

Council Meeting 23 February 2023

Conservative Group Amendment to the Council's Budget Proposals 2023/24

The Council is asked to consider the following alternative budget for 2023/24:

Propose to increase Council tax by 2% only, with the full amount ring fenced for Adult Social Care.

This proposal will generate income of £146.6m, compared to £150.8m generated with the planned increase of 4.99%, leaving a shortfall of £4.2m

The proposal means a Brent Council Tax of £1,447.83 at Band D for 2023/24 compared to the Labour proposal for £1,490.31.

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, 3.99% in 2021/22 and 2.99% in 2022/23. Prior to this council tax was frozen. Therefore, since 2016, council tax has increased by over 40% (£431.37) overall.

Propose to remove the landlord incentive and save £1.1m.

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.

Propose to delete two Cabinet members, forego an annual increase in allowance of 4.04% and save £0.08m.

It is proposed to delete two Cabinet members and re-distribute portfolios to existing Cabinet members. In addition it is proposed to not take forward a planned increase in members allowance of 4.04%. This would save approximately £0.08m.

Propose to discontinue the Resident Support Fund and save £3m.

Councillor Suresh Kansagra
Leader of the Conservative Group

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 2023/24, although it is recognised that this carries financial risk. The potential implications for 2024/25 and beyond have not been considered as part of these proposals.

The table below sets out the proposed changes to the 2023/24 budget.

Conservative Group - Alternative budget proposals	Impact on 2023/24 budget
Propose to increase Council tax by 2%, ring fenced for Adult Social Care	4.2
Propose to remove landlord incentives	(1.1)
Reduce two Cabinet members	(0.08)
Discontinue the Resident Support Fund	(3.0)
Total	0.0

The proposals that are considered material relate to Council Tax, landlord incentives and the Resident Support Fund.

It is proposed to increase Council Tax by 2% only in 2023/24, reflecting the Adult Social Care precept where the funding would be ring fenced for Adult Social Care. Given the current Administration is proposing to increase Council Tax by the maximum amount allowed by the Government of 4.99%, this proposal would create a budget gap of £4.2m.

In order to close this gap, it is proposed to reduce expenditure planned in 2023/24 by removing the landlord incentives budget and discontinuing the Resident Support Fund.

The council currently spends approximately £1.1m 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. Therefore, this proposal carries some risk with regards to additional spend elsewhere in the Council's budget and may require a short term use of reserves to contain additional spend on temporary accommodation.

The draft 2023/24 budget allocated a further £3m to continue the current Resident Support Fund. It is proposed to remove this budget and discontinue the scheme to save £3m. While this scheme is discretionary, it may have unintended consequences for residents who experience financial hardship under the current economic environment and cost of living crisis.

Minesh Patel

Director of Finance