

Liberal Democrat Group Budget Amendments 2024-25

This is a very difficult time for local government finances. Brent, like all local authorities face very challenging decisions in the coming financial year and beyond. The perilous situation we face is down to a combination of factors. Chronic underfunding of local authorities by central government for decades, the fallout from shambolic Brexit which has adversely impacted every sector, Tory economic mismanagement.

The difficult financial situation has been made even worse because of poor decisions by this Labour Administration. Wasteful spending, that is hard to justify, including but not limited to, £2 million for the Civic Centre revamp, millions lost due to the pursuing undeliverable development projects, such as the £4 million on Altamira in Stonebridge, which was highlighted by the Liberal Democrats at a Scrutiny call-in meeting.

The Liberal Democrat Group recognise that difficult decisions need to be made. But we believe that as a service-based organisation, Brent Council must make every effort to ensure that the priorities and concerns of our residents are at the forefront of all that we do. Our **ten amendments** to the budget reflect the conversations that we continue to have with residents across the borough. They cover key issues residents feel that the Council is not dealing with. Whether it is the general state of our area, the increasing rubbish on our streets, to the limited youth provision in Brent, to the puny effort to address the Climate Emergency.

The Liberal Democrats are proposing ten reasonable, costed and practical measures to enhance the 2024/25 Council Budget.

Our hope is that members from all sides will recognise that at a time like this, it is important to work across political divides and agree on solutions.

We wish for our **ten amendments** to the 2024/25 Budget to be voted on one by one, as we feel that there are some that all Members can collectively get behind, in turn making the Budget a better package for Brent residents.

Just as last year, the Liberal Democrat Group have worked with Officers in the Finance Department to ensure our proposals are legal and deliver a balanced overall Budget. **We very much hope that all elected Members will consider our proposals in full and put partisan politics to one side, when the time comes to vote on our ten amendments.**



Cllr Anton Georgiou – Leader of the Liberal Democrat Group
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Liberal Democrat Amendments to the 2024/25 Budget

1. Keeping Brent Clean

Residents are increasingly angry about the dirty state of their areas with increasing rubbish on our streets. Succession of cuts in street cleaning and refuse collection over the past 10 years under this Labour Administration including:

1. Changing to fortnightly refuse collections
2. Charges for Garden Waste
3. Charges for Bulky Waste
4. Blue Bags for segregated recycling
5. Stopping weekly sweeping of streets
6. Cutting sweeping near shops and High Roads

Have cumulatively resulted in making Brent one of the dirtiest boroughs in the UK, as per recent BBC reporting. (<https://www.bbc.co.uk/news/uk-england-london-68029786>)

We are therefore demanding action to clean up Brent.

PROPOSAL:

1. Increase street cleaning budget by £500,000 so that each street is visited and swept once a week and reinstate the daily street cleaning of 50 meters from junctions with busy shopping areas/ high streets.
2. Utilise the £1.6 million set aside immediately in the Capital Budget to give residents ability request a further wheelie bin for segregated recycling. The blue topped bins will be converted to use for cardboard and paper recycling and the smaller wheelie bin will be offered for use for other recyclable materials.
3. Increase enforcement and fining activity by establishing an invest to save pilot with teams targeting dumping, drinking and paan spitting hotspots and issuing on the spot Fixed Penalty Notices. These teams will operate at times when these anti-social activities take place. We need to send a clear message through tougher enforcement that these types of anti-social activities will not be tolerated in our borough.
4. Provision of more dual litter/ recycling bins in areas requested by Councillors and residents and establish a monthly cleaning service for all street bins (*existing and new*) in our streets and parks to ensure that they are safe to use.

FUNDING (advice from officers):

Point 1, increasing the street cleaning by £0.5m will require £0.5m of savings to keep the budget in balance.

Point 4, this proposal is estimated to cost around £0.5m, which will require further savings of £0.5m to keep the budget in balance.

Both proposals can be funded by allocating the New Homes Bonus Grant (£2.9m) into the base revenue budget for 2024/25. This proposal is allowed under the NHB grant conditions but does mean less resources available for the capital programme and therefore higher levels of borrowing. At current interest rates the debt financing cost is £310k per annum, which can be funded by top slicing this amount from the grant. Further details are set out in the overall summary section at the end of this report.

2. Accessible and Safe Roads and Pavements

The Council's effort to keep local roads and pavements safe and accessible does not go far enough. The current Highways Programme hardly scratches the surface of repairs that are desperately needed in our areas.

