



Resources and Public Realm Scrutiny Committee

Wednesday 19 July 2023 at 6.00 pm

Conference Hall - Brent Civic Centre, Engineers Way,
Wembley, HA9 0FJ

Please note this will be held as an in person meeting which all Committee members will be required to attend in person.

The meeting will be open for the press and public to attend or alternatively can be followed via the live webcast. The link to follow proceedings via the live webcast is available [HERE](#)

Membership:

Members

Councillors:

Conneely (Chair)
Long (Vice-Chair)
Aden
Ahmadi Moghaddam
Akram
S Butt
Georgiou
Miller
Mitchell
J Patel
Shah

Substitute Members

Councillors:

Afzal, Begum, Collymore, Ethapemi, Fraser, Molloy,
Rajan-Seelan, Ketan Sheth and Smith

Councillors:

Maurice & Kansagra
Lorber & Matin

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Tel: 020 8937 1506 ; Email: natalie.connor@brent.gov.uk

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit: <https://democracy.brent.gov.uk>

Notes for Members - Declarations of Interest:

If a Member is aware they have a Disclosable Pecuniary Interest* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest** in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also significant enough to affect your judgement of a public interest and either it affects a financial position or relates to a regulatory matter then after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

***Disclosable Pecuniary Interests:**

- (a) **Employment, etc.** - Any employment, office, trade, profession or vocation carried on for profit gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect of expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

****Personal Interests:**

The business relates to or affects:

(a) Anybody of which you are a member or in a position of general control or management, and:

- To which you are appointed by the council;
- which exercises functions of a public nature;
- which is directed is to charitable purposes;
- whose principal purposes include the influence of public opinion or policy (including a political party or trade union).

(b) The interests a of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

A decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of:

- You yourself;
- a member of your family or your friend or any person with whom you have a close association or any person or body who is the subject of a registrable personal interest.

Agenda

Introductions, if appropriate.

Item	Page
1 Apologies for absence and clarification of alternate members	
2 Declarations of interests	
Members are invited to declare at this stage of the meeting, the nature and existence of any relevant disclosable pecuniary or personal interests in the items on this agenda and to specify the item(s) to which they relate.	
3 Deputations (if any)	
To hear any deputations received from members of the public in accordance with Standing Order 67.	
4 Minutes of the previous meeting	1 - 10
To approve the minutes of the previous meeting held on Tuesday 25 April 2023 as a correct record.	
5 Matters arising (if any)	
To consider any matters arising from the minutes of the previous meeting.	
6 Budget Update - Medium Term Financial Strategy	11 - 98
This report provides 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, which is part of the committee's role in undertaking budget scrutiny throughout the year.	
7 IT Shared Services/Cyber Security	99 - 138
This report provides an update on Shared Technology Services' (STS) operational performance and progress in implementing the Brent and STS cyber security strategies.	
8 Scrutiny Progress Update - Recommendation Tracker	139 - 162

This report updates the Committee on the Scrutiny Recommendations Tracker.

(The agenda was re-published on Friday 14 July 2023 to include the Scrutiny Recommendations Tracker report).

9 Scrutiny Work Plan 2023/24

163 - 170

To advise the Committee of the 23/24 Resources & Public Realm Scrutiny work programme.

10 Any other urgent business

Notice of items to be raised under this heading must be given in writing to the Head of Executive and Member Services or her representative before the meeting in accordance with Standing Order 60.

Date of the next meeting: Wednesday 6 September 2023



- Please remember to set your mobile phone to silent during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public. Alternatively, it will be possible to follow proceedings via the live webcast [HERE](#)



MINUTES OF THE RESOURCES AND PUBLIC REALM SCRUTINY COMMITTEE Held in the Conference Hall, Brent Civic Centre on Tuesday 25 April 2023 at 6.00 pm

PRESENT: Councillor Conneely (Chair), Councillor Long (Vice-Chair) and Councillors Ahmadi Moghaddam, Akram, Bajwa, S Butt, Georgiou, Maurice, Miller, and Shah.

Also Present: Councillors Muhammed Butt (Leader of the Council), Mili Patel (Deputy Leader of the Council and Cabinet Member for Finance, Resources & Reform), Krupa Sheth (Cabinet Member for Environment, Infrastructure and Climate Change) and Donnelly-Jackson (Cabinet Member for Customers, Communities and Culture).

1. Apologies for absence and clarification of alternate members

Apologies were received from Councillors Mitchell and J.Patel, with Councillor Maurice attending as an alternate member on behalf of Councillor J.Patel.

2. Declarations of interests

Councillors Ahmadi Moghaddam and Long declared a personal interest in Agenda Item 7 as members of Brent Friends of the Earth. Councillor Georgiou also declared a personal interest due to his close association with Brent Friends of the Earth.

