

## **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.

<b>Conservative Group - Alternative budget proposals</b>	<b>Impact on 2022/23 budget</b>
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)
<b>Total</b>	<b>0.0</b>

Councillor Suresh Kansagra  
Kenton Ward