Many of our pavements are in a dangerous condition. This has an impact on all of our residents, particularly the elderly and disabled.

PROPOSAL

1. To increase the Capital Budget for road and pavement upgrading in 2024/25 to £20 million. £2 million of the £20 million Budget to be allocated to regular preventative maintenance works to extend the life of existing road surfaces.
2. Introduce flexibility into our investment to target pavements and roads surfaces which are being dug up by utility companies for major gas, water pipe or electricity upgrades so that the areas are not simply patched up but properly upgraded. We would do this by negotiating for a financial contribution from the utility companies towards the upgrade works, thus reducing the overall cost to the Council, while getting the required upgrades our residents deserve.

FUNDING

Point 1, the existing budget is £13.5m for 24/25 and £6m for 25/26. Increasing this budget to £20m will require further borrowing of £0.5m, where the financing costs are £40k per annum. This will be funded by reallocating the NHB grant from capital to revenue. Further details are set out in the overall summary section at the end of this report.

3. Increasing Supply of Affordable Homes

The £13 million overspend is a blight on our borough's finances. The bulk of this overspend is as consequence of high costs associated with temporary accommodation. Brent is spending far too much money on hotels and BnB's for people who are presenting as homeless or at risk of homelessness.

In order to solve this issue, we desperately need to increase the supply of genuinely affordable housing in the borough.

PROPOSAL

1. Change our planning strategy to ensure that all new developments meet a new higher target of 50% genuinely affordable units, thus increasing the supply of affordable housing. This will help to reduce the continued anticipated overspend on temporary accommodation and provide people with the genuinely affordable homes they need.
2. Target underoccupied properties by providing suitable replacement property in the right location to meet the residents' specific needs.

FUNDING

Point 1, given the current economic climate of high interest rates and high inflation on construction costs it is unlikely that schemes with 50% affordable units will be viable. However, if the economic climate improves during 2024 then this proposal could be considered. In 2024/25 and 2025/26 this is unlikely to result in savings in temporary accommodation due to the time taken to deliver a new development but could be a possibility in 2026/27.

Point 2, it is possible that this proposal could generate savings. However, at this stage an estimate is not possible.

4. Investing in our Youth

It is a very difficult time to be a young person in Brent. Opportunities that were previously available to young people across our borough, have more or less disappeared. Youth provision is limited and the budget for it is scarce.

This has had a hugely negative impact on many young people in our borough, particularly those from economically deprived backgrounds.

The '**Brent Safer Partnership Annual Report 2022-23**' report highlighted a significant increase in knife crime, impacting people under 25. There is recognition that a link exists between increasing knife crime and cuts to youth services.

PROPOSAL:

1. Allocate and transfer £1 million from reserves for a new '*Youth Offer*' provision to be spent over the next 2 years, specifically seeking to assist organisations that offer early intervention with young people in Brent.
2. This is to be supplemented by the Brent Grant Unit applying (or assisting community groups to apply) for specific grants supporting young people activities with the aim of enhancing the fund beyond its initial 2 years.

FUNDING:

Point 1, reserves could be used this time limited proposal and one off proposal. The only reserve that is possible to be used is the Future Funding Risks reserve. Depleting this reserve however may put the financial resilience and sustainability of the Council at risk. Further commentary on this risk is provided in the summary section below.

Point 2, NCIL could be used to fund this proposal as part of its role in funding community led projects.

5. Delivering on Climate Emergency Commitments

Brent Council became one of the first local authorities to declare a Climate Emergency back in 2019. Five years on, we believe that not enough has been done to meet the commitments of the declaration and we are running out of time.

In order to achieve Carbon Neutrality in under six years, greater emphasis must be placed on reducing toxic carbon emissions that are polluting local air. The Council must also immediately divest its Pension Fund from fossil fuel investments.

One way to reduce toxic carbon emissions is to tackle the overreliance on polluting vehicles in the borough. The Council therefore needs to make active transport options desirable and accessible to a greater number of residents. The easiest way to do this is to make active travel safe.

We also need to see greater effort to ensure all public and community buildings are energy efficient. This will significantly help us achieve our Climate Emergency ambitions.

PROPOSAL:

1. To work with Brent Cyclists and other local groups to devise an active travel plan of action and allocate £10 million to develop safe cycle routes within and between growth areas across Brent over a 2-year period.
2. Assessing our property portfolio and ensuring that all public and community buildings are energy efficient by allocating £3 million over a 2-year period.