3. Order of Business

The Committee agreed to vary the order of business on the agenda to allow items that required a response from the Cabinet Member for Customers, Communities & Culture to be heard first. As a result of the change in order the Scrutiny Progress Update - Recommendations Tracker was the first substantive item discussed by the Committee. The minutes reflect the order in which the items were dealt with at the meeting.

4. Minutes of the previous meeting

It was **RESOLVED** that the minutes of the previous meeting held on Wednesday 22 February 2023 be approved as a correct record.

5. Matters Arising (if any)

None.

6. Scrutiny Progress Update – Recommendations 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 Chair invited Committee members to ask officers questions relating to the progress of the previous recommendations, suggestions and

information requests made by the Committee as detailed in Appendix A of the report. The following queries were raised by the Committee:

6.1 Multi Agency Flood Planning – 22 February 23

In relation to the recommendations made on Multi Agency Flood Planning the Committee were advised that updated responses were available in full on the revised report link in Appendix A of the Tracker.

Officers clarified that confirmation was being sought in liaison with Thames Water to ensure that all areas of the borough that fell within Thames Water's remit were accurately reflected in Thames Water's flood plans. An update would be provided at a future Committee meeting.

6.2 Brent Council Grants Programme – 8 November 22

Following an update provided on the You Decide participatory budgeting scheme, the Committee sought further details on why the decision had been taken to introduce a revised model of Community Grants, given that when the Committee had reviewed the scheme in November 2022, it was felt that it had been a successful pilot.

Councillor Donnelly-Jackson, Cabinet Member for Customers, Communities & Culture, advised that following the comments made at the previous Committee it was felt that despite the successes noted from the scheme it was important to recognise and respond to the issues raised in relation to the governance of the process, with particular reference to the concerns in relation to the voting system. Following the knowledge acquired from the pilot, a revised model of Community Grant Allocations with increased robust governance arrangements was submitted and accepted by Cabinet on 17 April 2023. It was hoped that the model going forward would build on the success of the You Decide pilot in harnessing community participation whilst providing a more transparent robust system in grant allocations.

The Chair thanked Councillor Donnelly-Jackson for clarifying the rationale behind the decision to introduce an alternative community grant scheme to the You Decide programme, however added that the Committee felt strongly about being involved in the decision making process on items that had been brought to the Committee for scrutiny. This was in view of the need to ensure that scrutiny recommendations were retained and actively considered to support and continue informing policy direction.

The Committee looked forward to receiving a further update on Brent Council's Grants Programme at a future Committee.

6.3 Re-defining Local Services – 15 December 22

The Committee were pleased to note the feedback provided following previous recommendations and information requests made, however there were some outstanding points that the Committee felt required further exploration. The following points were discussed:

- The Committee appreciated the feedback provided in relation to the community communications and engagement plan, however sought further detail as to how the focus groups to seek community feedback would be undertaken. Oliver Myers, Head of Environmental Strategy & Climate Change, advised that to ensure as broad a level of feedback was obtained as possible from Brent residents, a market research company would be brought in to undertake the focus groups. It was re-iterated to the Committee that officers recognised the value in community engagement as an opportunity to educate the local community as well as including the community in the development of the programme.
- Internal engagement from members was welcomed to support slogans and branding ahead of the suggestions being put to the wider focus and engagement groups.
- The Committee were advised that officers would liaise with private landlords to proactively work together to support the new campaign and to educate residents.
- It was confirmed that the revised zone classifications were being finalised with the support of officers and Veolia employees working together to ensure that the zones were classified correctly using their specific local expertise.
- It was clarified that the zone classifications were to support officers and contractors in their operational planning and would have no direct impact on the service to residents.
- In response to a Committee query in relation to the resident reporting system for street cleaning, officers confirmed that there was no specific grading system in use and that residents should report concerns when they felt it was appropriate, officers would then use their judgement to decide what operational intervention was needed.
- The Committee felt that the planned pilot of wheelie bins for approximately 6000 street level households in September 2024 was too far away and would be misleading for residents selected for the pilot who were already accustomed to the new sack systems by this point. The Committee acknowledged that implementing the pilot in September 2024 would support greater research and assessment of the new systems, as more data would have been collected by this point, however felt that if it was possible, the pilot scheme should be brought forward.
- Following resident dissatisfaction with the sacks used in the pilot, the Committee were assured that the concerns raised in relation to the size and quality of the sack had been acknowledged and as a result the sack was being re-designed to respond to the issues raised.

As no further issues were raised, Councillor Conneely thanked members and officers for the responses and updates provided and it was **RESOLVED** to note the Recommendations Tracker Update.

