



Brent

MINUTES OF THE RESOURCES AND PUBLIC REALM SCRUTINY COMMITTEE
Held in the Conference Hall, Brent Civic Centre on Wednesday 19 July 2023 at 6.00
pm

PRESENT: Councillor Conneely (Chair), Councillor Long (Vice-Chair) and Councillors Aden, Akram, S Butt, Georgiou, Miller, Molloy, J.Patel and Shah.

Also Present: Councillors Muhammed Butt (Leader of the Council) and Mili Patel (Deputy Leader of the Council and Cabinet Member for Finance, Resources & Reform).

Councillor Ketan Sheth, Chair of Community & Wellbeing Scrutiny Committee attended as an online participant.

1. Apologies for absence and clarification of alternate members

Apologies were received from Councillors Mitchell and Ahmadi Moghaddam. Councillor Molloy attended as an alternate on behalf of Councillor Ahmadi Moghaddam.

2. Declarations of interests

None.

3. Deputations (if any)

None.

4. Minutes of the previous meeting

It was **RESOLVED** that the minutes of the previous meeting held on Wednesday 25 April 2023 be approved as a correct record.

5. Matters arising (if any)

None.

6. Budget Update - Medium Term Financial Strategy

Councillor Conneely welcomed Councillor M Patel, Deputy Leader of the Council and Cabinet Member of Finance, Resources & Reform, to present a report from the Corporate Director of Finance & Resources that provided the Committee with an update on Brent's overall financial position by examining the financial outturn position for 2022/23, the Q1 financial forecast for 2023/24 and the medium term financial outlook. The Committee noted the following key points:

- The Financial Outturn had worsened by £1m since the Q3 forecast was presented to Cabinet in January 2023. This was attributed to the volatility of the demand led budgets within the Children and Young People's (CYP) department and Adult Social Care (ASC).
- It was noted that the Q1 2023/24 Financial Forecast was in a stable position, however it was recognised that there remained a number of risks and uncertainties across all service areas that could affect the assumptions made in relation to the impact of inflation and pressures as set out in the Q1 Financial Forecast.
- The Medium-Term Financial Outlook set out the overall financial position faced by the Council and highlighted the risks and uncertainties in relation to the Council's Medium Term Financial Strategy (MTFS) as well as the proposed budget setting strategy for 2024/25. It was noted that high inflation and uncertainty around interest rates and government funding meant the outlook remained subject to change.
- The Committee was advised that, looking forward to 2024/25 and 2025/26, the Council would need to provide growth for unavoidable demographic and demand led service pressures. Forecasts suggested that there would be a budget gap of £8m over this period which would need to be met via savings accrued from across the Council.

In the ensuing discussion the Committee raised the following points:

- The Committee queried how the Council had responded to the challenges highlighted in Appendix A – Medium Term Savings Delivery Tracker 23/24. Officers advised that the budget saving proposals highlighted within Resident Services that looked to increase Council owned temporary accommodation and Re-defining Local Services were unlikely to be delivered this year, however there were mitigations within Resident Services to manage this. The area highlighted within Adult Social Care in relation to reducing the cost of Learning Disability Placements cited potential delays, with mitigations having been identified if needed.
- The Committee was advised that, in general terms, the enhanced monitoring and action planning in place ensured the right trajectory was being followed to achieve the savings identified on the delivery tracker. Enhanced monitoring offered early identification of issues and therefore increased opportunities for further interventions as and when needed.
- The Committee questioned how the Council was preparing for the anticipated reduced public sector funding in 2025/26. Officers advised the Committee that it was not yet clear exactly how much funding would reduce by, however, to ensure preparedness, financial modelling had commenced to look at different scenarios of reduced funding together with the budgetary assumptions that could be made to support potential different strategies.
- The Committee enquired how the Council's borrowing and Capital Programme would be affected by the current interest rates in relation to the impact this could have on service delivery. In response, the Committee was advised that the majority of the Capital Programme projects were delivery of affordable housing to Brent residents. These projects were subject to rigorous viability assessments and, as such, in the current challenging financial climate, where construction costs were so high, it was felt that it was sensible to pause projects until the

market had settled, as at the current rates it would not be viable to deliver truly affordable housing to residents.

