2022, all local council tax reduction schemes (including those for persons of working age as well as those of pension age) must disregard the 2022 Energy Bills Rebate payments in determining a person's eligibility for a council tax reduction and the amount of any such reduction. In a letter dated 14 February 2022 from the Department for Levelling Up, Housing and Communities to the Council Tax departments of local authorities, it implies that Council Tax Reduction Schemes should be revised

before the statutory deadline of 11 March 2022 to include this new prescribed requirement set out above.

- 3.2 The Council has allowed the previous Council Tax Reduction Scheme to roll over to the following year since it was introduced in April 2020. The scheme was established so that the changes to allowances made by legislation would be applied automatically. However, the Council Tax Reduction Scheme for 2022/23 will need to be amended and approved to include the prescribed requirement as set out in paragraphs 2.2 and 3.1 above. Such approval to amend the Council Tax Reduction Scheme requires a decision to be made by Full Council pursuant to section 67(2)(aa) of the Local Government Finance Act 1992 as amended.
- 3.3 The Appendix to this report sets out the amended Council Tax Reduction Scheme for 2022/23 and the key changes that have been made are set out in paragraphs 1.2 and 4.2 of the said amended scheme. The amended changes to the scheme are set out in red font in the Appendix to this report.
- 3.4 The government announcement of 3 February 2022 regarding Energy Bills Rebate included provision for most properties in council tax bands A to D to receive a £150 rebate payment. The announcement also made provision for local authorities to create a discretionary scheme to support some properties in bands E to H and this will be carried out in due course.

4.0 Financial Implications

- 4.1 The government statement was that local authorities would be reimbursed for the costs related to the Energy Rebate. In addition each local authority would receive a share of £145m to fund its discretionary element of the scheme. In addition government state that new burdens funding will also apply to this.

5.0 Legal Implications

- 5.1 The Local Government Finance Act 2012 requires that for each financial year, the Council must consider whether to revise its Council Tax Reduction Scheme (CTRS) or replace it with another scheme. Only Full Council has the power to make or amend a CTRS. If the scheme is not revised or changed by Full Council by the statutory deadline (which is 11 March before the following financial year), the current scheme will remain subject to any amendments to prescribed rates that are made by central Government. This report seeks Full Council's approval regarding the Council Tax Reduction Scheme for 2022/23 to include the changes set out in paragraphs 2.2 and 3.1 above as prescribed by central government.
- 5.2 A Council Tax Reduction Scheme must comply with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended and hereafter referred to as "the 2012 Regulations") to ensure that certain prescribed regulations are complied with and included in a council tax reduction scheme. Those prescribed regulations include setting out the requirements for a council tax reduction scheme and the requirements regarding

the eligibility and entitlements of persons of state pension credit eligible age in a council tax reduction scheme. The 2012 Regulations have been amended by The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 and the changes and amendments which have been made are set out and described in paragraph 3.1 of this report.

5.3 The Government will notify the Greater London Authority (GLA) of the changes to the Council's CTRS for 2022/23 that are prescribed by central government. The Council has not had time to consult with the GLA or anyone else regarding the changes to the Council's CTRS for 2022/23 because the prescribed changes only came into force on 12 February 2022 and the changes need to be approved by Full Council, the meeting of which has been listed to take place on 24 February 2022, by no later than 11 March 2022. The only changes that are being made to the Council's CTRS are the changes prescribed by central government as set out in paragraphs 2.2 and 3.1 above.

5.4 The remaining legal implications are set out in the body of this report.

6.0 Equality Implications

6.1 The public sector equality duty requires public bodies to pay due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- advance equality of opportunity between people who share a protected characteristic and those who do not;
- foster good relations between people who share a protected characteristic and those who do not

6.2 The Equality Act 2010 and the Public Sector Equality Duty (outlined above) cover the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

6.3 There are not thought to be any direct equality implications arising from this report as the changes that are being made to the Council Tax Reduction Scheme for the 2022/23 financial year are prescribed by central government.

7.0 Consultation with Ward Members and Stakeholders

7.1 The changes required by this report have not been subject to consultation due to the short timescale, the short notice given by central government and the statutory nature of the requirements and changes made by central government.

8.0 Human Resources/Property Implications (if appropriate)

8.1 8.1 None

Report sign off:

Peter Gadsdon

Strategic Director of Customer and
Digital Services.

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Appendix A

Brent's Council Tax Reduction Scheme 2022/23

1. Summary and commencement

- 1.1 Brent's new Council Tax Reduction Scheme (CTRS) from 1st April 2020 replaced its Council Tax Support (CTS) scheme which was in place between 1st April 2013 and 31st March 2020.
- 1.2 From 1 April 2022, this Council Tax Reduction Scheme will continue to apply subject to the prescribed requirements made by central government that are set out in paragraph 4.2 below regarding the disregard of any payments made under the Energy Rebate Scheme 2022.