7. Deputations

Councillor Conneely welcomed Sheila Simpson from Brent Friends of the Earth to make a deputation in person to the Committee. The deputation related to Item 8 on the agenda - Climate & Ecological Emergency Strategy Update: 2022-2024 Delivery Plan & Green Neighbourhoods. The following key points were shared:

- Ms Simpson explained that on behalf of Brent Friends of the Earth she wanted to raise awareness of the grave concerns they had in relation to the urgency of the climate and ecological crisis at both a local and national level, parallel to the work Friends of the Earth were doing to encourage a prompt effective response from local and central government.
- It was hoped that good local progress could be made with positive partnership collaboration.
- In terms of the Council's approach, Brent Friends of the Earth recognised the rationale for a narrower focus of resources on the selected Green Neighbourhoods to maximise impact and test solutions, however it was felt that this may not be the most effective use of time, given the scale of the emergency as well as leaving the majority of the borough without significant environmental intervention.
- It was felt that Brent's commitment to consulting with residents to create a sense of community ownership in terms of projects going forward to reduce carbon emissions was positive, however it was not clear which projects would be prioritised and how they would cohesively work together to support both short and longer term impacts. The example shared was that supporting active travel through the increased provision of bicycle hangars would be of practical immediate help to some, whereas the longer-term vision of creating safe cycle/pedestrian friendly Green Corridors would support longer term sustained change.
- It was suggested that there was further scope for quick wins with wider long term impacts, such as increased installation of solar panels on school roofs and supporting schools to encourage plant based diets amongst their pupils to address the over consumption of meat and dairy products as a major source of emissions. It was noted that this had been successfully carried out in other local authorities and there were several organisations that were already set up to support this.
- Ms Simpson thanked the Committee for the opportunity to represent Brent Friends of the Earth and welcomed the future collaboration with Brent Council to offer support in achieving Brent's climate ambitions.

The Chair thanked Ms Simpson for making her deputation and advised that the Committee would have the opportunity to respond to the points raised as part of the consideration of the following item on the Climate & Ecological Emergency Strategy Update: 2022-2024 Delivery Plan & Green Neighbourhoods. It was therefore **AGREED** to note the deputation and thank Sheila Simpson and Brent Friends of the Earth for their participation in the scrutiny process.

8. **Climate & Ecological Emergency Strategy Update: 2022-2024 Delivery Plan & Green Neighbourhoods**

Following on from the deputation, the Chair then invited Councillor Krupa Sheth, Cabinet Member for Environment, Infrastructure and Climate Action to introduce the report that updated the Resources and Public Realm Scrutiny Committee on the current key focal points of the Council's Climate and Ecological Emergency Programme. This included the 2022-24 Delivery Plan which had been adopted by Cabinet in June 2022, and the new, localised, Green Neighbourhoods Action Plan. Having introduced the Delivery and Action Plan, Councillor Krupa Sheth thanked Sheila Simpson for highlighting the urgency of the climate issues faced both

nationally and locally, as well as drawing attention to the necessity of a collective rapid response from the community, local government and central government to ensure significant impacts could be made swiftly. The Chair then invited the Committee to raise any questions, comments or points of clarity in relation to the report and the accompanying deputation from Brent Friends of the Earth. The following issues were discussed:

- The Committee noted that Brent had ambitious plans to tackle the climate emergency and acknowledged that despite the magnitude of work that was needed, Brent was in a strong position to make good progress in reaching net zero by 2030 as a result of the strategies and plans in place.
- The impact of the social housing rent cap applied by central government in relation to funding of the Housing Revenue Account (HRA) on progress with decarbonisation of Brent's social housing stock, given the significant funding identified as required to progress the works needed.
- The Committee expressed thanks to Sheila Simpson for highlighting Brent Friends of the Earth's concerns and actions they felt were required to effect positive steps forward in achieving Brent's climate ambitions, with particular reference to the importance of seeking wider community and specialist stakeholder engagement to support the most effective plan.
- In recognising the proactive work being undertaken in the borough, the Committee felt that in order to measure success it would be helpful to have benchmarking in place to support a greater understanding of Brent's starting point, how Brent measured against other boroughs and to enable the public to track the progress being made. The Committee were advised that at present there was no national or pan London benchmarking data available, however there were various professional networks across London that Brent were involved in where the development of this type of benchmarking data and performance indicators were being discussed.
- The Committee noted the challenges in obtaining comparable data given the number of variables in different boroughs in respect of difference in wealth, political priorities and emission sources. The Committee were, however, keen for Brent to take an active role in the ongoing development and advancement of a benchmarking framework. Officers recognised the value a benchmarking framework would add to the support and monitoring of Brent's progress in achieving net zero and agreed to take this as a forward action.
- The Committee were re-assured that in Brent there was a focus on empowering residents to support their understanding of the necessity to make changes to support sustainability. It was felt by bringing residents on the journey to net zero with the local authority, there was a greater chance of successful implementation of strategies that would support the Council's climate targets.
- The Committee felt it was important to recognise that public opinion had progressed, with residents' keen to learn more about how they could be involved in supporting positive climate change actions.
- In noting the value of securing engagement and support from residents in terms of the ongoing development and implementation of the Climate Emergency Action Plan, the Committee queried how the community were kept updated in relation to schemes within the borough that aimed to progress the plan. In response officers advised that the main channel to communicate information to the public was via the Brent Environmental Network which