- Following a Committee query in relation to how Brent fared in their collection of business rates against other local authorities, officers advised that benchmarking was in place for the collection of Council Tax and Business rates. Pre Covid collection rates had been very good at 96% for Council Tax and 98% for Business rates, however, post Covid Brent were performing in the lower quartile for both Council Tax and Business rate collection. The Committee was advised that Brent's lower collection rate could be partly attributed to the high level of deprivation throughout the borough, which was further evidenced by the number of requests made to the Resident Support Fund.
- Following the discussion on collection rates, the Committee queried the future of the Resident Support Fund given the additional budget savings the Council was required to make in future budgets. Officers advised that the Council needed to be cautious moving forward, but where possible would aim to support residents as much as they were feasibly able to.
- The Committee questioned if there was scope to increase the efforts in Business Rate collection. Officers advised that during and post Covid the Council had limitations placed on their powers to recover Business Rates, but now that the restrictions had been lifted the Council was taking extra steps to enforce the collection of unpaid business rates. In cases where business owners were genuinely struggling to make payments, the Council remained committed to having an open dialogue with these businesses to recover costs.
- The Committee queried how assured officers were in the budget forecasting, given the additional £1m overspend since reporting to Cabinet in January 2023. Officers advised that they were confident that forecasting of the budget was robust, whilst highlighting that many areas of the budget had to be based upon assumptions. The Committee was assured that modelling was routinely undertaken to ensure that the Council would be able to cope with variances to the assumptions made. Additionally, the volatility of the demand led budgets of CYP and ASC remained a constant threat to the budget. The Committee noted that just one additional care package could cost up to £250k per year, and officers advised members that both budgets were also impacted by the significantly rising costs of agency staff that were essential to the effective running of the services.
- In relation to the rising costs of agency staff, the Committee queried why the Council had difficulties in retaining permanent social work staff. The Committee was advised that agency work was attractive to many social workers due to the flexibility, opportunities for career progression and the higher pay offered. The Committee noted the issue was not unique to Brent and was a nationwide concern. Brent had plans in place to build upon the retention of permanent social work staff, and there were also discussions taking place with other local authorities to explore a London wide agency of social workers to stabilise agency costs across London.
- In recognition of the risks to the CYP and ASC budgets going forward, the Committee queried what mitigations were in place to limit any overspend and whether these planned mitigations were likely to impact on the quality of services received by residents. In response, Helen Coombes, Interim Corporate Director of, Care, Health & Wellbeing, shared the wider context of the budgetary challenges within ASC and highlighted that, despite the financial challenges, Brent had continued to provide a good service to residents. The Committee was

advised that challenges were expected to increase due to the combination of inflationary pressures and an ageing population. It was a priority for the department to use data to support and drive the decisions moving forward to ensure that, despite the difficult financial climate, residents remained safe, well cared for and able to access the resources needed.

- In terms of CYP, Nigel Chapman, Corporate Director of Children & Young People, advised that the savings targets set out in the budget in relation to staffing efficiencies and contract savings were felt to be achievable, however there remained uncertainty around LAC placements and care packages, particularly with children with disabilities. The Committee was assured that careful consideration would be given to any reduction in care packages, however, where it was deemed appropriate reductions would be made.
- The Committee queried the significant increase in funding requirements for young people supported in CYP moving into ASC. In response, the Committee was advised that the legislation used to assess an individual's care differed between CYP and ASC. This had highlighted the necessity for CYP and ASC to work more cohesively with service users and their families who were approaching adulthood with a view to earlier identification and subsequent support to live as independently as possible. This would support improved outcomes for the individuals concerned as well as supporting a reduction in care costs.
- The Committee felt that a different approach to support savings in CYP should be explored, given that there had been year on year overspends in this service area, with no previous mitigations offering a significant impact on overspending. The Committee was advised that, in benchmarking terms, CYP was performing well, particularly in respect of the limited funding received as an outer London Borough, despite being in the top 10 most deprived boroughs. The Committee heard that some of the actions previously identified had traction, however, officers agreed that different approaches should be explored to support working within a balanced budget. As such, CYP would be working with the Commissioning Board to look at pressures specifically within placements, with a report due to be presented to CMT in Autumn 2023. Other measures taken included developing in house foster carers to avoid agency costs and promoting independence for care leavers. Additionally, permission had been granted for Brent to set up their own Children's Residential Home to support a reduction of out of borough care costs.
- The Committee queried if it was possible to increase the budget for CYP to provide a realistic budget that would avoid continued overspends and risks to the quality of service provision as a result of underfunding. In response, the Committee was advised that due to the funding reductions made from central government, local authorities had been left with no alternative other than to reduce budgets, and therefore it would not be possible to offer CYP an increased budget as this could only be achieved through reducing the budget in another service area.
- The Committee queried the resilience of the Council's reserve funding, given that some reserves had to be used to cover the recent overspend. The Committee was advised that 22/23 was the first year that reserves had been used to balance the budget, and it was felt that with the rate of inflation reducing, reserves would not need to be used to balance the 23/24 budget. Officers highlighted that the existence of the reserve funding was to support the Council in challenging financial times and would be utilised if necessary.

