



**Cabinet**  
23 February 2015

**Report of the Chief Finance Officer**

Wards affected:  
ALL

**Budget and Council Tax 2015/16**

**1. INTRODUCTION**

1.1. On 15 December 2014 Cabinet considered the council's overall financial position and a set of draft budget proposals. Cabinet agreed that

*"...consultation be carried out with residents, the voluntary and community sector, local businesses and other groups as necessary on the draft savings proposals and their consequences."*

1.2. Cabinet is now required to recommend a budget for Full Council to consider at its meeting of 2 March 2015. This report therefore presents a summary of the further work that has been undertaken in order to reach the budget now proposed, and the reasons for the proposals. Where appropriate the financial information previously presented has been updated, and those remaining uncertainties (as at the date of despatch) are highlighted and addressed.

1.3. The 15 December report contained a detailed explanation of the funding settlement and analysed its consequences for Brent. This information is not repeated in the main body of this report, but is attached at Appendix A for those wishing to refer to it.

1.4. Members will recall that the key feature of the financial position was that savings of £53.9m were required over the next two years, with an increasingly challenging financial outlook beyond then. Members will recall that the December report put forward an overall package of proposals which, if all agreed, would have reduced expenditure by £58.7m in the next two years. After taking account of one-off technical

adjustments this meant that proposals of £6m could be rejected and the budget would still be balanced for the next two years.

1.5. Members are reminded that the future funding outlook is extremely challenging and remains uncertain. As a result savings proposals not agreed as part of this budget are likely to have to be revisited in future years.

1.6. In summary, the key features of the budget now proposed are that:

- Council tax is frozen at its 2014/15 level, which would be the sixth consecutive year that the Council has not increased it; and
- The following proposals from the original 15 December list are not agreed and hence not to be implemented. The amounts that would have been saved in each year are also shown in the table below.

Reference	Description	Amount saved		Total saved
		2015/16	2016/17	Total
		£'000	£'000	£'000
ASC11	15 minute home care visits	(600)	(620)	(1,220)
ASC17	Reduce front line staff	0	(450)	(450)
ASC2.1	Reductions to respite care	(450)	0	(450)
ASC8	Reductions in day care	(520)	(520)	(1,040)
ASC7	New Millennium (part)	(150)	0	(150)
CYP16	Closing 10 children's centres	(1,465)	263	(1,202)
CYP17	Closing youth services	(1,246)	900	(346)
CYP4	Cut Connexions	(522)	0	(522)
ENS13	Bulky waste (part)	(74)	0	(74)
ENS24	Closing CCTV	(400)	(100)	(500)
ENS25	Closing a leisure centre	(350)	(50)	(400)
ENS26	Cuts to public realm	(400)	0	(400)
ENS2	Free swimming	(60)	0	(60)
R&G40	Closing rough sleeper services	(190)	0	(190)
R&G38	Reduce civic centre opening hours	(250)	0	(250)
	<b>Total</b>	<b>(6,677)</b>	<b>(577)</b>	<b>(7,254)</b>

1.7. All other proposals from the 15 December list therefore are agreed and to be implemented according to the timescales set out in the detailed papers.

1.8. Savings of £51.5m are therefore proposed, of which £28.1m fall in 2015/16 and £23.4m in 2016/17. The budgets proposed for 2015/16 and 2016/17 are, in financial summary, represented by the table overleaf.

Description	2015/16		2016/17	
	£m	£m	£m	£m
Savings required (per Dec report)		35.8		18.1
Technical adjustments (see section 4)		(3.9)		2.3
Final financial targets		31.9		20.4
Total savings proposed (Dec) *	(34.7)		(24.0)	
Savings rejected	<u>6.6</u>		<u>0.6</u>	
Savings now proposed		(28.1)		(23.4)
<b>Sub total – balance to be found</b>		<b>3.9</b>		<b>(3.0)</b>
One off collection fund surplus		(3.9)		3.9
<b>Balance to be found</b>		<b>0.0</b>		<b>0.9</b>

\* Excludes £5.9m savings that would not take effect until 2017/18

- 1.9. The report also sets out the council's planned capital programme to 2016/17. Where additional government grants have been awarded, principally for school places, the programme has been updated to reflect this. The proposed capital programme set out in this report has also been constructed on the basis that the recommendations of two other reports on this agenda, the housing revenue account budget and the s106 allocations, are agreed.
- 1.10. Given the pressures on the capital programme, as asset sales decline as a source of potential finance, it will be necessary to limit new investments principally to those that generate a sufficient return through future savings. It is also proposed that Cabinet update the capital programme following the national spending review later this year.
- 1.11. The report also sets out, at an appropriate level of technical detail, the ring fenced Dedicated Schools' Grant, Housing Revenue Account and Prudential Treasury Indicators. For ease of reading and completeness most of the technical detail is contained in various appendices. All of these are relevant and important, but the covering report highlights the key issues for Members' consideration. Members should also note the advice from the Chief Legal Officer as set out in Appendix M.

## 2. RECOMMENDATIONS

**Subject to the final confirmation of the GLA precept the Cabinet is asked to approve the following recommendations for Full Council at its meeting on 2 March 2015:**

- 2.1 Agree that there is no increase in the Council's element of council tax for 2015/16.
- 2.2 Agree the General Fund revenue budget for 2015/16, and note the indicative budget for 2016/17, as summarised in appendix B.

- 2.3 Agree the Service Area budgets including the cost pressures and savings detailed in Appendices C and D and dedicated schools' grant as set out in section 6.
- 2.4 Agree the budgets for central items as detailed in Appendix G.
- 2.5 Agree the Housing Revenue Account budget set out in Appendix I(ii).
- 2.6 Agree the 2015/16 to 2016/17 capital programme as set out in Appendix J.
- 2.7 Agree the Treasury Management Strategy and the Annual Investment Strategy for 2015/16 set out in Appendix K.
- 2.8 Agree the Prudential Indicators measuring affordability, capital spending, external debt and treasury management set out in Appendix L
- 2.9 Note the report from the Chief Finance Officer in Appendix E in respect of his statutory duty under Section 25 of 2003 Local Government Act.
- 2.10 Note the advice of the Chief Legal Officer as set out in Appendix M.
- 2.11 Note the levels of unsupported borrowing forecast for 2015/16, based on the borrowing levels agreed by the Council on 3 March 2014
- 2.12 Agree the instalment dates for council tax and NNDR for 2015/16, and the recovery policy for council tax as set out in Appendix H(ii).
- 2.13 Agree that decisions on individual applications for reducing Council Tax payable in accordance with section 13A(1)(c) of the Local Government Finance Act 1992 be delegated to the Chief Finance Officer.

### **For Council**

**These recommendations only include a provisional Council Tax level for the GLA as its final budget was not agreed when this report was dispatched. This means that the statutory calculation of the total amount of Council Tax under Section 30(2) of the Local Government Finance Act 1992 may be amended by the final Greater London Authority precept.**

- 2.14 In relation to the council tax for 2015/16 we resolve:

That the following amounts be now calculated by the Council for the year 2015/16 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:

- (a) 995,477,173 being the aggregate of the amount that the Council estimates for the items set out in Section 31A(2) of the Act.

- (b) 907,798,000 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £87,679,173 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) £1,058.94 being the amount at (c) above, divided by the amount for the taxbase specified above 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

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>£</b>							
705.96	823.62	941.28	1,058.94	1,294.26	1,529.58	1,764.90	2,117.88

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.

- 2.15 That it be noted that for the year 2015/16 the proposed Greater London Authority precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, in respect of the Greater London Authority, for each of the categories of dwellings are as shown below:

Valuation Bands

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>£</b>							
196.67	229.44	262.22	295.00	360.56	426.11	491.67	590.00

- 2.16 That, having calculated the aggregate in each case of the amounts at paragraph 2.14(e) and 2.15, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2015/16 for each of the categories of dwellings shown overleaf:

### Valuation Bands

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>£</b>							
902.63	1,053.06	1,203.50	1,353.94	1,654.82	1,955.69	2,256.57	2,707.88

2.17 That it be noted that the Chief Finance Officer has determined that the Council's basic amount of Council Tax for 2015/16 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Act 1992.

- 2.18 (a) That the Chief Finance Officer 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 Chief Finance Officer 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 Chief Finance Officer 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. THE 2015/16 REVENUE BUDGET

#### The process for developing the 2015/16 budget

- 3.1 Proposals in this budget have been developed by the members of the Cabinet, taking account of the advice of officers. The key processes for doing this were, in summary, as follows:

- Development of the budget approach, based on the revised Borough Plan and the updated medium term financial outlook which was considered by the Cabinet in October 2014;
- 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 by officers, in consultation with relevant Lead Members, of budget proposals for individual services within the context of the Borough Plan and the MTFS;
- The First Reading Debate at Full Council;
- The publication of a detailed list of savings proposals at Cabinet in December 2014;
- Public consultation events on 13 January 2015 and presentations and question and answer sessions at each Brent Connects meeting;
- Debates through the Budget Task Group of the Scrutiny Committee;
- Considering feedback from the public, whether received by the general 'consultation@brent.gov.uk' email address or other direct representations;
- Receipt of petitions from the public and representations from other interested parties, such as recognised trades unions; and
- Conducting Equality Impact Assessments of proposals, where appropriate, in order to ensure that their consequences were properly understood.

- 3.2 Section four of the report provides updated technical financial information and sections five and six set out in detail the reasons why the key choices on the budget have been made and the factors that have been taken into account. These take into account the overall equalities implications, which are included at section seven of the report, and the findings from consultation which are summarised at section eight. The formal construction of the council tax proposed for 2015/16 is at section nine, followed by the relevant information on the capital programme, treasury management and financial risks at sections ten and eleven.