- provided regular newsletter updates and information to individuals and groups who had subscribed.
- Following concerns highlighted as part of the deputation by Brent Friends of the Earth relating to the number of different initiatives in the Plan that did not appear to be joined up, the Committee acknowledged the importance of the Council implementing comprehensive and integrated strategies. This led the Committee to query how the Council intended to bring the initiatives together to provide a more cohesive response in achieving the target of reaching net zero by 2030.
 - Officers acknowledged the issues raised and advised that it remained a challenge deciding where to focus the limited resources available to provide the most effective impact. The Committee were informed that the selection of projects underway across Brent, focused on the pilot Green Neighbourhoods, would provide valuable information moving forward on how best to progress the plans and what strategies would provide the biggest impact, ahead of all strategies being rolled out on borough wide basis.
 - In response to a Committee query regarding the rationale behind the selection of the two Green Neighbourhood pilots (Church End & Roundwood and Kingsbury), officers advised of the specific criteria used which had included the areas representing a good comparison between the north and south of the borough.
 - The Committee queried when Green Neighbourhoods would be extended to additional wards across the borough, given the urgency of the work required. It was felt that a discussion was needed within the Council to agree a suitable budget plan to provide the appropriate level of resourcing to successfully action the changes needed borough wide.
 - It was noted that increased “School Streets” and the expansion of the ULEZ zone would be a welcome support in reducing emissions in the borough.
 - The Committee queried what liaison had taken place between Brent officers and other primary landlords in Brent to encourage the decarbonisation of rental properties. In response the Committee were advised that although the Council had no direct influence over private housing providers, action planning was underway with the support of the Affordable Housing team to produce a charter to clarify Brent’s expectations of the parallel work required to collectively move the borough towards net zero.
 - Councillor Muhammed Butt, Leader of the Council, re-assured the Committee about the Council’s support of Brent’s climate ambitions and the active engagement of the planning department in seeking to ensure that new build developments were environmentally sustainable.
 - The Committee queried the implications of Brent’s consumption emissions being at 4 to 5 times the size of carbon emissions (as detailed in section 3.10 of the report). In response, officers advised the Committee that the impact was significant, particularly as it was felt that most members of the public were unlikely to be aware of the impact that their day-to-day consumption choices were having on carbon emissions. In recognition of this, officers had included consumption emissions as a key theme within the Climate Emergency Strategy.
 - The Committee shared positive feedback regarding the Green Neighbourhood consultation events, with it noted that the Kingsbury event had been well attended by a broad representation of the local community.

- The Committee acknowledged the plans in place for collaborative working between the Public Health team and Climate & Healthy Street teams to increase Active Travel in the borough, however queried what more could be done and if these initiatives could be accelerated via Strategic CIL funding. In highlighting the commitment to encourage Active Travel initiatives across the borough officers outlined how funding was being sought to provide additional support, including as an example enhanced provision of bike hangars.
- In order to build upon the Active Travel plans in Kingsbury as a pilot area, recruitment was underway to appoint a school based co-ordinator to explore broader solutions and bring local schools together to foster a unified approach in efforts to increase and support active travel.
- It was confirmed that where the report referenced “co – production” and “co-delivery” this was in relation to the overall success of the plan which would require a collective response and engagement from the community, voluntary organisations and partners in the development and delivery of strategies to effect positive sustained change.
- In response to a Committee query in relation to the breadth of community engagement undertaken on the Green Neighbourhoods plan, officers confirmed that to support further development of the plan they felt it was important to seek a wide a range of feedback from the community, this included communication with youth engagement programmes, different faith and climate action groups, climate fairs and the Brent Climate Assembly, as detailed in Appendix D of the report.
- The Committee were advised that the development of community gardening to support Brent’s green infrastructure and biodiversity was being utilised in specific areas throughout the borough and where green space was available for additional community gardening, this would be supported. The Committee noted the multiple benefits of community gardening as it provided opportunities for community co-delivery and social cohesion as well as the environmental gains.
- A further Committee query was raised in relation to the trip hazards posed to pedestrians and cyclists from the charging cables on Electric Vehicle Charging Points (EVCP). It was felt that although the increasing number of EVCP’s was positive in terms of supporting cleaner vehicles being used, this issue could have a detrimental impact in supporting wider forms of active travel. Officers acknowledged the issues raised and noted the challenges in balancing the needs of all modes of transport whilst encouraging green, active travel. The Committee were advised that when new footway upgrades were completed there would be opportunities to incorporate channelling the cables under the footway so that pedestrians were not inconvenienced by cables across public footways.