- The Committee requested some specific feedback in relation to the delays to the re-development of St Raphaels Estate, and officers advised that the biggest barriers to the progression of the project were the viability challenges due to the sharp increase in construction costs and the financing of the project. It was clarified that the delays were not due to the project management of the scheme.
- The Committee re-iterated the previous recommendation made by the Budget Scrutiny Task Group for officers to clearly delineate between cuts to services and actual savings in their budget reporting.
- The Committee queried if the introduction of Selective Licensing could negatively impact the already limited stock of temporary accommodation in Brent. Officers advised that this was recognised as a risk and the impact would be monitored.
- In response to a Committee query in relation to why there was a higher level of focus on the delivery of the District Neighbourhood Heating Scheme, rather than building new homes with efficient sustainable heating systems; officers advised that a grant had been awarded to support the delivery of the scheme as it was recognised as an advancement in reducing carbon emissions.
- In response to a Committee query in relation to the planned actions to reduce overspends from the Housing Revenue Account (HRA), the Committee was advised that the HRA broke even in the 22/23 financial year. The Committee recognised the incoming pressures associated with increased challenges in progressing new schemes due to viability issues. The Committee was advised that there were enough viable schemes in the short to medium term to continue to support the HRA, however longer-term plans could present difficulties and were being closely monitored.
- The Committee felt that, in the challenging economic climate, it was important to explore how the Council could generate additional income. Officers advised that it was difficult for local authorities to create substantial income generation, and the Committee noted that revenue increases would need to be built into a sustainable model that would not leave the Council vulnerable to any risk.

In closing the discussion, the Chair thanked officers and Committee Member's for their contributions towards the scrutiny on the item before summarising the outcome of the discussions and additional actions, which were **AGREED** as follows:

Recommendations to Cabinet

- (1) Continue to lobby central government for additional 'levelling up' investment in Brent to offset the impact of future budget proposals.
- (2) Invite the scrutiny chairs to informal cabinet meetings (as appropriate) when budget challenges/complexities (and any other relevant budget matters) arise.

Suggestions for Improvement

- (1) Provide benchmarking data to accompany figures/statistics provided in all future scrutiny committee reports.
- (2) Draft future scrutiny committee reports in plain English 'layman's' language, avoiding jargon where possible.
- (3) In relation to the development of the Council's Budget for 2024-25 and 2025-26:
 - Ensure that each budget proposal is categorised as one of: Cut; Income

generation; Service transformation; Efficiency; or Investment for transparency purposes. This language should also be used in Council communications in order for residents to distinguish between the proposals which are cuts/service reductions, those which are investments, and those which are efficiencies/service transformation.

- Ensure that the Council's vision, mission, and strategic priorities (as outlined in the borough plan) are communicated clearly when consulting residents, partners, and businesses on the Draft Budget for 2024-25, and 2025-26. This should be inclusive of any current/planned activity to support the most vulnerable/marginalised residents in the borough.
- Explore further opportunities for investment/income generation to offset the impact that many of the upcoming proposals will have on vital council services.
- Set budgets based on realistic levels of growth in demand for services and inflation as well as realistic mitigations to contain overspends.

Information Requests

- (1) Provide analysis of savings made since 2018, specifically a breakdown of the savings made which equate to service reductions.
- (2) Provide progress update on activities to reduce overspends in the Children & Young People's directorate.

7. IT Shared Services/Cyber Security

Councillor Conneely welcomed Councillor M Patel, Deputy Leader of the Council and Cabinet Member for Finance, Resources & Reform, to introduce a report from the Corporate Directors for Finance & Resources & Resident Services that provided an update on Shared Technology Services' (STS) operational performance and progress on the implementation of the Brent and STS cyber security strategies. Fabio Negro, Managing Director of Shared Technology Services, and Rehana Ramesh, Head of Digital Transformation, were present to respond to the Committee's questions on the report. The following key points were discussed:

- The Committee queried if the partnership between Brent and the partner boroughs in the shared service agreement was likely to remain the same going forward. In response, the Committee was advised that for the foreseeable future it was likely to remain the same, however there may be opportunities for other local authorities to join in the future.
- In response to a Committee query in relation to the types of cyber attacks the Council had received, the Committee was advised that it was not always possible to identify the origin countries of attacks, however they were often from countries with poor internet controls, with many identified to originate from Asia. Brent received approximately 10,000 attempts a day, with most attempts at a low level and likely to be individual efforts, however some attempted attacks appeared to be better resourced and sophisticated; suspected to be state actors.
- Following a Committee query in relation to benchmarking Brent's cyber security performance, the Committee was advised that various benchmarking platforms were in place, which included a recent positive peer review with the LGA that focused on the governance of cyber security as well as the processes in place. The team also worked closely with the London Office of Technology and Innovation that had membership with 23 other local authorities. Officers advised

that this was a useful platform to seek advice and share best practice with a broad group.