2. Classes of person entitled to a reduction under this scheme

- 2.1 Classes of person entitled to a reduction under this scheme are;
- 2.2 Class A: Pensioners whose income is no greater than the applicable amount.
- 2.3 Class B: Pensioners whose income is greater than the applicable amount
- 2.4 Class C: Alternative maximum council tax reduction – pensioners
- 2.5 Class D: Working age claimants
- 2.6 Pensioners in Classes A – C will claim CTRS under the national scheme as set out in the The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (hereafter referred to as “the 2012 Prescribed Regulations”).
- 2.7 Class D Working-age claimants will claim under the local Brent scheme (see below).
- 2.8 Couples who have one partner of pension age and one of working-age are classed as working-age as set out in Regulation 3 of the 2012 Prescribed Regulations.

Local scheme for working age claimants

3. Purpose of scheme

- 3.1 To provide financial assistance for Brent Council Tax (CTAX) Payers who are financially vulnerable and require assistance to meet their Council Tax liability.

4. Eligibility

- 4.1 Any person who is liable for Council Tax to Brent Council will be eligible to claim CTRS if they come within classes A to D as set out in section 2 above unless –
- (a) They do not have recourse to public funds (this includes persons who are subject to immigration control as set out in Regulation 13 of the 2012 Prescribed Regulations), or
 - (b) They are not resident in the property (an award of CTRS during any period of absence from the property are to be decided based on paragraph 5 of Schedule 1 to the 2012 Prescribed regulations and persons treated as not being in Great Britain as defined in Regulation 12 of the 2012 Prescribed Regulations will not be eligible to claim CTRS), or
 - (c) They are a student (with exceptions below), or
 - (d) They possess capital of over £6000 (capital will be calculated and treated as set out in paragraphs 31 – 36 of Schedule 1 of the 2012 Prescribed regulations)
- 4.2 From 1 April 2022, any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining: (a) an applicant's entitlement to a reduction under this CTRS scheme; or (b) the amount of any reduction to which the applicant is entitled.

5. Council Tax liability and maximum Reductions

- 5.1 CTRS will be calculated on the claimant's net CTAX liability after the granting of any other Council Tax discounts (e.g. Single Person Discount).
- 5.2 If the claimant is jointly liable for CTAX with another person (other than their partner), their CTRS will be calculated based on their share of the liability.

For example, should three siblings be sharing a property and equally liable for their share of the Council Tax, the CTRS would be calculated to take 33.3% of the total liability onto account for each sibling.

6. Meaning of "family" and household

- 6.1 The people that live with together as an immediate family unit are deemed to be a household as set out in the definition of "family" in Regulation 6 of the 2012 Prescribed Regulations. This will usually consist of:
- The claimant.
 - Another adult the claimant is part of a couple with
 - Their immediate family and their children.
 - Their grown up children or relatives, assuming the circumstances are non-commercial.
- 6.2 Regulation 7 of the 2012 Prescribed Regulations shall apply regarding circumstances in which a person is to be treated as responsible or not responsible for another.

- 6.3 Regulation 8 of the 2012 Prescribed Regulations shall apply regarding households.
- 6.4 A partner, in relation to a person, means—
- (a) where that person is a member of a couple, the other member of that couple; or (b) where that person is polygamously married to two or more members of his household, any such member to whom he is married;
- 6.5 Couple means - (a) two people who are married to, or civil partners of, each other and are members of the same household; or (b) two people who are not married to, or civil partners of, each other but are living together as a married couple or living together as if in a civil partnership.
- 6.6 Polygamous marriage means any marriage to which regulation 5 of the 2012 Prescribed Regulations applies.

7. Non-dependants

- 7.1 Other adults living in the household but not part of the claimant's family unit (i.e. "non-dependants" as described in Regulation 9 of the 2012 Prescribed Regulations) will result in a deduction being made to the claimant's maximum possible CTRS entitlement, based on their employment status and net earned income –
- Not working
 - Employed earning up to £150 per week
 - Employed earning between £150 and £200 per week
 - Employed earning over £200 per week

8. CTRS calculation and reductions

- 8.1 There are two parts to the calculation of CTRS entitlement:
- (1) The maximum level of discount which can be awarded is expressed as a percentage of the net CTAX liability (i.e. after any other discounts or exemptions are applied), based on the claimant and partner's total income;
 - (2) The maximum discount is then reduced by any charges which are appropriate in respect of any non-dependants in the household.