As the Committee had no further questions for officers, the Chair invited Sheila Simpson, on behalf of Brent Friends of the Earth to ask any specific questions in response to the information provided. In noting the update provided, Sheila Simpson queried the plans in place to communicate the Climate Emergency Strategy priorities to the public and how Brent Friends of the Earth could positively engage with the Council to support change. The following responses were provided in response:

- Councillor Krupa Sheth, Cabinet Member for Environment, Infrastructure and Climate Action, advised that the Council would welcome an open dialogue with Brent Friends of the Earth to advise and support on revised plans and strategies that would positively contribute to Brent's Climate Emergency Action Plan. It was felt that the channels used for communication were effective, however any ideas to build upon what the Council was already doing would be welcomed.
- Councillor Muhammed Butt, Leader of the Council, followed up by advising how the Council's recently adopted Borough Plan also demonstrated the Council's commitment to respond to the Climate Emergency and achieve the net zero target by 2030. In acknowledgement of the lack of funding from central government to support local authorities in providing a rapid effective response to climate concerns, Councillor Butt outlined how funding opportunities were constantly being sought to support the changes needed, additionally there was widespread recognition across the Council that pulling resources together internally and with external partners would be key to resourcing delivery of the plan.
- Chris Whyte, Director of Environment & Leisure, also expressed thanks to Brent Friends of the Earth and offered to arrange a direct follow up meeting to explore how further collaborative work could be undertaken.

In closing the discussion, the Chair thanked Shiela Simpson (on behalf of Brent Friends of the Earth), officers and members for their contributions towards the important scrutiny on this item before summarising the outcome of the review and additional actions, which were NOTED and **AGREED** as follows:

Recommendations to Cabinet:

- (1) To continue to lobby central government and the Greater London Authority (GLA) for additional funding to strengthen our efforts to achieve carbon neutrality by 2030.

Suggestions for Improvement:

- (1) Introduce a 'climate implications' section into all cabinet reports to ensure that all key decisions are aligned with the Council's net zero targets.
- (2) Develop an accountability framework (such as a dashboard) for the Climate & Ecological Emergency Strategy 2021-2030 that is accessible on the Council's website to demonstrate to residents how Brent is performing on its climate ambitions for 2030 and 2045. This framework should also benchmark our activities/efforts with other local authorities for context.
- (3) Explore opportunities to use Strategic CIL (SCIL) monies to fund additional infrastructure projects that were directly aligned with the Council's climate commitments (set out in the Climate & Ecological Emergency Strategy 2021-2030).
- (4) Engage with Brent Friends of the Earth and other relevant community partners to support and improve the delivery of the Council's Climate Action agenda.

9. In Year Monitoring Update: Financial Forecast Q3 2022/23

Councillor Conneely welcomed Minesh Patel, Corporate Director, Finance and Resources to present a report that updated the Committee on the 2022/23 Q3 Financial Forecast report which it was noted had been presented to Cabinet in January 2023. Having presented the report, the following key points were discussed:

- The Committee felt that it would add value to the budget and scrutiny process if the timetable for the Committee to receive future financial updates was co-ordinated to allow time for scrutiny to consider them ahead of their presentation to Cabinet.
- Officers acknowledged the issues raised, however due to the tight timescales the Finance team were required to work within, it would be difficult to adjust the schedule of the reports coming to the Committee. The Committee were advised that as the reports were provided quarterly, there were opportunities throughout the financial year for the Committee to comment and make suggestions with regard to any key concerns identified.
- The Committee were advised that given the challenging economic climate, it was felt that the budget had been well managed and had incorporated key Budget Task Group recommendations to continue to provide services to support the most vulnerable residents.
- It was noted that the Children & Young People (CYP) department continued to show an overspend as it had done in previous monitor updates. The statutory and responsive nature of services provided by CYP was, however, recognised in this respect along with the increasing demographic demand driven by the numbers of families and children presenting to the service coupled with increased complexity, high inflation of care costs and post Covid recovery in creating exceptional financial pressures within the service.
- The Committee queried whether it was necessary to increase the CYP budget allocations to ensure that the vulnerable residents who required support services would not be detrimentally impacted due to spending concerns. In response the Committee were advised that increasing the CYP budget would create further budget deficits in other departments. It was felt that the service was given an appropriate budget allocation, however due to unprecedented external factors the service had faced increased financial challenges which plans were being developed to address.
- In response to a Committee query in relation to whether the General Fund could be used to support the delivery of the decarbonisation of the Council's housing stock, officers confirmed that this would not be possible given the requirement for works to housing stock to be funded from within the Housing Revenue Account.
- The Committee noted the statutory override in place to allow the Council to hold the High Needs Block of the Dedicated Schools Grant (DSG) deficit until 2025/26, however queried how the Council would address the deficit once the statutory override was removed. In response the Committee were advised of the plans to address the pressures in relation to managing the deficit on the DSG High Needs Block given the potential impact on the Council's budgetary position.