## **4 Technical changes to financing assumptions since December**

- 4.1 The provisional local government finance settlement was announced on 18 December 2014, with the final settlement published on 3 February 2015. The report to Cabinet for 15 December 2014 was therefore based on estimates of what would be contained within the settlement, and it is therefore necessary to update these assumptions in setting the final budget.
- 4.2 The local government settlement was a one-year settlement for 2015/16 only. It did not contain information on which to base assumptions about the settlements for 2016/17 and future years. In common with many other London boroughs, Brent's officers' longer-term forecasts are informed by financial modelling projections produced by the LGA and London Councils, which includes assumptions about future public expenditure distributions, drawing on the Autumn Statement and other relevant information.
- 4.3 The Autumn Statement was announced by the Chancellor of the Exchequer in December 2014. This revised central government departmental expenditure figures downwards which, based on the experience of recent years, indicates a further worsening of funding for local government and other unprotected areas of public spending. It will not be possible to undertake accurate forecasting of the impact on local government until the Spending Review that follows the forthcoming General Election. However there is the potential for Brent's funding settlement in 2016/17 and future years to be significantly worse than had been previously assumed.
- 4.4 In addition, the final budget now needs to take account of:
- updated figures for the council tax base and collection rates;
  - revenue support grant allocations within the local government finance settlement;
  - new burdens funding provided for the anticipated costs relating to the Care Act; and
  - funding announced in the final settlement for dealing with pressures in local welfare and health and social care.
- 4.5 Decisions of external bodies affect the budget process. Notifications from levying bodies, including the West London Waste Authority, are taken into account in this report. The precept for the GLA is due to be confirmed by the Greater London Assembly on 23 February 2015.

## **5 Proposed council tax and the reasons for it**

- 5.1 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.

- 5.2 The Cabinet has published possible proposals that could be enacted in order to prepare a balanced budget. These totalled £64.6m, of which £58.7m would take effect in 2015/16 and 2016/17, on which years the financial planning has been focused.
- 5.3 As has been set out in section four, subject to the various assumptions that are inherent in budget setting, Members are therefore able to select £6.3m of options that will not be recommended in the budget for Council whilst still achieving the objective of proposing balanced budgets for 2015/16 and 2016/17. The budget actually proposed rejects slightly more proposals than this, leaving a small gap to be filled in 2016/17.
- 5.4 The value of savings required is affected by the assumption made about council tax. This is a matter for local determination. The budget has been constructed on an assumption that council tax will be frozen at its 2014/15 level in 2015/16 and 2016/17 and that a 'freeze' grant of 1% will be payable in each of these years for councils that do not increase their council tax and that this funding will be rolled into base funding in future years.
- 5.5 The council could choose to increase council tax instead. This is a decision for elected Members. The table below shows the effect on the savings required in three scenarios: the existing freeze, a 2% increase in 2015/16 followed by a freeze in 2016/17 and a 2% increase in each of these years.

	15/16-16/17 £m
<u>Freeze</u>	
Savings proposed	58.7
Savings required	52.4
Savings not required	6.3
<u>2% increase in 2015/16</u>	
Net additional income	0.7
Savings not required	7.0
<u>2% increase in 2016/17</u>	
Net additional income	0.7
Savings not required	7.7

- 5.6 After evaluating the results of consultation and other factors leading Members have instructed officers to prepare a budget based on a council tax freeze for 2015/16.
- 5.7 Increasing council tax would increase the level of resources available to the council, and hence enable more of the proposed savings to be rejected. However, leading Members are of the view that the consistent feedback from the doorstep has been that residents are

against the idea. Supporting this view, the residents' attitude survey indicated that only 18% of residents would support paying additional council tax to protect services.

- 5.8 A small number of residents have proposed council tax increases at Brent Connects meetings. In addition, of the 35 responses to the formal consultation address, five referred to council tax. Of these, four proposed an increase (one of which proposed a referendum) and one proposed improvements to enforcement.
- 5.9 Members are of the view that many families in Brent are living close to the poverty line and that even a small increase in council tax would squeeze already tight living standards. There is clear evidence from the consultation undertaken for the borough plan that protecting the most vulnerable should be a key priority for the council, and protecting those on the lowest incomes from further financial pressures would be consistent with this. The operation of the freeze grant is also relevant: a council tax increase would charge residents £1.7m, but only generate net additional income for the council of £0.7m.
- 5.10 Brent's council tax in 2014/15 is at the median level across London taken as a whole. However, looking only at other outer London boroughs it is the 4<sup>th</sup> lowest. The LGIU recently reported that 43% of councils nationally plan to increase council tax in 2015/16, but it is not certain how reliable this estimate is.
- 5.11 Leading Members have balanced these factors, and ultimately exercised their political judgement in requesting that officers prepare the draft budget on the basis of a council tax freeze.

## **6 Proposals from December not to include in the budget and the reasons for these choices**

- 6.1 In deciding between the budgetary options presented to them, Members have consistently stressed that they regard many of the choices as unpalatable. Members are under a legal obligation to set balanced budgets, but the impact of funding settlements has required them to consider difficult choices in order to meet this duty. This section therefore sets out those proposals from December about which most concern has been expressed, from local councillors, members of the public, special interest groups and others, and also those with the most significant consequences in respect of the council's equalities duty. Where a proposal is not specifically referred to this does not mean that no concerns were expressed, merely that the level of concerns expressed were, relatively speaking, less than for other proposals.
- 6.2 For administrative convenience this section of the report is grouped by department. This does not imply that a certain number of contentious proposals within each department must or must not be accepted.

Members' legal duty to set a balanced budget refers to the entire council budget rather than that for any individual department.

- 6.3 For the avoidance of doubt, any proposal not referred to in this section is included in the proposed budget. Appendix D(ii) lists all of the proposals to be included in the budget.

### **Adult Social Care**

- 6.4 Significant concerns have been raised about five proposals in this area and it is therefore these proposals that Members need to review most carefully in making their decisions. In doing so Members should be mindful that the proposals for adult social care generally attracted significant comment in the various public consultation exercises.

- 6.5 These proposals are:

- ASC2.1 – Cuts to respite care
- ASC7 – closure of day services, including the New Millennium and Kingsbury Day Centres
- ASC8 – Reductions in day care
- ASC11 – 15 minute homecare visits
- ASC17 – 20% cut in adult social care staff.

- 6.6 Option ASC 2.1 proposes saving £0.45m in 2015/16 by restricting the respite care available to carers. As described in the detailed pro forma there is no suggestion of removing statutory support, but the presumption is that rarely, if ever, would support above the statutory minimum level be provided, although carers would be sign posted towards services in the private and voluntary sectors.

- 6.7 The written public feedback has not specifically identified this proposal as a concern, other than the general comments about adult social care taken as a whole, but some adverse comments have been made at Brent Connects meetings. Caring for someone with a disability can be a demanding responsibility and for many who choose to take it on, often for a family member, the provision of a level of respite care to allow carers a break is an important element in that choice. A key risk, then, in considering a proposal to restrict respite care is that it might have the effect of preventing the disabled person from continuing to live with their family rather than in an institution, increasing long-term costs irrespective of any consequences of perceived quality of service provision.

- 6.8 In addition, the Care Act comes in to force from April 2015, which places additional responsibilities on the Council in relation to support for carers. Evidence from other authorities that have gone down this route is not conclusive, but it may be significant to consider whether reducing respite care is sustainable at the same time as the introduction of new responsibilities under the Act. Furthermore, the EIA for this proposal identifies a significant negative impact.

- 6.9 The residents' survey indicates generally that the council should seek to preserve services for the most vulnerable. It also indicates support for encouraging and incentivising voluntary activity, and the council's overall commissioning strategy contains a theme around incentivising the voluntary sector and individuals to take up the strain of reducing council services. Whilst this proposal will preserve statutory minimum levels of service it does risk running counter to this general strategy.
- 6.10 Taking all of this into account leading Members have requested that officers draft the budget for Cabinet on the basis that **proposal ASC 2.1 is not agreed.**
- 6.11 Option ASC 7 includes proposals to save £0.905m through the closure of New Millennium Day Centre and Kingsbury Resource Day Centre, and to re-provide day care provision through the range of voluntary sector day care provision in the Borough. Very strong representations have been received in relation to the closure of New Millennium Day Centre, stressing the value of the centre to the community of its users. In the written consultation this proposal attracted more adverse comments than any other single alternative.
- 6.12 It is important to stress that this proposal is about changing the location of the service provision, not the level of service provided. The intention would be to work closely with service users and carers through a formal consultation (March – May 2015) to identify alternatives which reflect not only the person's eligible social care needs, but also other important factors such as friendship groups. Alongside this work with individuals and their friendship groups, officers would also work with the service users and carers, and the local community to identify alternative uses for the building, potentially identifying a different use for a valuable asset.
- 6.13 These are important considerations, and reasonable for Members to consider. It is equally important to consider the impact on vulnerable service users. Even if services of a similar standard could be provided elsewhere users of the centre are understandably concerned to keep an important reference point in their lives.
- 6.14 Taking all of this into account leading Members have requested that officers prepare the draft budget for Cabinet on the basis that the consultation on the future of New Millennium Centre explores options to keep it open as a community resource, but for the avoidance of doubt the budget will be constructed on the basis of ongoing council funding for the centre, which will therefore remain open. Other aspects of the proposal will proceed as originally set out. This reduces the value of the planned saving by £0.15m. The remaining saving of £0.755m would be delivered through the closure of the Kingsbury resource centre, subject to consultation, by continuing to develop John Billam as a centre of excellence, reducing the costs of day opportunities support for people with complex needs, and consulting on de-registering Tudor

Gardens so that it becomes supported living accommodation - it is currently a residential home.

- 6.15 Option ASC8 proposes a £1.04m saving through a 40% reduction in day care. This proposal would achieve savings by reducing the number of people who receive day care and the number of hours of day care provided per week. Any reduction in support would be subject to a full review of individual needs, and the council would continue to meet assessed need and hence its statutory obligations.
- 6.16 The people who currently access day care in Brent are either socially isolated, without families and friends, unable to get out independently, or people who live with their families. Their families may rely on the day care in order to maintain their jobs and their role as carer. The risk associated with accepting this proposal is that there is an increase in social isolation, leading to greater pressure being put on carers. Significant representations have been made by members of the public and service users as to the value of these services, and it is not in dispute that agreeing this proposal would lead to a reduction in the level of service provided to vulnerable adults. However, it is also important to bear in mind that the nature of the review process means that, of the population of vulnerable adults, it will be those with relatively fewer and less complex needs whose services might be withdrawn, or see the hours of service provided reduced.
- 6.17 This proposal has also been identified as one with the most significant adverse equalities implications.
- 6.18 Taking all of this into account leading Members have requested that officers prepare the draft budget for Cabinet on the basis that **proposal ASC8 is not agreed.**
- 6.19 Proposal ASC11 identified how savings of £1.22m could be achieved, over two years, by reviewing cases and care packages provided, and introducing 15 minute care packages. At present Brent does not provide care packages less than 30 minutes in length except in extra care accommodation.
- 6.20 The Association of Directors of Adult Social Services does not in principle oppose the use of 15 minute care packages. Their view is that they can be appropriate in certain circumstances as long as they do not undermine the dignity of the service user and the additional travel demands on care workers do not undermine legal obligations, particularly in relation to the national minimum wage.
- 6.21 National evidence seems to suggest that more councils use 15 minute care packages than do not, but it is unclear, for those councils already using such packages, whether they use them to the extent envisaged by this proposal, which would be that all reviews would explore the possibility of users ending up with at least one of their current home care visits being 15 minutes long.