FUNDING:

Point 1, the cycle routes would need to be in growth areas or connecting growth areas for SCIL to be utilised.

Point 2, this proposal would need to be funded through the carbon offset fund reserve.

6. Work Opportunities for Local Young People

The Council should better promote job opportunities and training for local young people. One area the Council continues to struggle with is keeping our area clean and free of illegal dumping and littering.

We therefore want to tackle both limited job/ training opportunities and the issue of the dirty state of the area by creating 12 new apprenticeship posts for young people in Brent who can work alongside our team of experienced Neighbourhood Managers in the Environmental Services Department.

PROPOSAL:

1. Employ 12 apprentices, two assigned to each of the six Neighbourhood Managers, to assist with the required work in our communities and being proactive tackling issues in local streets. The apprentices would support Neighbourhood Managers and engage with members of the community, businesses and other stakeholders. This would require a total of £480,000 pa, on the basis that each apprentice would cost the Council £30,000 salary, including on costs.

FUNDING

This proposal is estimated to cost around £0.5m, which will require further savings of £0.5m to keep the budget in balance.

This can be funded by allocating the New Homes Bonus Grant into the base revenue budget for 2024/25. Further details are set out in the overall summary section at the end of this report.

7. Supporting Adult Social Care and Children and Young people

We know that demands on Adult Social Care and Children and Young people services have increased in recent years. People are living longer but the funding for services, both statutory and community based, has reduced.

Supporting people to remain in their own homes and to move from supported accommodation placements to homes in the community requires affordable, accessible housing.

Furthermore, unpaid Carers, caring for family members, friends and neighbours in their homes must continue to be supported. Without this care, more residents would need to leave their own homes and enter residential or nursing homes, which is very costly for the Council.

PROPOSAL:

1. For housing developments to be led jointly by the Housing, Adult Social Care and Children and Young people services. This would allow housing provision for homeless people; help reduce Social Care spend on high cost residential or

supported accommodation placements and allow more investment on services supporting care at home.

2. To continue the Council's support of unpaid Carers including access to community equipment and home adaptations allowing people requiring care to remain at home rather than enter residential or nursing care, by piloting an invest to save programme costing £1 million for 1-year from the Public Health Reserve.

FUNDING:

Point 2, approval would need to be sought from the Office of Health Improvement and Disparities (OHID) as the Public Health grant cannot be used to avoid Care Act responsibilities.

8. Protecting Parks and Open Spaces

Brent is home to a many wonderful parks and open spaces that are enjoyed by residents and visitors to our area. However, in recent years, there has been a noticeable decline in the standard of these spaces.

We believe that more effort must be made to protect and promote our parks and open spaces so that they continue to be well utilised by local people and so that more feel comfortable and safe in them. This is even more important as a growing number of residents in our borough now live in high rise buildings with very limited access to green space.

PROPOSAL:

1. One reason residents are put off using local parks and open spaces is because too often they are left in a poor state, which fuels anti-social behaviour in them. Therefore, we want to ensure there is a greater effort to keep local parks clean by allocating an additional budget of £0.5m to the Parks Department, specifically for maintenance.
2. Introduce segregated cycle lanes in parks and linking routes to parks to ensure the safety of dog walkers and pedestrians.
3. Install CCTV in parks and open spaces, particularly in anti-social behaviour hotspot areas, identified by local Councillors and Council Officers. An allocation of £1 million.

FUNDING:

Point 1, To ensure parks never have any litter or flytips would require twice daily litter bin emptying by dedicated teams across 100 different sites. This is estimated to cost around £0.5m per annum.

Point 2, cycle lanes would need to be in growth areas or connecting growth areas for SCIL to be utilised.

Point 3, this would require further borrowing of £1m which would require annual savings of £0.08m per annum.

Overall, these proposals will again be funded by re-allocating the NHB grant from the capital programme to the revenue budget. Further commentary on this proposal is set out in the overall summary at the end of this report.

9. Supporting People to Access Services Online

The Council wants people to access most of the services they provide online. Banks and Post Offices are closing, residents are asked to report local issues via the Fix My Street App, most things have to be applied for online; whether a Passport, Blue Badge, Green Waste Bin renewal and of course complaints to the Council need to be submitted on a form - online. A large section of the population is therefore disadvantaged because of these demands.

