

Appendix B: MTFS Model

CHANGES TO THE BUDGET YEAR-ON-YEAR	ADJUSTMENTS				ADJUSTMENTS				BUDGET 2025/26 £m	Relative Changes 2023/24 to 2024/25
	BUDGET 2023/24 £m	Growth £m	Savings £m	Technical £m	BUDGET 2024/25 £m	Growth £m	Savings £m	Technical £m		
Base Budget	358.4				358.4				386.7	
Growth										
Demographics										
- Care, Health and Well-Being (CHW)		3.6			3.6	3.7			3.7	
- Children and Young People (CYP)		1.1			1.1	1.7			1.7	
- Other Departments		0.9			0.9	1.0			1.0	
Sub-total		5.6			5.6	6.3			6.3	
Inflation										
- Care, Health and Well-Being (CHW)		3.4			3.4	2.4			2.4	
- Children and Young People (CYP)		1.5			1.5	1.0			1.0	
- Contracts		1.5			1.5	0.9			0.9	
Sub-total		6.4			6.4	4.4			4.4	
Pay Award		6.5			6.5	3.5			3.5	
Service Changes		14.2			14.2	6.5			6.5	
		32.7				20.7				
Savings										
Service Transformation			(2.9)		(2.9)	(1.8)			(1.8)	
Restructure			(1.3)		(1.3)	(0.7)			(0.7)	
Reduction in provision			(0.4)		(0.4)	(1.0)			(1.0)	
Procurement			(1.7)		(1.7)	0.0			0.0	
Income generation			(1.0)		(1.0)	(0.6)			(0.6)	
Digital			(0.8)		(0.8)	(0.4)			(0.4)	
Corporate items			(0.5)	4.3	3.8	(0.5)	(5.1)		(5.6)	
			(8.6)			(4.9)				
	358.4				386.7				397.4	
Funding										
Business Rates	(107.2)			(7.0)	(114.2)			(3.3)	(117.5)	
Revenue Support Grant	(29.0)			(1.9)	(30.9)			(0.9)	(31.8)	
Specific Grants	(71.4)			(8.2)	(79.6)			1.4	(78.2)	
Council Tax	(150.8)			(11.3)	(162.1)			(7.8)	(169.9)	
	(358.4)				(386.7)				(397.4)	

MTFS ASSUMPTIONS																																					
Growth	The growth proposals in the budget are largely responsive in nature rather than introducing new service provision. This is a direct result of the volatile and unpredictable economic climate faced by the Council where high inflation and rising demand and demographic pressures increase the cost of providing existing services to current service standards.																																				
Demographic Growth	This largely relates to changes in the make up of the population due to ageing (CHW) and demand pressures on the placements, transitions, homecare and children with disabilities budgets (CYP).																																				
Inflation	General inflation remained high with CPI in September 2023 at 6.7%. Specific inflationary pressures are being experienced in social care where rising demand and a shortage of supply puts upwards pressure on prices. Also the war in Ukraine has pushed up energy and food costs. These inflationary pressures have direct effects on goods bought by the council and indirect effects via increased prices for services and supply contracts.																																				
Pay Award	As a response to inflation and the cost of living crisis, pay awards are anticipated to be higher than the norm in recent years. If future pay awards are based on flat rate increases, this tend to increase the cost of the pay award at Brent due to extra London weighting and the associated increase in national insurance and pensions on costs.																																				
Service Changes	These are unavoidable changes resulting from new burdens, increases in ringfenced grants and externally driven changes to service levels. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2024/25 £m</th> <th>2025/26 £m</th> </tr> </thead> <tbody> <tr> <td>Contingency</td> <td>7.9</td> <td>1.6</td> </tr> <tr> <td>Residents Support Fund</td> <td>(2.0)</td> <td></td> </tr> <tr> <td>ASC Grant - Hospital Discharge</td> <td>1.2</td> <td></td> </tr> <tr> <td>Future Funding Risks</td> <td>1.2</td> <td></td> </tr> <tr> <td>Capital Programme Financing</td> <td>1.2</td> <td>1.2</td> </tr> <tr> <td>Public Health</td> <td>0.4</td> <td>0.7</td> </tr> <tr> <td>Concessionary Fares (Freedom Passes)</td> <td>3.5</td> <td>2.5</td> </tr> <tr> <td>Temporary Accommodation</td> <td>0.5</td> <td>0.5</td> </tr> <tr> <td>IT Licencing</td> <td>0.1</td> <td></td> </tr> <tr> <td>Audit Fees</td> <td>0.3</td> <td></td> </tr> <tr> <td></td> <td>14.2</td> <td>6.5</td> </tr> </tbody> </table>		2024/25 £m	2025/26 £m	Contingency	7.9	1.6	Residents Support Fund	(2.0)		ASC Grant - Hospital Discharge	1.2		Future Funding Risks	1.2		Capital Programme Financing	1.2	1.2	Public Health	0.4	0.7	Concessionary Fares (Freedom Passes)	3.5	2.5	Temporary Accommodation	0.5	0.5	IT Licencing	0.1		Audit Fees	0.3			14.2	6.5
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Savings - Full Details in Appendix C	New savings proposals for agreement total £8m (split £3.6m in 2024/25 and £4.4m in 2025/26). These are in addition to the savings of £4.5m deferred in the 2023 Budget Report which will be delivered in 2024/25.																																				
Service Transformation	These savings involve changing methods of service delivery to match current demand levels whilst delivering the service in the most efficient, effective and economic manner.																																				
Restructure	Savings which require changes to the staffing establishment																																				
Reduction in provision	A number of savings where the level of provision will be reduced. Whilst as a matter of policy the Council aims to avoid cuts to frontline services, in order to balance the budget a number of small cuts to service provision have been proposed where the impact on service users will be minimal.																																				
Procurement	Efficiency savings arising from securing better value for money and lower prices for contracts let by the Council without an adverse impact on service quality or the level of service provision.																																				
Income generation	This saving largely relates to increased rents and parking charges at the Civic Centre to secure additional external income.																																				
Digital	Better use of software and digital transformation will result in efficiency savings, whilst improving the customer experience.																																				
Corporate items	This heading holds a £0.5m technical adjustment relating to employer pension contributions.																																				
Funding																																					

RSG	The 2024/25 RSG allocation of £30.9m has been calculated by uprating the 2023/24 amount by an indexation factor based on the September CPI inflation increase of 6.7%. It is anticipated that future years will be calculated in the same way.																																								
Business Rates	The Government has introduced separate standard and small business rates multipliers. The standard multiplier has been uprated by the 6.7% September CPI rate. The small business multiplier has been frozen with local authorities compensated for the loss of additional income via s31 grant based on the yield if the multiplier had increased by the September CPI rate. The rating list has been revalued with effect from April 2023. To keep the effect of the revaluation revenue neutral, the increase in the retained business rates share has been reduced to zero by reducing the amount of the top up thus keeping the Baseline Funding Level unchanged.																																								
Council Tax	The increase in Council Tax income arises from a 3% increase in Council Tax and a 2% adult social care precept. This is coupled with other changes - an increase in the tax base and reduction in the assumed collection rate.																																								
Specific grants	The government has uprated some existing grants, but not introduced any new grant funding for pressure points such as social care and homelessness. The value of the services grant has continued to decline and is not expected to continue beyond 2024/25. Brent received £0.746m of one-off funding guarantee grant as a result of a substantial reduction in New Homes Bonus (down £5m from £7.91 in 2023/24). These grants are not included in the MTFS as there is no certainty that they will continue to be received in the future.																																								
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