- 6.22 Public feedback through the borough planning process identified support for the most vulnerable as a core value, albeit that only one response to the written consultation specifically identified this proposal as problematic. The overall EIA also shows that this proposal, if implemented, would impact on those service users with the highest level of need, who are most profoundly disabled or have weaker support networks. The Council is also currently signed up to the Unison Ethical Care Charter, which states that *'15-minute visits will not be used as they undermine the dignity of the clients'*.
- 6.23 Taking all of this into account leading Members have requested that officers draft the budget for Cabinet on the basis that **proposal ASC11 is not agreed**.
- 6.24 Proposal ASC17 involves a saving of £0.9m through a 20% reduction in social work staff. Social workers carry out the assessments and reviews which allocate services and support to vulnerable adults. Any reduction in staff numbers would be, in the first instance, managed through natural wastage, avoiding the need for compulsory redundancies where possible.
- 6.25 A reduction in staff could lead to an increase in waiting times for assessments, and could impact on joint working with health around hospital discharges. However, the department is already working to introduce online self assessments, and to further streamline processes to mitigate the impact of any reductions, but it should also be noted that due to legislative changes (Care Act 2014) there will be additional demands for assessments from:
- April 2015 because of the additional responsibilities introduced for carers; and
  - October 2015, assuming the second phase of the Care Act, for self funders, is implemented, it has been estimated that double the number of service user assessments might be required.
- 6.26 However, it is important, in considering the budget in the round, to bear in mind that the Cabinet, in October 2014, identified the need to allocate growth funding to the adult services department to take account of the Care Act. This therefore provides some mitigation against the issues identified above.
- 6.27 Taking all of this into account leading Members have requested that officers prepare the draft budget for Cabinet on the basis that **proposal ASC17 is partially agreed**. A saving of £0.45m is to be built into the budget for 2015/16, as originally envisaged in the December report, which equates to a 10% reduction in headcount. However, the further saving of £0.45m in 2016/17 is not agreed and will be withdrawn from the council's financial plans.

## Children's Services

- 6.28 Significant concerns have been raised about four proposals and it is therefore these proposals that Members need to review most carefully in making their decisions. In doing so Members should be mindful that the proposals for children's services attracted very little comment in the written public consultation exercise. However, at Brent Connects public meetings significant representations were regularly made about some proposals, and the borough plan consultation on spending priorities clearly identified public concern to prioritise some children's services.
- 6.29 The four proposals are:
- CYP4 – Cuts to Connexions Service
  - CYP8 – Cease funding the Brent Play Association at Stonebridge
  - CYP16 – Close 10 children's centres Day Centres
  - CYP17 – Close all youth services.
- 6.30 Proposal CYP4 proposed reduction in the Connexions service, which provides employment and training advice for young people, to provide them with opportunities in life. These would have resulted in about half of the existing budget being cut, with the remaining balance used to finance, principally, the contract with Prospects. The existing intensive personal support advisers would be deleted.
- 6.31 While Brent does not have high levels of young people not in education, employment or training (NEETs), it has high numbers of young people seriously at risk of becoming NEET, in particular young people who are gang affected and those with special educational needs and disabilities. The EIA shows that there are a disproportionate number of young black men and young disabled people who would be affected by this proposal.
- 6.32 Taking all of this into account leading Members have requested that officers draft the budget for Cabinet on the basis that **proposal CYP4 is not agreed**.
- 6.33 Proposal CYP8, which would lead to the closure of the Stonebridge Adventure Playground, has attracted significant public reaction. There is a separate report on the agenda at this meeting, which sets out in detail the proposed way forward as regards the contract with Brent Play Association. Members are advised to refer to that report. Leading Members have requested that officers draft the budget for Cabinet on the basis that, subject to the Cabinet decision on the other report, **proposal CYP8 is agreed**, the contract with Brent Play Association terminated and savings of £0.118m achieved.
- 6.34 Proposal CYP16 would save £1.2m by closing 10 children's centres. However, it is important firstly to understand the financial context for this. Savings of £0.5m have been also proposed (reference CYP1) through implementing a partnership model for the running and

management of children's centres. No significant representations have been made against proposal CYP1, which is predicated on the existing estate of 17 centres and could not be achieved if a majority of these were to be closed.

- 6.35 Children's centres provide important early help to young people and their families, and cutting the level of provision by more than half would impact significantly on this service. Public feedback has reinforced this view, not just through the overall budget consultation but, in addition, the consultation on the future of the children's centres has emphasised how much they are valued by more vulnerable families. Strong representations have also been made at several Brent Connects meetings.
- 6.36 Members should bear in mind the forecasts of future funding projections referred to elsewhere in this report. As long as the assets remain open they will represent a significant expenditure item in the budget, and there is therefore merit in considering now whether the full estate of 17 centres can be provided indefinitely. The advantage of implementing a partnership model now, whilst keeping all the centres open, may be that it facilitates the identification of other, longer-term, funding solutions.
- 6.37 Taking all of this into account leading Members have requested that officers draft the budget for Cabinet on the basis that **proposal CYP16 is not agreed**. For the avoidance of doubt, proposal CYP1 is agreed, and is intended to proceed as set out in December.
- 6.38 Proposal CYP17 would save £1.3m by closing all youth services. However, the budget also contains a proposal, CYP3, which would take £1m out of the cost of the current service through working with the Cabinet Office to find new means of service provision in partnership with the voluntary sector and other groups. No significant representations have been received against proposal CYP3, and it is important to understand that CYP17 would therefore save £0.35m over and above CYP3.
- 6.39 Closing all youth services would present significant challenges. A number of representations have been made, for example at Brent Connects meetings and from the leaders of the Brent Youth Parliament. The borough plan consultation has also identified the importance of preserving services for the young and the risks of increased long-term costs for the public sector without these preventative services. A petition has been received, with, as at 7 February 2015, 117 signatures, calling on the council, amongst other things, to:

*“...consult with young people effectively before making any cuts to any youth provision in the borough” and to “...scrutinise existing provision to ensure that these resources are appropriate and effective...”*

- 6.40 The existing proposal CYP3 creates the space to do this and to transform youth services in the borough. This will in time lead to a lower cost model with less direct council control, but with significant services still commissioned. Cutting services dramatically and in the short term could have many other unpredictable and negative consequences.
- 6.41 Taking all of this into account leading Members have requested that officers draft the budget for Cabinet on the basis that **proposal CYP17 is not agreed**. For the avoidance of doubt, proposal CYP3 is agreed and is intended to proceed as set out in December.

### **Environment and Neighbourhoods**

- 6.42 Within this department public consultation and other feedback has identified that the proposals listed below are the most difficult and controversial:
- ENS2, to end the existing free swimming offer
  - ENS13, to charge for bulky waste collection
  - ENS18, to transfer the management of libraries to a trust
  - ENS21, to cease funding school crossing patrols
  - ENS24, to close the CCTV room and cut all CCTV services
  - ENS25, to close a leisure centre
  - ENS26, to reduce public realm services.
- 6.43 Proposal ENS2 is to cease the free swimming currently available to young people, disabled people and older people with a saving of £0.06m. A new programme of free swimming and water related activities has recently been introduced using public health funding which will allow some people to remain active at no cost. However, many people who currently swim for free during lane swimming sessions or school holiday sessions will no longer swim for free. This will have some equality issues and may impact on those with low incomes.
- 6.44 Taking all of this into account leading Members have instructed officers to prepare the budget on the basis that **proposal ENS2 is not agreed** for 2015/16. Officers will continue to seek sponsorship or other sources of funding to preserve this service into the future.
- 6.45 Proposal ENS13 would save £0.174m by charging residents for bulky waste collections. The precise details of the proposed charging policy are included in the published description of the proposal. Many boroughs in London operate charging policies for bulky waste, with pricing policies either broadly similar to that proposed to be introduced in Brent, or in some cases they charge considerably more than that

proposed here. Adopting the proposal would not therefore result in Brent becoming out of step with other London boroughs.

- 6.46 A consequence of charging for bulky waste may be an increase in fly-tipping in the borough and the saving has been calculated to provide some additional resource to cover this. However, additional fly-tipping will have a detrimental environmental effect on the borough and may lead to even further levels of fly-tipping.
- 6.47 The equality analysis for this proposal has highlighted some negative impacts in relation to older residents and disabled people. Any new charge should reflect ability to pay, in line with the charge for green garden waste.
- 6.48 Taking all of these factors into account leading Members have requested that officers prepare the draft budget on the basis of an alternative proposal. This would save £100,000, instead of the £174,000 originally envisaged, and would allow residents one free collection a year, after which they would be charged £25 for each collection.
- 6.49 Proposal ENS18 is to transfer the management of the library service to an established trust (or conceivably a new model that would share similar features) with an associated saving of £0.16m. At one level this proposal is a very simple operational efficiency. If put into practice the council's net business rates liability will be reduced, generating the saving. The budget directly available to fund services would not be affected. Put solely in these terms the logic is powerful, especially in the context of the other decisions that the council is forced to confront.
- 6.50 It is also relevant that this is an approach that is now being taken by a number of different councils. A range of different models are in place, as there are with trusts managing sports centres. Initial soft market testing has suggested there would be an interest from Trusts in this proposal. If the proposal is agreed a comprehensive and transparent procurement process would need to be undertaken to ensure that a suitable partner with relevant experience could be engaged. Against this it is clearly the case that changes to how the library services are provided are often controversial and attract strong and often negative public opinion. However, on this occasion the written responses to consultation have not generated this response.
- 6.51 Taking all of this into account leading Members have requested that officers prepare the budget on the basis that **proposal ENS18 is agreed**. Clearly, substantial consultation on the final model selected will be required.
- 6.52 Proposal ENS21 relates to school crossing patrols (SCPs). This proposal would save £0.177m by ceasing council funding for SCPs. These patrols attract very strong public support and are highly valued by parents and carers, even when other safety measures provide a

high level of accident mitigation. Following previous cuts to the SCP service in 2012, patrols that the council continues to fund tend to be in locations where road safety risks are higher than the norm.