(i) Calculation of maximum potential CTRS discount

Claimant and partner's income*	CTS award (% of net liability)
£0 - £80	100%
£81 - £110	80%
£111- £150	50%
£151 - £250	30%

*excluding any DWP or HMRC benefits

All income from DWP and HMRC benefits and payments in respect of caring for a Foster Child are ignored for the purpose of the CTRS calculation.

(ii) Non-dependant deductions

Non-dependant deductions are made to the maximum CTRS entitlement amount quoted in (1) above, as appropriate from the table below

Working Age – Non Dependant Income	Deduction per week
Not working	£5.00
Working - net income up to £150 per week	£10.00
Working – net income between £150 and £200 per week	£15.00
Working – net income over £200 per week	£20.00

9. Claimant and partner's income and capital

9.1 All income from DWP and HMRC benefits and payments in respect of a Foster Child are ignored for the purpose of the CTRS calculation.

9.2 Any other income including earnings from the claimant and / or partner's work is included in the calculation of the claimant's CTRS entitlement (see below for calculation). Regulation 10 of the 2012 Prescribed Regulations shall apply with regard to treating a claimant as being engaged in remunerative work.

9.3 Any capital or savings held by the claimant or partner will be disregarded if it totals less than £6000. Claimants and partners with more than £6000 capital will not be entitled to CTRS. As for what will be disregarded as capital, this is set out in Schedule 6 of the 2012 Prescribed Regulations. With regard to calculation of capital, this is set out in paragraphs 31 to 36 of Schedule 1 of the 2012 Prescribed Regulations.

9.4 Where a claimant is receiving Universal Credit (UC) and also working or has other income or capital, the Council will use the earnings, other income and capital figures from their UC assessment in the CTRS assessment unless there is satisfactory contradictory evidence available providing more accurate earnings and capital information.

9.5 Income from earnings calculation

- (a) Net income is used in the CTRS calculation. (Net income is defined as gross income reduced by tax and National Insurance contributions, and 100% of contributions to any occupational pension scheme).
- (b) Self-employed income will be treated in exactly the same way. Net income will be calculated either by ourselves or using information calculated by UC, whichever is the more accurate.
- (c) Where possible, the CTRS calculation will use whatever earned income or self-employed income the Secretary of State uses for the claimant's UC calculation.

9.6 Capital

- (a) There is no entitlement to CTRS if the claimant and their partner jointly hold capital of £6000 or more.
- (b) Capital means the value at date of assessment of any of the following:
 - Bank accounts including all types of savings account
 - Building Society accounts including all types of savings account
 - PEPs, TESSAs or ISAs
 - Premium Bonds or National Savings Certificates
 - Shares
 - Property (other than the home for which Council Tax Support is being claimed for). This will be the value of the property minus any outstanding mortgage or secured loan attached to the property in question.
- (c) Where possible, the Secretary of State's calculation of capital in the claimant's UC assessment will be used in the CTRS calculation.
- (d) As for what will be disregarded as capital, this is set out in Schedule 6 of the 2012 Prescribed Regulations. With regard to calculation of capital, this is set out in paragraphs 31 to 36 of Schedule 1 of the 2012 Prescribed Regulations.

10. Non-dependant income

- 10.1 The non-dependant's net earned income is taken into account in deciding which non-dependant charge is made to the claimant's maximum possible entitlement.

Effective dates

11. Date on which entitlement begins

- 11.1 CTRS entitlement will begin from the earliest of the following dates –
- (a) The Monday following the date the claim was received via the Council website
 - (b) The Monday following the date that a claim to UC was received by the DWP
 - (c) The earliest date (within the financial year in which the claim was received) from which the claimant's circumstances were continuously the same as those applying at the time the claim was received. (i.e. the claim may be treated as made at any date back to 1st April of the current financial year, if the claimant's circumstances have not changed since this date)
- 11.2 If any of the above dates is before the date that CTAX liability commenced, then entitlement will commence from the date CTAX liability commences.
- 11.3 Paragraph 5 of Schedule 8 of the 2012 Prescribed Regulations shall apply regarding the date on which an application is made.

12. Date on which changes of circumstances (CIC's) take effect

- 12.1 CIC's are effective from the Monday following the date of change.
- 12.2 The only exception is where the change is a change in Council Tax Liability, in which case the change is effective from that same day.

13. Evidence and information

- 13.1 It is the claimant's responsibility to report any **relevant** changes of circumstances.
- 13.2 **Relevant changes** are **changes of income** or **changes in the occupation of the home** relating to:
- (a) Claimant or partner
 - (b) Dependants (i.e. children within the family unit, dependant on the claimant)

- (c) Non-dependants (i.e. grown up children aged over 18 or other adults residing in the property)

13.3 Paragraph 7 of Part 2 of Schedule 8 of the 2012 Prescribed Regulations shall apply regarding the provision of information and evidence.