At this stage in proceedings, the Committee agreed to waive apply the guillotine procedure under Standing Order 62(c) in order to extend the meeting for a period of 15 minutes to enable the remaining business on the agenda to be completed.

In summarising the discussion, the Chair thanked all those present for contributing to the scrutiny process on the Financial Monitoring Update and with no further issues raised the Committee **RESOLVED** to note the contents of the report and approve the following suggestion for improvement:

- (1) Continue to lobby central government for the long-awaited local government finance reforms.

7. Scrutiny Work Plan 2022/23 Update

The committee noted that as this was the last meeting of the 2022-23 Municipal year, an updated Work Programme for 2023-24 would be presented to the Committee at the next scheduled meeting on 19 July 2023.


8. Any Other Urgent Business

None.

Date of the next meeting: Wednesday 19 July 2023

The meeting closed at 9.15pm

COUNCILLOR RITA CONNEELY
Chair

 <p>Brent</p>	<p>Resources and Public Realm Scrutiny Committee 19 July 2023</p>
<p>Report from the Corporate Director of Finance & Resources</p>	
<p>Budget Update - Medium Term Financial Strategy</p>	

Wards Affected:	All
Key or Non-Key Decision:	Not applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	<p>Three:</p> <p>Appendix 1: Cabinet (17 July 23) Financial Outturn 2022/23</p> <p>Appendix 2: (Cabinet (17 July 23) Q1 2023/24 Financial Forecast</p> <p>Appendix 2a Appendix A - Q1 2023/24 Financial Forecast</p> <p>Appendix 2b Appendix B - Q1 2023/24 Financial Forecast</p> <p>Appendix 3 Cabinet (17 July 23) Medium Term Financial Outlook</p>
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Minesh Patel, Corporate Director of Finance and Resources Tel: 020 8937 4043 Minesh.Patel@brent.gov.uk</p> <p>Rav Jassar, Deputy Director of Finance Tel: 020 8937 1487 Ravinder.Jassar@brent.gov.uk</p>

1 Purpose of the Report

- 1.1 This report provides 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, which is part of the committee's role in undertaking budget scrutiny throughout the year.

2 Recommendations

- 2.1 That the committee note the report

3 Detail

Financial Outturn 2022/23

- 3.1 This report sets out the outturn for income and expenditure versus the revenue budget and capital programme for 2022/23 and other key financial data. The Council's General Fund outturned at break even. The Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) also broke even. In 2022/23 the Council's capital programme spent £165m which equates to 71% of the approved budget.
- 3.2 Whilst the General fund as a whole broke even, there was a service overspend of £3.7m in the Children and Young People's department as a result of increased placement and staffing costs. Adult Social Care and Health overspent by £0.9m while other General Fund services outturned with modest variations. The budgeted use of corporate contingencies has resulted in an overall breakeven position for the General Fund.
- 3.3 The £0.9m overspend in the Adult Social Care department largely comes from a growth in client numbers; in particular, Elderly Nursing Care clients grew by 18% between April 22 and March 2023. There was also growth in the number of 'transition' clients moving from the CYP service to ASC. These clients tend to transition initially at a higher package cost, increasing costs in-year for the Learning Disability service. A number of these packages were not identified as relating to ASC until Q3 2022/23 and therefore partly account for the shift between the Q3 forecast and outturn at year end.
- 3.4 The £3.6m overspend in the Children & Young People's department has arisen mainly because of increased pressures against the demand led services budgets in Forward Planning, Performance and Partnerships, linked to increases in placement costs, and in Localities, with the continued use of agency social work staff to cover vacant positions because of recruitment and retention challenges.
- 3.5 Overall, the financial outturn has worsened by £1m since the Q3 forecast was presented to Cabinet in January 2023, where the General Fund has worsened by £2.6m and the DSG has improved by £1.6m. This demonstrates the significant pressures facing the Council as a result of volatility in demand led budgets within children's and adult social care.