- 6.53 A petition has been received by the council against this proposal, with 404 signatures as at 7 February 2015. It calls on the council to:

*“...review the proposed plan to sack all School Crossing Patrols in the borough. We want to protect School Crossing Patrols from cuts to ensure the safety of children travelling to and from school and encourage children to walk and cycle rather than be driven...”*

- 6.54 A further petition from Leopold Primary School has also been received, with 295 signatures, requesting that their school crossing patrol is maintained.

- 6.55 At the Brent Connects and other public meetings there have been consistently strong representations made as to the value to be placed on the SCPs, as a good road safety device and also as they facilitate a degree of community spirit. Equally, the written consultation exercise attracted significant support for retaining this service.

- 6.56 Against this strong expression of public opinion, it is also the case that many primary school children travel to school in the company of an adult parent or carer. Where they do travel on their own they will usually be at the older age range for primary school children, and often key road crossings will be made in the presence of other adults taking their own children across roads. This offers some, but by no means full, mitigation against the safety risks.

- 6.57 It is also relevant to consider the funding source for this proposal. The council, in considering this, is proposing to withdraw its funding for these patrols. The council has, as with other proposals in this report, no objection in principle to other groups stepping in to provide the funding or for community based volunteers providing an alternative (such as parent-led "walking buses" in this context). Perhaps, more pertinently, it is open to the schools to fund this service and all schools which currently have a school crossing patrol have been contacted about this option. It is relevant to note the disparity in funding levels between the council and its schools. This is referred to elsewhere in the report, and the three key points to bear in mind are that:

- Schools' balances, at 31 March 2014, were £17.6m, nearly 50% higher than the council's general reserve of £12m
- Total DSG funding of £206m in 2014/15 was greater than core unring fenced government funding for general fund services of £175.3m, and over twice the main RSG
- This disparity will only increase over time. Funding for schools generally has increased in real terms over the last five years and is anticipated to continue to do so, whereas council funding is decreasing.

- 6.58 Seven schools have now offered to retain the patrols at their expense. The remaining twenty four who currently benefit from this service (most schools in Brent do not have any service) have not yet made such an offer.
- 6.59 Taking all of this into account leading Members have requested that officers prepare the budget on the basis that **proposal ENS21 is agreed**. Where schools are prepared to fund the service the council will work with them to facilitate this in the most administratively appropriate arrangement.
- 6.60 Proposal ENS24 would save £0.5m by ceasing to provide a CCTV service. The service provides a proactive and a reactive presence across the borough. Community confidence would be greatly impacted by this decision. Residents generally agree with the use of CCTV by local authorities, although there are some strong national lobby groups against its use. To remove this service could increase the fear of crime across the borough. Cessation of this service would remove the proactive ability to identify incidents and allocate resources as they occur, leading to a greatly reduced ability to control emerging incidents. Brent's Emergency Planning processes rely on the use of CCTV to monitor and manage situations as they occur. Without this resource the ability to respond to emergencies would be severely hampered.
- 6.61 Equally, the borough would lose the ability to provide evidence for criminal investigations and court cases, which would impact on the ability of the criminal justice system to achieve positive outcomes to prosecutions. However, the council could reasonably adopt a policy position of seeking to achieve savings through contributions to the cost of the service from other agencies, such as the Police and Crown Prosecution Service, each of which has a strong interest in the provision of CCTV services, but it is uncertain whether or not such contributions would be forthcoming.
- 6.62 The national stadium at Wembley hosts up to 37 major events per annum, with up to 90,000 spectators visiting the site on each occasion. The stadium relies on an integrated CCTV network to manage crowds during these events. This ability would be severely hampered and may affect the success of the borough bidding for major future events. Brent's CCTV network is also integrated with that of Transport for London and there is mutual access to the cameras of each organisation. This symbiotic relationship assists both organisations in maintaining public safety on the transport network.
- 6.63 Public feedback on this issue has been limited, with one response to the written consultation opposing it. Some residents also expressed concerns about the proposal at Brent Connects meetings.
- 6.64 Taking all of this into account leading Members have requested that officers prepare the draft budget for Cabinet on the basis that **proposal ENS24 is not agreed**.

- 6.65 Proposal ENS25, if agreed, would save £0.4m by closing a leisure centre. If this went ahead Members would need to determine which leisure centre should actually close and resolve the various operational and contractual issues. Two of the current leisure centres are managed via a contract with third party providers, one of which is a long term PFI contract. The other is part of a contract in partnership with two other London boroughs. In both cases, ceasing the contract arrangements are likely to have considerable associated costs, the one-off costs of which would need to be taken into account if this proposal were to be adopted.
- 6.66 Leisure centres are valued by residents, and four comments were received against this proposal in the written public consultation. For many residents, leisure centres are a way of keeping fit and healthy and an important element of residents' social lives. The centres provide many services and activities specifically targeted at under-represented groups and there would be a significant negative equalities impact of closing a centre. Whilst some of this work may be picked up at a different facility many people may cease participating in physical activity as a result.
- 6.67 It is the case that agreeing this proposal would, relatively speaking, impact a fairly high number of residents relative to some other difficult proposals. As some leisure services are charged for the net savings from closing a centre, whilst substantial, must take account of income foregone. The savings of £0.4m set out, for example, would equate to approximately £1.4m reduction in expenditure, offset by £1.0m reduction in income: in other words the value of services that would be withdrawn is significantly greater than the saving that would actually accrue.
- 6.68 Members also need to bear in mind that the council is not the only provider, or commissioner, of leisure services in the borough. There is an active private market, from gym and fitness clubs to sports facilities. Withdrawing council provision would therefore not be the same as withdrawing all provision, as would be the case with some of the other challenging decisions that the council is faced with.
- 6.69 Taking all of this into account leading Members have requested that officers prepare the draft budget for Cabinet on the basis that **proposal ENS25 is not agreed.**
- 6.70 Proposal ENS26, if agreed, would save £0.4m through reductions in the service specification for the public realm contract. This proposal is made up of three elements, each of which, taken in isolation, would save between £0.1m and £0.15m. Two elements, to cease the use of pavement mechanical sweepers and to end the weekend litter collection service in parks. This latter service has only been reintroduced into parks since September 2014 under the new public realm contract arrangements. Prior to this date, the service was

removed in April 2011 when the provision of static parks wardens was removed from larger parks. This resulted in a significant number of complaints during the summer months and a resulting loss of grounds maintenance work when those staff had to cover litter on a Monday morning.

- 6.71 The third element of the proposal is to end/reduce the litter clearing on residential streets. Whilst the council has a duty to provide a cleansing service across the whole borough how this is achieved is not set in statute. It will be necessary to keep roads clean of litter and refuse as far as reasonably practicable in a way that will meet the relevant EPA grade. This may mean a greatly reduced service, rather than no service at all. This may result in significant resident dissatisfaction and would have a clear impact on the public realm. Against this, it is important to understand the standard of service that would remain. Streets would still be cleaned, which in itself necessarily implies that rubbish and litter are swept. If these proposals were agreed as savings, then the public realm contract allows for a review of the contract targets in relation to cleansing and customer satisfaction. It is likely that the contractor would reasonably negotiate lower target levels to reflect the lower budget available.
- 6.72 Taking all of this into account leading Members have requested that officers prepare the budget on the basis that **proposal ENS26 is not agreed.**

### **Regeneration and Growth**

- 6.73 Within this department public consultation and other feedback has identified that the proposals listed below are the most difficult and controversial:
- R&G27a, to reduce further the budget for supporting people services
  - R&G38, to cut the civic centre opening hours
  - R&G40, to cut rough sleeper services.
- 6.74 Proposal R&G27a would reduce the supporting people budget by £1m in 2016/17. This would be in addition to proposal R&G27, which would reduce the budget by £1.8m over two years. The current budget is £7.1m.
- 6.75 This additional saving would mean a significant reduction or selective cessation of services to provide supported housing and floating support to vulnerable individuals and families to assist them to maximise their independence and prevent homelessness. The service provides support to individuals with mental health needs, homeless families, ex-offenders, victims of domestic violence, young people at risk and isolated older people.
- 6.76 However, these services are not statutory requirements. There may be potential for VCS organisations to take on a greater burden of support

for these client groups but it is very doubtful that there is capacity to do so to the extent implied by this saving in addition to the significant savings identified elsewhere in this area.

- 6.77 Supporting People services is a catch-all term for a variety of housing support services aimed at people who do not meet the council's eligibility threshold for social care services. The services provided are intended to prevent clients developing greater care needs by addressing housing issues. No significant comment has been received from the general public on this proposal, although this may be because the term 'supporting people' is not well understood.
- 6.78 Taking all of this into account leading Members have requested that officers prepare the budget on the basis that **proposals R&G27 and R&G27a are agreed.**
- 6.79 Proposal R&G38 relates to reducing opening hours for Customer Services Centre (CSC) at the civic centre with a saving of £0.25m. As online services develop more and more councils, and other organisations, are seeking to reduce their face to face customer offer. This is normally predicated on the basis that services can continue to be provided, at lower cost. In this case the council would reduce, not discontinue, its face to face offer, and because an appointment service would be in operation any resident wishing to access council services face to face could still choose to do so.
- 6.80 However, the council's online offer is not yet highly sophisticated. This is being addressed through the new Community Access Strategy which includes plans to support the migration of contact to digital channels but this is at an early stage of implementation and premature restrictions to face to face access will create hardship for many who rely on this. Homelessness applications, which are currently handled by way of face to face interviews in the CSC, are not currently available on line. A fundamental review of the current housing service model is planned for 2015/16 which will include incorporation of an on line application and plans to broker private sector tenancies for those in crisis at an early stage in the process. In the interim the Council will need to continue to provide a responsive service to those in housing crisis and by definition these cannot be restricted unreasonably.
- 6.81 The majority of other visits to the CSC relate to benefits and council tax. Although benefit customers can claim on line and are doing so successfully, approximately 50% require help to claim on line and need access to CSC self service facilities to access the internet. Additionally there is a requirement to bring in proof of identity for every claim and 30% of claims also require validation of income and savings by way of original documents. The new web portal is due to go live in July 2015 and this will provide residents with on line access to their Council Tax account and the ability to manage their account on line. Once live efforts will be made to migrate as many contacts as possible on line but this will take time to achieve.