- In relation to how the organisational leadership incorporated cyber security into the Council's key strategic objectives, the Committee was advised that the Digital Transformation Team aimed to ensure that, as well as bringing in technology that was secured by design to support cyber security, employees understood the risks faced from cyber security breaches and everyone's role in preventing them across the organisation.
- Following a Committee question in relation to the challenges in educating residents about cyber security, the Committee was advised that Brent were leading in the introduction of the use of multi factor authentication for residents accessing online services, and it was felt that residents understood why this was necessary to keep their data secure and were supportive of this.
- In relation to employees' and Members' understanding of their part to play in cyber security, the Committee was advised that there were well established routines in place to ensure everyone understood their role in protecting data. Information Governance training and Member development sessions were routinely carried out to support this. The annual information governance training was being developed further to create bite sized, user friendly sessions for employees, as it was felt this would increase the successful completion rate of the training. Additionally, one to one support was available for any individuals struggling to complete the training independently.
- Following a Committee query in relation to the delivery of bespoke training using previous examples of data breaches to illustrate how future risks could be mitigated, the Committee was advised that this was included in the annual training. It was also noted that when a data breach was reported a communications campaign would be circulated to include wider information on the lessons learned.
- The Committee noted that there was no specific hardware that was particularly vulnerable to cyber attacks, with the best defence recognised as appropriate software and educating the individuals using the equipment.
- The Committee was advised that being part of an IT Shared Service did not create any additional challenges in managing cyber security.
- The Committee requested further details on the response and recovery plans in place in the event of a significant cyber attack, specifically in relation to how work and operations would be able to continue in the immediate aftermath of an attack. In response, the Committee was assured that Brent had heavily invested in tools to support if such an incident took place and were confident that all information could be recovered as software was in place to recover data from the cloud if access to the Civic Centre was limited. Key services would be given the highest priority to restore, with timescales for recovery of non essential services being ranked on priority.
- The Committee was advised that regular reviews and exercises were undertaken to test the robustness of Brent's systems. The process included simulating a cyber attack and documenting the processes that followed to ensure everyone understood their responsibility in managing the issue. Key learning from other local authorities who had experienced cyber attacks had demonstrated that colleague communication as part of the recovery plan had often been overlooked, therefore Brent was keen to ensure that this was an established part of Brent's recovery plan.

- The Forum heard that attacks had increasingly been attempted through 3rd party software providers. The Committee was assured that Brent had the software and expertise to block these attempts, and to reduce future risks, as part of re-procurement of systems, Brent would not enter a contract with any provider that did not meet the high security standards expected.
- In terms of the investments made in cyber security the Committee was advised that the significant investments made in Brent had supported a number of publishing services and tools to replace and upgrade firewalls to improve performance and stability against threats, as well as ensuring compliance with standards.

As the Committee had no further questions for officers, the Chair expressed thanks on behalf of the Committee for what was felt to be excellent work being undertaken by the Digital Transformation Team and IT Shared Services. The Committee felt the team had demonstrated innovative plans moving forward with robust systems in place. Councillor Conneely moved on to summarise the outcome of the discussion and the additional actions, which were **AGREED** as follows:

Suggestions for Improvement

- (1) Involve the Committee in testing the Council's cyber-resilience plans.
- (2) Deliver bespoke (in-person) cyber security training to all members in addition to the standard yearly training provided.
- (3) Improve internal and external communications, sharing more widely good practice studies relating to the Council's cyber security activities.

Information Requests

- (1) Provide RAG rated version of the Brent Cyber Security Strategy 2022-2026 Implementation Plan for the Committee to understand progress made so far.
- (2) Provide further detail on how the Council is ensuring third party suppliers are adhering to Brent's cyber security strategy and requirements. This should be inclusive of the findings from the third-party supplier survey currently underway.

8. Scrutiny Progress Update - Recommendation Tracker

The Committee was invited to consider the progress and updates provided in relation to the Resources & Public Realm Scrutiny recommendation and information request tracker. The Committee noted there were a number of outstanding items that were due to be responded to by the November 2023 meeting and looked forward to receiving these responses.

9. Scrutiny Work Plan 2023/24

The Committee was then invited to consider the Scrutiny Work Plan for 2023/24 and in doing so formally **APPROVED** the work plan. The Committee noted that it was a live document and in addition to the agreed items, additional items may be added as and when necessary when brought to the Committee's attention.

10. **Any other urgent business**

None.

Date of the next meeting: Wednesday 6 September 2023

The meeting closed at 8.48 pm

Councillor Rita Conneely
Chair