Brent Council must seek to tackle digital exclusion, by becoming a champion for the needs of people who find it hard to or are unable to use online systems.

PROPOSAL:

1. Support the creation of a flexible, freelancer-based service to assist local people with hands on digital inclusion training through the voluntary sector, paid for by specific grants, with NCIL acting as the prime match-finding source. With an initial target of 20 trainers on a part-time basis of 15-20 hours a week.

FUNDING:

Funding this proposal will need to come from the core revenue budget which will create a budget gap of £250k per annum. It is again proposed to use the New Home Bonus grant to fund this proposal.

10. Celebrating our Communities

Community groups and the voluntary sector have never had it tougher. Funding is very limited in the current climate, but the work many do in engaging with communities cannot be understated or underappreciated.

Community cohesion and events where local people can get together and celebrate are important.

We therefore want to see the Council do more to support community groups across the borough.

PROPOSAL:

1. To support and assist Brent based groups in being able to hold and celebrate community events, by allocating £150,000 per year over 4 years to a special Grant Fund to ensure local groups can afford the cost of hall, room hire and facilities. The maximum grant in each financial year will be £5,000 per

organisation. The organisations will be encouraged to raise match funding and the Grants Unit will provide advice on this. There will be one round of funding in each year and the Council will give 2 months' notice for applications. Assessment of the applications will include consideration of the organisation's ability and willingness to raise additional funding and the effort they plan to put into involving people from other communities in their event/ celebration.

FUNDING:

These proposals can be funded by NCIL, provided they demonstrate a link to development in the local area of each project. Appropriate due diligence will need to be undertaken to ensure conditions of NCIL can be met.

11. Conclusion

The Labour Administration's 2024/25 Budget will once again propose the maximum **4.99% Council Tax hike**. This coupled with the Labour Mayor of London's **increase of roughly 8.6%** for his element of the bill, means that residents will be paying more than ever before.

The Liberal Democrats strongly believe that if residents are being asked to pay more than ever, the concerns they have about our borough and the improvements they want to see must be prioritised.

Our **10 amendments** have been crafted to enhance the offer Brent Council is making for residents in the Budget.

They cover issues that local people, borough-wide, care about. They also push this Council further in key areas where more work needs to take place, namely, to **tackle the Climate Emergency, keep our streets clean and provide needed genuinely affordable housing**.

Our reasonable and costed proposals represent a positive contribution to delivering a Council Budget that reflects the wishes of local residents and will deliver urgent improvements in Brent.

12. Money Owed to Brent Council

The current debt mountain owed to Brent Council is £169 million.

Brent Council is owed large amounts of money including:

SOURCE	MONEY OWED
Council Tax	£50 million
Business Rates	£15.8 million
Housing Benefits Overpayments	£60.6 million
Adult Social Care	£18.5 million
Sundry Debts	£26.4 million

The Council has had to set up a **£70.5 million impairment provision** against these debts but if even more turn out to be bad (*unrecoverable*) there will be a major cost which the Council **cannot afford**.

Every £1 million owed is costing Brent at least £40,000 in lost interest each year.

There is a major advantage in recovering this money as soon as possible.

The Liberal Democrats propose that the Scrutiny Committee sets up a task group to review all debts owed to the Council and develops an action plan to recover.

There is currently no incentive for the debtors to pay early as they can treat the amount owed as free borrowing. **Where possible Brent Council should now impose a commercial rate of interest on the money owed.**

13. Management of Commercial Property Portfolio

Brent Council owns a commercial portfolio of properties worth around **£45 million**.

The gross rent income from these properties is around **£3 million**.

However, rents have not been reviewed for some time (*possibly only recently*) and a large amount of rent is owed, totalling **£1.2 million**.

Many properties are currently empty.

The cost of managing these properties is disproportionate to the amount rent actually received.

Therefore, the Liberal Democrat Group propose that the Scrutiny Committee should set up a task force to specifically review the Council's commercial property portfolio with a view to:

1. Pursue collection of rent owed.
2. Ensure that all rents have been reviewed and any outstanding reviews implemented and backdated.
3. Ensure that interest is charged on the rents owed in line with the lease terms.
4. Dispose of the whole property portfolio or any parts of it which are difficult to manage or provide insufficient income.
5. Consider whether any of the properties can be repurposed for housing or suitable for specific service provision directly or in partnership with the voluntary sector.
6. Report on the capital receipts, income recovery and management savings this action can achieve.