- 6.82 The CSC is currently undergoing redesign to incorporate a significant increase to self service facilities. The new Willesden library will incorporate some self service facilities however customers requiring assistance will need to visit the Civic Centre. This will mean that there will be additional reliance on face to face facilities at the Civic Centre from July 2015 when the temporary CSC at Harlesden ceases and the new Willesden library opens. There would therefore be significant risks in moving quickly away from making face to face services available five days a week. It is also important to bear in mind the demographic of Brent. Needs are relatively high compared to other outer London boroughs, although perhaps not at the level seen in some inner London boroughs. The EIA has also identified significant negative aspects of this proposal.
- 6.83 Taking all of this into account, leading Members have instructed officers to prepare the budget on the basis that **proposal R&G38 is not agreed.**
- 6.84 Proposal R&G40 identifies a saving of £0.19m from ceasing council-led rough sleeper services. Over 320 people have been found sleeping rough in Brent over the first three quarters of 2014/15. This is a rise of a fifth from last year, following three years of rapidly rising numbers.
- 6.85 The ending of the current outreach and resettlement services would increase the time individuals spend sleeping rough and the consequent health and welfare problems that they experience. The last year has seen a significant increase in the number of economic migrants sleeping out in parks in the borough with associated problems or perceived problems of anti-social behaviour. The service has played an important role in mitigating this problem, which would be lost if it ceased.
- 6.86 This is a very vulnerable group of people, and continuing to support them would be consistent with the overall findings from the public consultation that protecting the vulnerable should be a high priority.
- 6.87 Against this Members should consider whether this is an absolutely essential service and as such spending priority. The provision of rough sleeping services is not a statutory obligation. If the borough made this saving a minimal service would continue to be provided by the GLA funded London Street Rescue service which operates across the capital, but is restricted to rough-sleepers who have not previously been contacted.
- 6.88 The causes of rough-sleeping are complex and include wider issue of housing market failure and the impact of welfare reforms. It may not be financially sustainable for the council to provide the safety net of this provision in response to these wider factors that are largely outside of the Council's control. The EIA has also identified significant negative aspects of this proposal.

- 6.89 Taking all of this into account leading Members have requested that officers prepare the budget on the basis that **proposal R&G40 is not agreed**.
- 6.90 Some concerns have also been expressed about the Council's support for Energy Solutions. The intention is that this and other voluntary sector groups should seek to become self-financing or, at the least, less dependent on ongoing Council funding. Recognising this, the base budget cut to the grant to Energy Solutions will proceed as planned. However, one-off support of £50k will be provided in 2015/16 from the R&G budget to enable the transition.
- 6.91 Based on the budget as set out above the budgets for 2015/16 and 2016/17 are as summarised below.

	2015/16	2016/17
	£'m	£'m
Service Budgets	250.1	235.8
Central Items	40.7	43.0
Centrally held government grants	(26.5)	(26.0)
Growth and inflation	13.8	7.4
Savings	(28.1)	(23.4)
Additional savings to find	(0.0)	(0.9)
<b>Net Budget</b>	<b>250.0</b>	<b>235.9</b>

### Central Items

- 6.92 Central items are items not included in individual service cash limits. The total of central items is £40.7m in 2015/16. The total budget for external interest and principal in 2015/16 is anticipated to be £28.5m. The council has been careful not to enter into new borrowing to avoid further pressure on this budget. Interest rates are very low at present, with long-term loans available from the PWLB at between 2.5% and 3.5% for 20 to 50 year money.
- 6.93 As interest rates are very low at present the premia that would be charged on early redemption of any existing debt are not realistically affordable. For illustrative purposes, an existing loan of £9.2m from the PWLB would cost £10m in early redemption fees to repay, in addition to the principal.
- 6.94 The central items budget also contains the ongoing revenue cost of pensions caused by premature retirements, which took place primarily up to 31<sup>st</sup> March 1994 (£5.5m), levies to other bodies (£2.6m) and the cost of insurance (£2.6m). Further details of the items are included in Appendix G.

### HRA

- 6.95 The detailed HRA budget is set out in a separate report to the Cabinet and is summarised in Appendix I. The proposals reflect an overall

average rent increase of 2.8% which is consistent with the previously agreed rent policy and enables the investment in the Council's housing stock as set out in the HRA asset management plan.

## Schools Revenue Budget

- 6.96 The Schools Budget is funded directly from a Dedicated Schools' Grant (DSG) which is ring-fenced and does not appear as part of the Council's overall budget requirement. Schools are also allowed to build reasonable levels of reserves which are also ring-fenced.
- 6.97 As at 31 March 2014, Brent's maintained schools held £17.6m in balances, more, in aggregate, than the council's entire general reserve and the 11<sup>th</sup> highest figure in London.
- 6.98 In July 2014, the Department for Education announced additional national funding of £390m for 2015-16 to provide further resources for the least fairly funded local authorities. Brent's schools will benefit from this by £10.6m. Overall, DSG funding will increase by 11% in 2015/16 as presented by the allocations below (which includes academies).

<b>Blocks</b>	<b>£'000</b>		
	<b>2014/15</b>	<b>2015/16</b>	<b>Increase</b>
Schools	190,707	220,009	29,302
High Needs	55,544	55,831	287
Early Years *	26,398	26,738	340
Other	0	58	58
<b>Total DSG</b>	<b>272,649</b>	<b>302,636</b>	<b>29,987</b>

\*2015/16 Early Years funding is based on estimates

- 6.99 This increase represents in part to an 8% increase in funding per pupil in Secondary education and a 6% increase per pupil in Primary education.

<b>Per Pupil Funding</b>	<b>2014/15</b>	<b>2015/16</b>
Primary	£4,596	£4,864
Secondary	£5,813	£6,258

## 7 Equalities Implications

- 7.1 This section highlights any significant or disproportionate impacts on equality arising from the full package of savings originally proposed in the December report to Cabinet. All of these proposals have been reviewed to assess their potential impact on equality for service users and staff. The collective set of proposals has also been analysed to identify the most significant equalities pressures confronting each of the council's main service areas and to calculate the cumulative impact of all the proposed changes on equality.
- 7.2 Under the Public Sector Equality Duty (PSED) in the Equality Act 2010, Brent Council is required to pay due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different groups when making decisions. The PSED

supports the council to make decisions in a fair, transparent and accountable way that takes into account the diverse needs of all our local communities. It does not prevent us from making difficult decisions in the context of the requirement to achieve a significant level of savings across all operations.

- 7.3 Members are reminded that the budget can be described as a financial plan of the Council's current operational intent. Where known, the equality impact of change is disclosed. However there are a number of individual decisions that will arise over the period of the 2015/16 budget. These will each be subject to a specific and appropriate equality analysis in line with the Council's current protocols and guidance.
- 7.4 The proposals for budgetary savings are extensive and will affect everyone living and working in Brent. The Council has already made extensive efficiencies and is now at a point where it is not possible to achieve the level of savings required without impacting on service delivery. It is inevitable that there will be a significant impact on those vulnerable people who are the greatest users of council services, particularly older people, disabled people and children. Many of the proposals would also have some negative differential impacts in relation to ethnicity or gender; one or two proposals would have a severe impact on lesbian, gay, bisexual and transgender people and in relation to pregnancy and maternity. The collective set of proposals will only have minimal impacts in relation to religion or belief.
- 7.5 Some of the proposals will have a negative impact on large numbers of people, regardless of their equality characteristics. Although these proposals will be unwelcome and are likely to attract significant public reaction, they are not considered to be problematic from an equalities perspective as they will not unfairly impact on any equality group.

#### **Council tax rates**

- 7.6 The council could choose to increase council tax instead of implementing some of the budget proposals. Increasing council tax would generate additional revenue. This would have the effect of enabling the council to reject more savings proposals, which, depending on those chosen, could reduce the adverse equalities impact. Against this, increasing the council tax would increase the financial pressure particularly on those earning just above the threshold to qualify for council tax support in which group BAME residents are disproportionately represented. Decisions on council tax are therefore broadly neutral from an equalities perspective.

#### **Adults Social Care (ASC)**

- 7.7 The most significant equalities pressures facing ASC relate to providing services to a growing elderly population with a more complex range of

needs who have already been heavily affected by national cuts to welfare reform and health and social care.

7.8 The majority of the proposals focus on driving organisational efficiencies through new operating models to limit the impact on service users. Officers will regularly review and update the equality analyses for these proposals and conduct further consultation with service users to ensure that they are implemented in a fair and accessible way. Some of these proposals, notably ASC2 (increasing extra care/supported living accommodation), are likely to have a highly positive impact on disabled residents.

7.9 The proposals which are likely to have the most significant negative equalities impact are set out below. These proposals will all impact on those service users with the highest level of need, who are most profoundly disabled or have weaker support networks:

- ASC2.1 (reduction in respite care);
- ASC8 (reduction in day care);
- ASC11 (reduction in home care); and
- ASC17 (reduction in front line staff).

In all these cases, Brent has a statutory obligation to provide sufficient services to meet the individual needs of service users, as identified through an assessment using national criteria. Fulfilling this statutory responsibility should limit the impact of these proposed changes on the most vulnerable service users.

7.10 It is also worth noting that the collective set of budget proposals would have a cumulative negative impact on elderly, disabled and frail people by: limiting access to face to face customer services (RG38); ceasing the Energy Solutions Grant which will affect those at risk of fuel poverty (ENS5 & RG24); and affecting these groups' confidence and opportunities to go out within their local communities (ENS2, ENS9, ENS10, ENS11 and ENS26).

### **Children and Young People (CYP)**

7.11 The majority of proposals from CYP focus on driving organisational efficiencies through new operating models to limit the impact of budgetary savings on the experiences of children and young people.