Q1 2023/24 Financial Forecast

- 3.6 This report sets out the current forecast of income and expenditure versus the revenue and capital budgets for 2023/24 and other key financial data. The 2023/24 budget was set by Full Council in February 2023. This budget was

developed to accommodate for the pressures arising as a result of the current economic climate and cost-of-living crisis. Specifically, the 2023/24 budget report set out the scenario modelling and sensitivity analysis conducted to manage both high levels of inflation and increased demand for services which are expected to have a significant impact on the current budget. At this stage of the financial year no new material or exceptional risks have been reported other than pressures already budgeted for. Therefore, the overall forecast for the Council as at Quarter 1 is a break-even position. The budget also reflects £13.5m of savings that were agreed for 2023/24.

- 3.7 That being said, there are a number of risks and uncertainties across all service areas that could affect the assumptions made around the impact of inflation and the demographic pressures. These are set out in more detail in the Q1 Financial Forecast report.

Medium Term Financial Outlook

- 3.8 This report sets out the overall financial position facing the Council and highlights the significant risks, issues and uncertainties with regards to the Council's Medium Term Financial Strategy (MTFS). It also sets out the proposed budget setting strategy for 2024/25.
- 3.9 The medium-term risks and uncertainties with regards to the current budget assumptions contained within the MTFS primarily relate to exceptional factors such as high levels of inflation, rising interest rates, increased demand for key services and uncertainty in government funding. However, it must be recognised that the situation remains uncertain and it is extremely difficult to make a full, definitive and comprehensive assessment of the ongoing financial impact of these issues. As such, the figures in this report are based upon best estimates and forecasts and will therefore be subject to change.
- 3.10 The report also outlines how the MTFS will aim to provide a framework to invest broader ambitions and long-term priorities such as the Borough Plan, the cost-of-living crisis and other future steps to ensure the Council continues to operate in a financially sustainable and resilient way as well as supporting residents in need.
- 3.11 Much of what the Council terms 'growth' is in fact the cost of standing still. Some of this is unavoidable (e.g. contract inflation, pay awards), whilst other parts result from growth pressures, such as demographic changes, that increase demand for services (e.g. adult social care, children's services, homelessness). As can be seen from the Financial Outturn 2022/23 report, pressuring arising from demand led budgets (primarily social care) are volatile and a small increase in demand can quickly lead to in year overspends that are challenging to mitigate with management interventions in the short term.
- 3.12 Looking forward to 2024/25 and 2025/26, besides general inflation, pay awards and contractual indexation, the Council needs to provide growth for unavoidable demographic and demand-led service pressures. Allowing for growth based on

service forecasts, results in a budget gap of £8m over this period. This will need to be met by savings.

3.13 The budget setting process is set out as follows:

- Draft budget, and new savings proposals, for 2024/25 and 2025/26 presented to Cabinet in autumn 2023. The precise date is dependent on the Chancellor's autumn statement where announcements on the Spending Review and Local Government funding are expected;
- The proposals, together with any changes made by Cabinet, will form the basis of consultation between autumn 2023 and February 2024 with residents, businesses and other key stakeholders;
- The Budget Scrutiny Task Group will review the budget proposals and report accordingly;
- The General Purposes Committee will review the calculation of the Council Tax base in December 2023; and
- After the statutory processes of consultation, scrutiny and equalities have concluded, a draft budget will be presented to Cabinet to recommend a final budget and Council Tax to the February 2024 Council meeting.

4 Financial Implications

4.1 The financial implications are contained within the body of this report.

5 Legal Implications

5.1 There are no legal implications arising out of this report.

6 Equality Implications

6.1 There are no equality implications arising out of this report.


7 Consultation with Ward Members and Stakeholders

7.1 Not applicable.

Report sign off:

Minesh Patel

Corporate Director of Finance & Resources

 Brent	Cabinet 17 July 2023
	Report from the Corporate Director of Finance and Resources
Financial Outturn Report 2022/23	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	None
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel Corporate Director of Finance and Resources Email: Minesh.Patel@brent.gov.uk Tel: 020 8937 4043 Rav Jassar Deputy Director of Finance Email: Ravinder.Jassar@brent.gov.uk Tel: 020 8937 1487

1. Summary

- 1.1 This report sets out the outturn for income and expenditure versus the revenue budget and capital programme for 2022/23 and other key financial data. The Council's General Fund outturned at break even. The Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) also broke even. In 2022/23 the Council's capital programme spent £165m which equates to 71% of the approved budget.
- 1.2 Whilst the General fund as a whole broke even, there was a service overspend of £3.7m in the Children and Young People's department as a result of increased placement and staffing costs. Adult Social Care and Health overspent by £0.9m while other General Fund services outturned with modest variations. The budgeted use of corporate contingencies of £4.2m has resulted in an overall breakeven position for the General Fund.