14. Evidence required for earned income

14.1 Where possible, the CTRS assessment will use the net income calculated by the Secretary of State (DWP) in determining the claimant's entitlement to UC.

14.2 Alternatively evidence of income may be accepted via wage slips, P60 or any other documentation deemed appropriate by the Council.

15. Evidence required for non-dependant's income

15.1 Evidence of non-dependants' earnings may be accepted via wage slips, P60 or any other documentation deemed appropriate by the Council.

15.2 Evidence is not required for non-dependants with gross income of over £250.00 per week.

15.3 If no evidence of a non-dependant's income is available to the decision maker after enquiries have been made, an income of a weekly net earned income in excess of £250 will be assumed.

16. Evidence of occupation of the home

16.1 The Council may require evidence to verify occupation of the home (or an alternative address, if an occupier has moved out). This may include official correspondence, utility bills or any other documentation deemed appropriate

17. How changes are to be reported

17.1 Changes in circumstance must be reported directly to the Benefit Department at Brent Council. The responsibility to report changes to the Benefit Department at Brent Council lies unequivocally with the Claimant.

17.2 In relation to the duty to notify the Council of change in circumstances, paragraph 9 of Schedule 8 of the Prescribed Regulations shall apply.

18. Amendment and withdrawal of application

18.1 The claimant can withdraw claim at any time in writing or via phone or online. Paragraph 8 of Part 2 of Schedule 8 of the 2012 Prescribed Regulations shall apply regarding amendment and withdrawal of applications.

19. Overpayments

19.1 Retrospective changes in circumstances will result in a debit or credit to the claimant's CTAX account in all circumstances, thereby increasing or reducing the amount of Council Tax due.

20. Discretionary payments

20.1 If a CTAX payer is experiencing exceptional and extenuating circumstances they may apply for a Council Tax reduction under Section 13A of the Local Government Finance Act (LGFA) 1992. Each application is considered on its own merits.

20.2 Examples where applications may be considered could include properties affected by natural disasters such as fire, flood or storm that were beyond the control of the occupier, or where the Authority considers that a CTRS claimant requires further assistance towards their CTAX liability and is facing exceptional hardship or extraordinary circumstances

20.3 Part 3 of Schedule 7 of the 2012 Prescribed Regulations regarding the procedure for an application to the Council for a discretionary reduction under section 13A(1)(c) of the Local Government Finance Act 1992 shall apply.

21. Appeals

21.1 CTRS claimants can dispute a decision concerning the assessment of their CTRS. In the first instance an internal review or reconsideration will be carried out; if the claimant still wishes to challenge the decision, an appeal must be lodged by the Claimant themselves with the independent Valuation Office. Part 2 of Schedule 7 of the 2012 Prescribed Regulations regarding the procedure by which a person may appeal against certain decisions of the Council in relation to the CTRS shall apply.

22. Transitional Protection (TP)

22.1 The Council has considered whether transitional protection (TP) should be given to CTRS claimants experiencing large reductions in their entitlement between the old (CTS) and the new (CTRS) schemes. It proposes not to provide a TP scheme for the following reasons:

(a) The majority of changes in entitlement are in fact positive for the claimant (6,912) or of no financial impact (4,551), compared with 5,717 who will receive a reduced discount;

(b) The largest reductions are those relating to claimants who have non-dependants in their household, where an increased charge will be applicable to the non-dependant. It is not considered appropriate to provide TP in these cases as it is a policy intention of the scheme that non-dependants in the household should all contribute towards the household CTAX liability, subject to their income;

(c) In the event that a claimant experiences exceptional hardship as a result of the new CTRS scheme, a discretionary payment can be considered (as

explained above). It is considered unnecessary to provide both a discretionary element and transitional protection within the scheme.

23. Other Matters

- 23.1 Part 1 of Schedule 7 of the 2012 Prescribed Regulations regarding the procedure by which a person may apply for a reduction under the Council's scheme shall apply.
- 23.2 Part 4 of Schedule 7 of the 2012 Prescribed Regulations regarding electronic communication shall apply.
- 23.3 Part 1 of Schedule 8 of the 2012 Prescribed Regulations regarding extended reductions for movers into the Council's area shall apply.
- 23.4 Part 2 of Schedule 8 of the 2012 Prescribed Regulations shall apply regarding further provisions regarding applications (including making an application, the date on which an application is made, backdating of applications for pensioners, information and evidence and amendment and withdrawal of application) and the duty to notify the Council regarding a change of circumstances.
- 23.5 Part 3 of Schedule 8 of the 2012 Prescribed Regulations regarding decisions by the Council and notification of decisions by the Council shall apply.
- 23.6 Part 4 of Schedule 8 of the 2012 Prescribed Regulations regarding circumstances in which a payment may be made where there is joint and several liability shall apply.

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