7.12 The proposals which are likely to have the most significant equalities impact are set out below:

- CYP16 (closure of ten children's centres) would impact heavily on children, families, pregnancy and maternity, race and sex
- CYP 17 (cessation of youth services) would impact heavily on young people, gender identity, race, sex and sexual orientation. The loss of the Mosaic LGBT Youth Service would have a particularly severe impact as there are unlikely to be other local service providers who could fill the gap of providing a supportive environment for lesbian, gay, bisexual, transgender and questioning young people.

For clarification, the related proposals CYP1 and CYP3 would not have these negative impacts on equality.

- 7.13 CYP4 (changes to the Connexions service) would affect the opportunities of young people, especially young black men and disabled young people who are most likely to experience barriers to getting into employment in Brent and nationally.
- 7.14 It is also worth noting that the collective set of budget proposals would have a cumulative negative impact on children and young people by: limiting children's access to play and leisure facilities and opportunities (CYP8, ENS1a, ENS2, ENS3 & CYP9, ENS4, ENS20 and ENS25); and affecting children's safety (ENS9, ENS10, ENS11, ENS21 and ENS24).

### **Environment and Neighbourhood Services (ENS)**

- 7.15 The proposals which are likely to have the most significant equalities impact are set out below:
- ENS5 (ceasing Energy Solutions grant) would affect older people, children, disabled people and residents from black ethnic groups who are most likely to be at risk of fuel poverty
  - ENS25 (closure of one of the council's three sports centre) would impact on children, older people and on ethnicity, depending on the location of the sports centre which is closed. The customer base of each sports centre has a different ethnic profile which reflects the diversity of the local community. Taken together with the proposal to remove free swimming (ENS2), these proposals could exacerbate local health inequalities.
- 7.16 Overall, the ENS proposals could have a cumulative negative impact on elderly, disabled and frail residents (see paragraph 7.10) and on children and young people (see paragraph 7.14). Although many of the remaining ENS proposals have been identified as having some negative impacts on equality, the levels of impact are minimal in comparison to other proposals and can usually be mitigated against or justified in the context of the requirement to achieve significant savings.

### **Regeneration and Growth (RG)**

- 7.17 The majority of proposals from RG focus on driving organisational efficiencies and income generation through new operating models to limit the impact of savings on service users. Some of these proposals are likely to have a highly positive impact on many equality groups, notably RG32 (the Community Access Strategy) which will enable officers to focus assistance on the most vulnerable service users by offering a greater range of channels to access council services.
- 7.18 The proposals which are likely to have the most significant equalities impact are set out below:
- RG24 (energy solutions) – see ENS5 in paragraph 7.15 above.

- RG27a (supporting people services) would have a significant impact on highly vulnerable people including victims of domestic abuse, people with serious mental health issues, isolated older people and other groups who would not qualify for other forms of support from the council and would increase their risk of being made homeless.
- RG38 (reducing face to face customer services at the Civic Centre to two days a week operating on an appointments basis) could restrict access to customer services to all vulnerable residents who cannot access digital and telephone services without assistance. The Council would need to consider ways to provide more assistance for disabled service users where necessary, as a failure to make anticipatory reasonable adjustments for disabled service users would be considered to be discrimination on grounds of disability under the Equality Act 2010.
- RG40 (ending services to rough sleepers) would have a severe impact on a small group of people with complex needs, predominantly with mental health problems and from an Eastern European background. This proposal would be likely to lead to an increase of rough sleepers in Brent parks, which could be intimidating for other park users.

### **Corporate services**

- 7.19 Proposed changes to the Partnerships and Engagement team, the Ward Working budgets and Voluntary Sector grants are not expected to have any negative impact on equality. These changes should be designed and delivered with a focus on building the capacity and resilience of the voluntary and community sector, which is a key priority to mitigate against many of the negative equality impacts of other proposals.
- 7.20 The majority of the remaining proposals in corporate services will impact on staff. Given the scale of staffing reductions, there is potential for these proposals to have a significant impact on all levels of the workforce. It is important to ensure that changes will not have a disproportionate impact on any equality groups. Brent's Managing Change Policy and Procedure provides a framework to be followed during times of organisational change to minimise the risk of a negative impact on any equality groups. The Managing Change Policy requires that staffing changes undergo equality analysis to ensure that the restructure process is conducted in a fair, transparent and non-discriminatory manner. The Equality Team will review the cumulative impact of restructures on the workforce diversity profile once their outcome is known.

## **8 Consultation**

- 8.1 The Council has consulted on the budget options in a variety of ways. The results of consultation are something that Members must have due regard to in making budget decisions. However, consultation need not

necessarily be the single or even most significant determining factor in choosing between difficult options.

- 8.2 The results of different forms of consultation cannot simply be evaluated against one another. It is not possible to state on an entirely objective basis, for example, whether the number of written representations made against a particular proposal should have greater or lesser weight in the decision making than the objections made verbally by groups of service users at a Brent Connects meeting. Members must use their judgement in assessing these various factors in order to help make choices about the budget.
- 8.3 The council has consulted on the budget and borough plan, which are interlinked, as summarised below.
- 8.4 A key part of preparing the next Borough Plan 2015 -2019 and the budget has been an extensive programme of public consultation and debate on spending priorities. This has been undertaken in a range of both qualitative and quantitative ways to enable people to contribute in a way most suitable for them. The council's programme of consultation started in September 2014 and continued through to the end of January 2015

The programme included:-

- **A Residents' attitude survey:** A demographically representative survey, completed face-to-face with 2,121 respondents across the borough.
  - **A Call for evidence consultation:** An open-question consultation, available for completion online and in paper format. This received 237 responses
  - **Voluntary and Community Organisation focus groups:** A series of focus groups hosted and run by CVS Brent and built around the same four questions used in the call for evidence consultation
  - **Public workshops:** Collaborative focus groups established for deeper exploration of issues and attitudes, attended by a total 500 residents including young people.
  - **Budget consultation:** Discussions with the Leader and deputy Leader at all the Brent Connects Forums, responses collected online and by post on the specific budget proposals. Two independently chaired public debates on the budget with the Leader and Deputy Leader held during January 2015.
- 8.5 This wide ranging approach has enabled the Council to collect detailed statistical evidence, which will inform our future service planning and also a clear picture of local communities' service priorities. A number of consistent messages emerged during the consultation period and these have shaped the priorities in the Borough Plan 2015 – 2019 and the approach to the budget 2015 -2017.

#### **Key messages from the public consultation.**

- A safe, clean and well maintained local environment was identified as the highest priority for most people.

- Council spending should be focused on core front line services for the most vulnerable members of the community particularly in children's services and adult social care.
- Efficiencies should focus on streamlining management structures, reducing bureaucracy and maximising the use of technology.
- More collaboration with partners and other local authorities to share services was suggested as a way to reduce costs. Working with local community groups to co-design neighbourhood services was widely mentioned and sharing care services with health partners.
- 62% of people were happy to access public services on line and use self service options to make efficiencies to protect other community services.
- People were happy to receive communications and information from the Council by email and use our website.
- A similar figure (61%) agreed that if local people can run a service as well or better than the council, then local groups should be supported to do so,
- However, fewer people, 41% of the total, agreed that they would be prepared to volunteer to help run a local service rather than see it reduced or cut altogether.
- Local people were interested in volunteering to support people with a care need, improve the safety of their neighbourhood, maintain the local environment or provide youth activities.
- Many people reported how important the strong community networks that exist in Brent are to their quality of life. Investing in these to build community resilience and enable people to be more independent in the future was considered a high priority.

## Summary of Public Responses to Budget Consultation - February 2015

8.6 In total the public consultation on the budget options received 37 individual written submissions. A number of the submissions covered more than one budget option and therefore the comments have been counted individually and total 54 individual comments.

8.7 There have also been four petitions. Two petitions object to the proposals to stop school crossing patrols at a named school. The third petition relates to the option to close the Welsh Harp Environmental Education Centre. A fourth petition relates to opposition to any closure of the Bridge Park Leisure Centre.

Budget option.	Number of comments	Summary
Day centres and Adult Social Care Services	12	<ul style="list-style-type: none"> <li>Eleven of the responses are opposed to Adult Social Care. Most focus on the proposed closure of day-care centres, with seven specifically mentioning objections to the closure of the Millennium Day Care centre. The comments focus on the view that there is insufficient alternative provision locally, in the event of the council's direct services closing.</li> <li>There is also opposition to Social Care reductions in general particularly reducing social work staff by 20%, and respite care.</li> <li>One respondent objected to the option for 15 minute day care visits.</li> <li>The one comment in support of the proposal simply says that Adult Social Services is an obvious area to deliver efficiencies due to the size of the budget.</li> </ul>
School crossing patrols	6	<ul style="list-style-type: none"> <li>Five of the responses are opposed to reductions in this area. Those against focus on the service being necessary to ensure the safety of children. There are two individual responses and three group ones - one a petition from 250 people regarding the crossing patrol at Islamia Primary School, one co-signed by pupils at Brondesbury C of E Primary School, and one from school governors and staff at Mount Stewart Junior School.</li> <li>The one response that supports this option states that it should be possible for the schools or volunteers to provide the service themselves.</li> </ul>
Council tax	5	<ul style="list-style-type: none"> <li>Four responses supported rises in Council Tax to help fund services (two specifically call for a referendum).</li> <li>One response proposes that all properties that have been extended should be inspected with a view to revaluation to raise the council tax band and generate additional revenue.</li> </ul>