14. Advice from the Director of Finance

Senior finance support has been provided to assist the Liberal Democrat Group to formulate an alternative budget that reflects their policy priorities.

The Alternative Budget proposed by the Liberal Democrat Group would be a legal, balanced budget for 2024/25, although it is recognised that this carries financial risk. The potential implications for 2025/26 and beyond have not been considered as part of these proposals.

The sections below set out a summary of the proposals, the sources of funding and an overall summary of the proposed amendments.

15. Summary of Proposals and Sources of Funding

Liberal Democrat Group - Alternative budget proposals	Impact on 2024/25 budget £m
* Costs have been grossed up include £0.31m of additional cost of borrowing as a result of re allocating the NHB grant	
* Keeping Brent Clean – Increase in street cleaning budget by £0.5m and provision of more dual litter / recycling bins costing £0.5m	1.13
* Accessible and Safe Roads and Pavements - To increase the Capital Budget for road and pavement upgrading to £20 million. This requires £0.5m of further borrowing which will cost £40k per annum	0.05
* Work Opportunities for Local Young People - This proposal is estimated to cost around £0.5m, which will require further savings of £0.5m to keep the budget in balance.	0.57
* Protecting Parks and Open Spaces - To ensure parks never have any litter or flytips would cost around £0.5m per annum. Also installing CCTV in parks and open spaces would cost £1m of further borrowing which would cost £80k per annum	0.66
* Supporting People to Access Services Online – This will cost £220k per annum	0.28
Above funded by New Homes Bonus Grant (grossed up to include £0.31m of additional cost of borrowing as a result of re-allocating the NHB grant	(2.68)
Investing in our Youth – £1m new Youth Offer	1.0
Above funded by use of earmarked reserves	(1.0)
Delivering on Climate Emergency Commitments – £10m on new cycle routes	10.0
Above funded by use of Strategic CIL	(10.0)
Delivering on Climate Emergency Commitments –£3m on energy efficient council buildings.	3.0
Above funded by use of earmarked reserves	(3.0)
Celebrating our Communities - To support and assist Brent based groups in being able to hold and celebrate community events, by allocating £150k per annum	0.15
This proposal can be funded by NCIL, subject to appropriate legal due diligence.	(0.15)
Total	0.0

Overall, these proposals introduce £16.83m of new spending commitments, balanced by use of Strategic CIL (£10m), Neighbourhood CIL (£0.15m), reserves (£4m) and re-

allocating the New Homes Bonus grant from the capital programme to the revenue budget (£2.68m).

Firstly, any use of SCIL or NCIL requires significant legal due diligence to ensure any expenditure is compliant with grant conditions, such as ensuring any new cycle routes are within and between growth areas in Brent.

Secondly, reserves have been used to fund certain proposals with potential ongoing revenue implications into future years. There is a risk that new services become embedded into Council services making it more difficult to cease. Recurring expenditure requires either sustainable funding sources or savings found elsewhere in the budget. This has not been offered as part of these proposals, which would impact the financial sustainability of these services.

Thirdly, the Council received £3.1m of NHB in 2022/23, £7.9m in 2023/24 and is due to receive £2.9m in 2024/25. This is a non ring-fenced grant that is currently recorded as a reserve and used to finance the capital programme. Allocating a proportion of the grant into the Council's revenue budget is allowed under the current grant conditions, however this would have an impact on the financing of the capital programme. In addition, as can be seen from the figures, this grant is highly unpredictable and is one of the reasons why this grant has historically not been budgeted for in the revenue budget. There is therefore a risk of building this volatile grant (which has been subject to government top slicing and various rule changes over the years) into the base budget and calls into question the sustainability of the proposals set out in this report that are to be funded by this grant.

In addition, the consequences of removing New Homes Bonus grant from financing of the capital programme will have significant consequences that will need to be managed. In the short term this means further borrowing to finance the capital programme. Equally, three of the proposals require further borrowing of £1.5m in total. While the financing of this additional borrowing has been factored into the budget proposals, it does add risk to the medium term financial strategy as budgets generally become more constrained.

While the proposals add an element of risk to the 2024/25 budget, particularly use of one-off reserves for potentially recurring commitments and higher levels of borrowing, the budget can be considered balanced. This is also subject to appropriate due diligence on the use of SCIL and NCIL.

Minesh Patel
Corporate Director of Finance & Resources