

## Appendix B

## SERVICE GROWTH / COST PRESSURES 2019/20 - 2020/21

Service	Item	2019/20	2020/21	Comments
		£m	£m	
	<b>Demography</b>			
				The population projections shown below are from the GLA's annual population report.
Regeneration & Environment	Refuse Collection	0.1	0.1	0.8% growth in overall population
Regeneration & Environment	Public Realm (excluding Refuse Collection)	0.2	0.2	0.8% growth in overall population
Children & Young People	Children's social care	0.5	0.5	0.1% growth in 0-5 years; 0.6% growth in 0-25 years; 2.4% growth in 10-15 years.
Community Well Being	Learning Disabilities, Mental Health and Physical disabilities (18-65)	0.4	0.4	0.6% growth in population 18-65 years
Community Well Being	Older People (65+) Non Home Care	1.0	1.0	2.5% growth in population 65-84 years; 4.6% growth in population 85+
Community Well Being	Older People (65+) Home Care	0.6	0.6	2.5% growth in population 65-84 years; 4.6% growth in population 85+
Community Well Being	Housing - Temporary Accommodation	0.5	0.5	Projected growth in temporary accommodation costs
Resources	Customer Services	0.1	0.1	0.9% growth in population over 18
Resources	Legal services	0.1	0.1	Additional caseload caused by above, principally children's social care and adult social care.
	<b>Total Demographic Changes</b>	<b>3.5</b>	<b>3.5</b>	
	<b>Inflation</b>			
Various	Payroll Inflation	2.1	2.1	The pay settlement for 2019/20 is known to be 2%, which adds £2.1m to the total staffing costs. 2% has been assumed for 2020/21.
Central	Contract inflation	3.5	3.5	General contract inflation is assumed to average 2%, which will cost £3.5m each year.
Community Well Being	National Living Wage for carers	0.4	0.4	The cost of paying providers for the uplift caused by the annual increases to bring the national living wage up to 60% of median earnings by 2020 will add £0.4m to the adult social care budget each year.
Central	Other service specific inflation	2.0	2.0	Service specific inflation
	<b>Total Service Specific Inflation</b>	<b>8.0</b>	<b>8.0</b>	
	<b>Technical</b>			
Central	Insurance fund	0.1	0.1	There are a set of costs associated with pensions, redundancy and other related payments. The main issue is the impact of the triennial actuarial review of the pension fund, which will affect pension costs from 2019/20 onwards. The run off of the closed LPFA fund adds to this, partially offset by the ongoing gradual reduction in the number of payments for previously granted premature retirements. (Any new early retirements are met by capital contributions at the point of the decision). The total impact of these items is £0.8m, including insurance costs, the majority of which relates directly to the actuarial review.
Central	Central Items other cost pressures (excl Levies)	0.2	0.2	
Central	Pension fund	0.5	0.5	
Central	Levies	0.1	0.1	Brent is required to contribute towards London wide levies, such as to the Environment Agency, West London Waste Authority and Lea Valley Park, adding £0.2m per year to the cost base.
Community Well Being	Housing Association Lease Scheme	1.6	0.0	Additional cost of maintaining the Housing Association Lease Scheme
Resources	Exit of Challenge House	0.1	0.0	Additional cost of relocating CYP staff previously located in Challenge House
	<b>Total Technical</b>	<b>2.6</b>	<b>0.9</b>	
	<b>Transport</b>			
Adult Social Care	Freedom pass growth	0.0	0.5	The council also needs to recognise unavoidable costs associated with London wide policies. The main issue here is freedom passes, the cost of which is paid for across London and redistributed according to data provided by the Oyster cards that record journeys. Given Brent's ageing demographic, and relatively good transport links, the inevitable consequence is that the costs of the scheme continue to rise locally.
Regeneration & Environment	Brent Transport Services	0.8	0.8	The Council's largest requirement for passenger transport comes from the provision of home to school transport for children and young people with Special Educational Needs (SEN) who have a statement requiring the provision of a specific type of education, normally at a special school or unit catering for their particular educational need. Where the statement identifies a need for the learner to be transported to and from school, the Authority has a statutory duty to provide the required transport. In London, the number of SEN pupils has increased by 10 per cent since 2013/14, a higher rate of growth compared to the rest of England. In Brent, passenger numbers for the over the last 2 years have increased by 11.4% and 22% respectively. The projection going forwards is that there will be an estimated 20% annual net increase in passenger numbers and £0.8m per annum has been assumed as the need to cover the rate of growth expected.
	<b>Total Freedom passes and levies</b>	<b>0.8</b>	<b>1.3</b>	

	<b>Contingency and social value</b>			
Central	Savings risk mitigation fund	1.0	1.0	Any logically constructed budget also requires contingencies. The council aims to deliver all of its agreed savings proposals, and has a good record of consistently achieving over 95% of these. Good governance mechanisms are in place to continue this record of achievement, but it is nonetheless proposed to make a 5% allowance for slippage, in line with previous budget assumptions. This allows for reinvestment in services when delivery exceeds this allowance and, more importantly, avoids the need for short-term action to cut services if delivery slips. This is an important contingency device, and setting a budget without it in today's challenging financial environment would be imprudent. The council also retains its social value investment fund.
Central	London Living Wage contingency	1.0	1.0	
	<b>Total Contingency and social value</b>	<b>2.0</b>	<b>2.0</b>	
	<b>Capital Financing</b>			
Central	Capital Financing	1.0	1.0	Interest and debt repayment costs for capital programme
	<b>Total Contingency and social value</b>	<b>1.0</b>	<b>1.0</b>	
	<b>GRAND TOTAL OF SERVICE COST / GROWTH PRESSURES</b>	<b>17.9</b>	<b>16.7</b>	