<b>Budget option.</b>	<b>Number of comments</b>	<b>Summary</b>
Arts, culture and leisure	4	<ul style="list-style-type: none"> <li>• Three comments are opposed to ENS25 (closing one of the three leisure centres) - one against closing Willesden Sports Centre, one against closing Bridge-park, one against the proposal in general.</li> <li>• Final response proposes the closure of all libraries as the respondent considers the service to be no longer sustainable on the current funding available.</li> </ul>
Corporate - reduce staff/pay/ agency staff.	4	<ul style="list-style-type: none"> <li>• All four comments support cuts to numbers of staff, pay-freezes, pay-cuts, (l-pads), expensive celebrations (Civic opening ceremony) and use of temporary and agency staff.</li> </ul>
Brent VCS	4	<ul style="list-style-type: none"> <li>• Two responses from Brent Fairtrade Network - both saying they value their liaison officer and use of council meeting rooms.</li> <li>• One response supporting the provision of capacity building services via VCS.</li> <li>• One detailed proposal from Energy Solutions lobbying for continued Council funding for fuel poverty work for the next two years.</li> </ul>
Communication	3	<ul style="list-style-type: none"> <li>• Two requests to stop hardcopy of Brent magazine and move it online.</li> <li>• One expression of concern stating that not all people are online and Brent assuming that they are is leading to more social isolation for the elderly</li> </ul>
Councillor's Allowances	3	<ul style="list-style-type: none"> <li>• Three requests to reduce councillor allowances - two of which specifically mention the rise from £8k to £10k being unjustified</li> </ul>
Environment	3	<ul style="list-style-type: none"> <li>• One response supporting charging for specific environmental services (including garden waste collection and bulky waste collection).</li> <li>• One against reductions to street cleaning</li> <li>• One (detailed letter from friends of the earth) against 9 different E&amp;N related budget proposals</li> </ul>
Charging for green bins	2	<ul style="list-style-type: none"> <li>• Two comments opposing the introduction of this charge</li> </ul>
Crime	1	<ul style="list-style-type: none"> <li>• One comment opposed to the proposal to stop CCTV and the negative impact this would have on crime levels.</li> </ul>
Employment	1	<ul style="list-style-type: none"> <li>• One comment proposing reducing spending on employment support services.</li> </ul>
Housing	1	<ul style="list-style-type: none"> <li>• One comment proposing that the council should means test council tenants and withdraw tenancies from people who have sufficient income to afford private housing.</li> </ul>

Budget option.	Number of comments	Summary
School expansion	1	<ul style="list-style-type: none"> <li>• Objection to perceived unnecessary school expansion at Byron Court Primary school - money could be better spent elsewhere</li> </ul>
Children's Centres	1	<ul style="list-style-type: none"> <li>• Respondent supported the proposal to commission services within children's centres from the voluntary and community sector.</li> </ul>
Shared services	1	<ul style="list-style-type: none"> <li>• One response in favour of more shared services with other boroughs</li> </ul>
Miscellaneous comments	2	<ul style="list-style-type: none"> <li>• One comment suggesting cuts are targeting elderly people in the north of the borough.</li> <li>• One comment proposes stopping grants to private landlords to improve the energy efficiency of their properties.</li> </ul>
Total	54	

8.8 The Overview and Scrutiny Committee has reviewed these proposals through its 'budget taskforce' and also the process through which they were developed. Its report is attached in full at Appendix F. Their key recommendations in respect of individual proposals are repeated below for convenience.

Ref	Description	Comment
ASC7	Outsourcing of direct Adult day care services.	The task group expressed questioned if there is sufficient capacity within the independent sector to provide, high quality affordable day care in the event of the council reducing its direct provision of day centres. They sought reassurance that all individuals affected would be able to secure alternative provision of a comparable standard and the impact on carers and families of the proposed closures of direct council provision.
R&G 27 &27a	Fundamental review of supporting people.	There have already been significant efficiency savings delivered from the supporting people budget. Members were concerned that the pace of further reductions could impact on the level of services provided to vulnerable people if option R&G27a was pursued. This could in turn result in high levels of need developing and in turn additional costs to other services such as mental health and temporary accommodation. The proposal should be focused on R&G 27 initially, prior to any further savings being sought in this budget area. It was requested that a future

		meeting of the main Scrutiny Committee look at the details of the review and the possible impact.
ASC10	10% saving delivered through joint commissioning of home care through the better care fund.	Members sought reassurance that social care and health care costs were being appropriately allocated between the council and health services within joint commissioning arrangements.
ASC11	Reduction in homecare	Members were concerned by the option to reduce some home care visits to a minimum of 15 minutes and the potential impact on sustaining people independently within their home. This proposal was not endorsed by the budget task group.
CYP1 & CY16	Children's Centre Review  Closure of 10 Children's centres.	Members welcomed the approach to secure the future of children's centres through a partnership approach with an external provider.  Members requested that if the partnership proposal is not viable any closures to children's centres is focused on retaining centres with the wards with the highest levels of deprivation.
CYP3 CYP17	Youth services – new delivery model  Cessation of all youth Services	All options to fund youth services through an alternative delivery model within the voluntary and community sector should be explored prior to cessation of the council's direct provision.
R&G38	Civic Centre Customer Services	The proposal to move to an appointment based face to face service operating two days a week could result in the most vulnerable service users waiting longer. The practical arrangements for dealing with people who would come to the Civic Centre anyway were also questioned. It was however noted that a number of other London boroughs already provide an appointment only service, although these boroughs have different demographic profiles and levels of need to Brent.
R&G40	Reduction in rough sleepers service	This option was not supported due to the significant impact on rough sleepers and the existing low level of services provided.
ENS13	Charging for bulky waste	This option was not supported and members considered introducing charging would result in higher levels of fly-tipping. Residents are already concerned by the condition of their neighbourhoods as a result of illegal dumping as has been reflected in public feedback at consultation events.
ENS15	Parking service	Members requested that any increase in the cost of visitor permits and different levels of charges is

		benchmarked against charges made by neighbouring authorities. The income target is considerable and could be impacted by changes in people's behaviour to avoid charges.
L&P 3	Mayor's Office	Any reductions in the Mayor's office should not undermine the important civic role of the Mayor.

### Summary of Issues Raised at Brent Connects Meetings

8.9 Five Brent Connects meetings were held between 20 January 2015 and 3 February 2015. The Leader of the Council delivered a presentation outlining the financial position and the difficult budget choices faced by the Council. A summary of the most common issues raised by the public is set out below.

Issue	Number of comments	Points raised
Funding system	8	How council funding is determined and options for improving in the future
School Crossing Patrols	6	Concern about impact of the proposal
Green Waste	4	Concern about impact of the proposal
Day Centres	4	Concern about impact of the proposal
Consultation Process	3	How consultation would fit into decision making process
Allowances	3	Why these had increased
Sharing services	2	Had the council shared services with other councils
Council Tax	2	Why was it so high
Street cleaning	2	Concerns about standard of service
Parking	2	Concern about impact of proposal
Children's Centres	2	Concern about impact of the proposal
Housing	2	Impact of welfare reform
Young People	2	Concern about service provision for young people

8.10 Other organisations and individuals have also written to the council. These include a representative of the teaching unions, which broadly supported the principles of the approach being taken, and opposed some proposals that would most directly impact on education provision. Individual representations were also made about the role of PE advisers. In addition, Healthwatch Brent submitted a detailed report, which is attached at Appendix F(ii).

## 9 Resources and the construction of the council tax

### Revenue Support Grant and Business Rate Funding 2015/16

- 9.1 The main funding sources for the Council's net budget are:
- Revenue Support Grant
  - Business Rates Top-up
  - Retained Business Rates
  - Council Tax Freeze Grant
  - New Homes Bonus
- 9.2 For 2015/16, Brent's Settlement Funding Assessment is £150.016m. The DCLG assumes that Brent will receive £31.817m in locally retained business rates and £48.345m in business rates top up. By deducting these from the SFA it arrives at a Revenue Support Grant (RSG) of £69.854m.
- 9.3 The Council has to estimate its 2015/16 level of business rates and to budget for the retained business rates element for Brent and at the same time determine how much will need to be paid over to the GLA and central government. This is detailed in the table below. Of the amount retained by Brent £0.366m relates to Brent's share of the anticipated cost of prior year appeals. It should be noted that the level of business rates retained by Brent exceeds the DCLG's assumption by more than £2m, reflecting the level of business rate growth in the borough.

	<b>2014/15 £m</b>	<b>2015/16 £m</b>
Retained Element – Brent (30%)	33.003	34.389
GLA Element (20%)	22.002	22.926
Central Government Element (50%)	55.005	57.316
<b>Total</b>	<b>110.010</b>	<b>114.631</b>

### Limitation of Council Tax Increases/Council Tax Freeze Grant

- 9.4 The Localism Act 2011 allows the government to determine levels of council tax increase for which local authorities are required to seek approval via a local referendum. For 2015/16 the level has been determined as equal to, or greater than, 2%.
- 9.5 By freezing the council tax, as proposed in this budget, Brent will receive a 'freeze grant' calculated by reference to a 1% increase on the council tax base before the reduction for the local council tax support scheme. This is equivalent to the value of a 1.2% increase in council

tax (£1.078m). This would be the sixth consecutive year that the Council has not increased council tax.

### **New Homes Bonus**

- 9.6 The New Homes Bonus Grant was introduced in 2011/12. The objective was to provide an incentive to local authorities to increase housing supply in their area by providing a financial reward equal to the national average for the council tax band D for each new additional property (at Band D equivalent). This is currently £1,439, payable on a rolling basis for six years as a non ringfenced grant. Therefore councils receive a double benefit from each new home, with the additional council tax due plus the reward grant. There are also payments for long term empty properties brought back in to use (or reductions if this number increases), and an additional payment of £350 for each new affordable home.
- 9.7 The total grant for 2015/16 is based on changes in property numbers between September 2009 and September 2014 and is £7.088m. In 2015/16 London boroughs are required to transfer a total of £70m of their New Home Bonus to the GLA. Brent's estimated share is £2.005m, meaning that the sum available to support the council's budget is £5.083m.

### **The Collection Fund**

- 9.8 The Cabinet meeting on 15 December 2014 approved an estimated council tax surplus of £5.0m in 2014/15, of which the Council's share is £3.899m with the balance payable to the GLA. This is only available to be used on a one-off basis, and has the beneficial effect of smoothing the path from the 2015/16 to 2016/17 budget.

### **The Council Tax Base**

- 9.9 A tax base of 82,799 adjusted equivalent Band D properties for 2015/16 was agreed by the General Purposes Committee on 6 January 2015. This assumes a collection rate of 96.5% will in time be achieved in respect of charges raised for 2015/16 (increased from 96.25% in 2014/15).

### **Calculating the Council Tax Level**

- 9.10 The calculation of the council tax for Brent services is set out in the table below. The calculation involves deducting core government grants and retained business rates from Brent's budget, deducting the surplus on the Collection Fund, and dividing by the tax base.

## Calculation of Brent's Council Tax for 2015/16

	<b>£m</b>
Proposed Brent budget	249.961
Less Revenue Support Grant	(69.854)
Less Retained Business Rates (net of appeals provision)	(34.023)
Less Business Rates Top up	(48.345)
Less Council Tax Freeze Grant	(1.078)
Less New Homes Bonus	(5.083)
Less Net Surplus on Collection Fund	(3.899)
<b>Total to be met from Council Tax for Brent Budget</b>	<b>87.679</b>
<b>Tax Base (Adjusted Band D equivalents)</b>	<b>82,799</b>
<b>Band D Council Tax (£)</b>	<b>£1,058.94</b>

### **Greater London Authority (GLA)**

- 9.11 The GLA came into existence on 3<sup>rd</sup> July 2000 and includes the London Fire and Emergency Planning Authority (LFEPA), the Metropolitan Police and Transport for London.
- 9.12 Each financial year, the Mayor and Assembly must prepare and approve a budget for each of the constituent bodies and a consolidated budget for the authority as a whole.
- 9.13 The Mayor's initial budget is based on a precept at Band D is £295.00 for 2015/16. This represents a reduction of £4.00 or 1.3%. These figures are subject to final confirmation.

### **Setting the Tax**

- 9.14 The council is required to make certain calculations under sections 30, 33, 34 and 36 of the Local Government Finance Act 1992. These calculations are:
- The basic amount of council tax for both Brent Council and the GLA;
  - The basic amount of council tax for each valuation band for both Brent and the GLA;
  - The aggregate amount of council tax for each valuation band, which includes the basic amount for Brent and the GLA.

- 9.15 In accordance with these requirements, Members are asked to agree the calculations set out in the recommendations.
- 9.16 Any amendments agreed to the budget will require a recalculation to be undertaken.

**Council Tax and NNDR Instalment Dates and Recovery Policy for Council Tax**

- 9.17 Appendix H(ii) sets out the council tax and NNDR instalment dates and the recovery policy for council tax which Members are asked to endorse.
- 9.18 The Council has continued to promote payment by direct debit to improve overall collection. The instalment date for non-direct debit payers will be: at the 1<sup>st</sup> of each month starting in April until 1<sup>st</sup> January 2016, whilst direct debit payers can pay on the 1<sup>st</sup>, 12<sup>th</sup>, 17<sup>th</sup>, or 28<sup>th</sup> of the month. Council tax payers are also able to request to make payments over twelve monthly instalments.

## 10. THE CAPITAL PROGRAMME, TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS

### Treasury Management Strategy and Prudential Indicators

#### Capital Programme

##### Overall programme

10.1 The proposed capital programme for is attached as Appendix J. Table 10.1 provides a high level summary.

**Table 10.1 Proposed Capital Programme**

	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Service Area</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expenditure</b>			
Regeneration and Growth	65,908	118,461	65,285
Chief Operating Officer	13,621	9,973	8,360
Children & Young People	307	300	0
Adult Social Care	59	2,269	748
<b>Total GF expenditure</b>	<b>79,895</b>	<b>131,003</b>	<b>74,393</b>
Housing HRA	10,416	48,814	n/a
<b>Total Expenditure</b>	<b>90,311</b>	<b>179,817</b>	<b>74,393</b>
<b>Resources</b>			
Grant and External Contributions	(48,299)	(79,136)	(44,563)
Internal Contributions	(1,801)	(3,277)	(713)
Capital Receipts	(10,261)	(22,896)	(24,920)
S106 & CIL Funding	(6,961)	(13,043)	(212)
Unsupported Borrowing	(9,581)	(9,354)	(3,841)
Self-funded borrowing	(2,992)	(3,297)	(145)
<b>Total GF Resources</b>	<b>(79,895)</b>	<b>(131,003)</b>	<b>(74,393)</b>
Housing HRA	(10,416)	(48,814)	n/a
<b>Total Resources</b>	<b>(90,311)</b>	<b>(179,817)</b>	<b>(74,393)</b>

## Resources

10.3 Funding changes from the previously agreed programme are as follows:

*a. Grant funded schemes*

Figures for grant funded schemes have been based on the latest available figures. However, in several cases final allocations have not yet been disclosed, so these figures are estimates and are subject to revision.

*b. Capital receipts*

Capital receipts have been reviewed and capital programme resources amended to reflect the most up to date capital disposals forecasts. The position will continue to be kept under review. The disposal timetable is indicative and decisions will be taken on the basis of market conditions at the time and the need for the council to ensure best value from the disposals. In accordance with the Council's asset management plan, it is proposed that any HRA receipts will be applied to develop or acquire affordable housing.

*c. S106 and Community Infrastructure Levy Funding Agreements*

The council's Community Infrastructure Levy (CIL) scheme came into effect in 2013/14. Existing Section 106 (S106) agreements are expected to continue to provide capital funding for a number of years. The capital programme includes an estimate of combined future S106 and CIL income. Members should note that this is currently an indicative profile of expenditure. Members should be aware that Section 106 funds are only triggered once schemes start on site and therefore timing of receipt of funds is not guaranteed.

*d. Self-funded borrowing*

Schemes funded from self-funded borrowing include 'invest to save' schemes such as improvements to sports facilities, energy conservation schemes (for which part funding is from Carbon Trust monies), and school expansion schemes. In addition, up to £20.6 million can be borrowed by the HRA to be used by March 2016. The HRA business plan accommodates the funding of this borrowing through the projected level of future rents.

*e. Other borrowing*

Overall unsupported borrowing levels within the capital programme between 2014/15 and 2016/17 have been reviewed in light of the Local Government Settlement announcement and the revised forecast levels of capital receipts arising in the individual years. Amendments have been made as appropriate to ease pressure on the revenue account to meet debt charges and no new unsupported borrowing is proposed. The council will flexibly apply its capital resources in order to minimise the cost of borrowing over the medium term. Only where there is a legal

obligation for the council to ring-fence specific capital resources to a specific project will capital resources be ring-fenced.

### Treasury Management Strategy

- 10.4 The Council's Treasury Management Strategy is aligned to the financing requirements of the capital programme. It sets out the framework for treasury management activity in 2015/16 and includes:
- current levels of borrowing and investments
  - interest rate outlook
  - approach to future borrowing
  - approach to future investments.
- 10.5 The Strategy, which has been reviewed by the Audit Committee at its meeting on 7 January 2015, is set out in Appendix K.

### Prudential Indicators

- 10.6 A local authority is required to ensure that its capital investment plans are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. This is achieved through the setting of prudential indicators covering a number of key factors such as the limit on, and the repayment profile of, external debt. Appendix L sets out the full set of Prudential Indicators which are consistent with the capital programme and revenue budget proposals within this report.

## **11. FINANCIAL IMPLICATIONS**

### **Risks**

- 11.1 Officers have carried out an assessment of potential risks as part of the budget process. This helps the council set an appropriate level of balances and also ensures that risks can be monitored and managed effectively. The detailed assessment is set out in Appendix E which also contains the Chief Finance Officer's commentary on the adequacy of the budget calculation and the level of balances as required by Section 25 of the 2003 Local Government Act.

## **Balances and Earmarked Reserves and Provisions**

- 11.2 Based on the latest budget monitoring position for 2014/15 the council's General Fund usable balances are forecast to meet the target of at least £12m at 31 March 2015. The one-off application of the expected surplus, if delivered, will be determined in the new financial year.
- 11.3 Councils need balances to deal with unexpected events without disrupting service delivery. The level of risk that a council assesses it faces is therefore the minimum level at which balances should be maintained.
- 11.4 Balances also contribute to effective medium term financial planning. They allow councils to adjust to changes in spending requirements over a period of time, and to take a more flexible approach to the annual budget cycle, for example through *invest to save* schemes. This flexibility needs to be considered each year depending on the particular pressures facing the council and the outlook in the medium term.
- 11.5 Balances can be used only once. It is not financially sustainable to plan to keep using reserves to balance the budget, but using them to meet temporary funding shortfalls or to pump prime investments that will in time be self financing can be an important part of a sound medium term strategy. The budget proposed for 2015/16 would leave general unallocated balances at the end of the year at or slightly above the minimum level recommended by the Chief Finance Officer. It should be noted that Brent's level of balances, as a proportion of budget requirement, is currently one of the lowest in London.
- 11.6 The list of current earmarked reserves and provisions, in accordance with Part A of the Council's Scheme of Transfers and Virements, is set out in Appendix N.

## **12 LEGAL IMPLICATIONS**

- 12.1 These are set out in Appendix M.

## **13 STAFFING IMPLICATIONS**

- 13.1 The impact of the budget proposals is outlined in Appendix D(ii). Of the proposals identified within this appendix there are a number where there will be a significant impact on staffing and potentially in excess of twenty staff subject to redundancy. In instances where individual restructurings are likely to bring about redundancies in excess of twenty it is necessary for Cabinet to approve them. The following are highlighted as having the most significant impact on staffing. In agreeing these proposals Cabinet is meeting its obligations to approve individual restructurings which may result in excess of twenty redundancies.

- ASC7 Closure of New Millennium and Kingsbury Resource Day Centres
- ASC16 Mental Health Social Care
- ASC17 Reduction in social work staffing
- ASC18 Adults Commissioning
- CYP3 Youth Services
- ENS21 School Crossing Patrols
- R&G15 Benefits Processing
- F&IT2&5 Finance Reorganisation
- F&IT6 IT services
- HR1 Reconfiguration of Human Resources
- HR2 Reorganisation of BIBS
- LP1&2 Legal Services

13.2 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.

## **14 BACKGROUND INFORMATION**

Budget Strategy and Financing Update – Report to Cabinet on 13 October 2014

First Reading debate on the 2015/16 Budget – Report to Council on 8 December 2014.

Budget 2015/16 and 2016/17 – Report to Cabinet on 15 December 2014

Collection Fund Surplus/Deficit at 31 March 2015 Report – Report to Cabinet on 15 December 2014.

Calculation of Council Tax Base and Business Rate Yield 2015/16 – Reports to General Purposes on 6 January 2015.

Schools Budget 2015/16 – Report to Schools Forum on 14 January 2015

Housing Revenue Account Budget Report 2015/16 – Report to Cabinet on 23 February 2015.

Development Funds Programme Development for 2015-16 – Report to Cabinet on 23 February 2015

## **15 CONTACT OFFICERS**

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