1.3 Revenue Outturn

1.3.1 The table below analyses the various under and overspends at the end of the 2022/23 financial year across the service areas of the Council

Table 1 – Revenue Outturn 2022/23

Service Area	Revised Budget	Actual Transactions	Over/(Under) Spend
	£m	£m	£m
Adult Social Care and Health	128.6	129.5	0.9
Children and Young People	65.2	68.9	3.7
Communities and Regeneration	10.1	10.1	0.0
Finance and Resources	14.9	14.5	(0.4)
Governance	14.8	14.6	(0.2)
Resident Services	78.3	78.5	0.2
Service Expenditure	311.9	316.1	4.2
Central Items / Budgeted Contingency	(311.9)	(316.1)	(4.2)
General Fund (GF) Budgets / Outturn	0.0	0.0	(0.0)
DSG Funded Activity	0.0	0.0	0.0
Housing Revenue Account (HRA)	0.0	(0.0)	(0.0)
Total (GF, HRA, DSG)	0.0	(0.0)	(0.0)

1.4 Capital Outturn

1.4.1 For 2022/23 the Council spent £191.6m which equates to 82% of the approved capital programme budget and was under spent compared to budget by £41.1m as shown in Table 2 below.

Table 2 – Capital Expenditure

Capital Programme Item	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Corporate Landlord	17.9	13.4	(4.5)
Regeneration	9.4	2.5	(6.9)
St. Raphael's Estate Regeneration	1.9	0.8	(1.1)
Housing Care Investment	158.2	144.7	(13.5)
Schools	12.5	5.5	(7.0)
South Kilburn	11.5	11.2	(0.3)
Public Realm	21.3	13.5	(7.8)
Grand Total	232.7	191.6	(41.1)

2. Recommendation

2.1 To note the overall financial position for 2022/23.

3. Revenue Detail

3.1 Care, Health and Wellbeing

Summary

Table 3 – Care, Health and Wellbeing Outturn 2022/23

Adult Social Care and Health	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Adult Social Care & Integrated Health Partnerships	105.7	106.6	0.9
Public Health	22.9	22.9	0.0
Total	128.6	129.5	0.9

3.1.1. The Care, Health and Wellbeing department overspent by £0.9m, largely as a result of growth in client numbers for the service. In Quarter 3 the department was forecasting a break-even position.

Detailed Narrative

3.1.2. Whilst Public Health reports a break-even position, a £2.5m underspend on the main Public Health grant has been transferred to earmarked reserves to enable continued funding of delayed projects. This underspend on the grant was largely as a result being able to utilise other grant funding to deliver Public Health projects.

Appendix 1

- 3.1.3. The £0.9m overspend reported comes from the Adult Social Care department. This largely comes from a growth in client numbers; in particular, Elderly Nursing Care clients grew by 18% between April 22 and March 2023.
- 3.1.4. There was also growth in the number of ‘transition’ clients moving from the CYP service to ASC. These clients tend to transition initially at a higher package cost, increasing costs in-year for the Learning Disability service. A number of these packages were not identified as relating to ASC until Q3 2022/23 and therefore partly account for the shift between the Q3 forecast and outturn at year end.
- 3.1.5. Conversely, client numbers in Day Care showed a slight 2% decline in 2022/23, as packages continue to remain below pre-pandemic levels.
- 3.1.6. Brent received an additional £2.4m in funding from Government in 2022/23 (£1.1m funding directly to the Local Authority, and £1.3m via the Integrated Care Board to be pooled together) to support with the pressures continuing to be faced by Local Authorities with delays to discharging people from hospital. The additional funding was utilised in full to provide additional staffing, funding for home care and reablement.

Savings & Slippages

- 3.1.7. In 2022/23, the department achieved £0.2m worth of savings as planned.

3.2 Children and Young People (GF)

Summary

Table 4 – Children and Young People Outturn 2022/23

Children and Young People	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Central Management	0.8	0.8	0.0
Early Help	5.3	4.6	(0.7)
Inclusion	21.7	23.9	2.2
Localities	2.1	2.1	0.0
Looked After Children and Permanency	7.7	7.7	0.0
Forward Planning, Performance & Partnerships	24.6	26.9	2.3
Safeguarding and Quality Assurance	2.9	2.8	(0.1)
Setting and School Effectiveness	0.1	0.0	(0.1)
Total	65.2	68.8	3.6

- 3.2.1 The CYP General Fund at the end of 2022/23 has overspent by £3.6m, which is £1.3m more than the position reported at Quarter 3 of a £2.3m overspend.

The Quarter 3 forecast highlighted an underlying pressure of £4.3m with management actions put into place to reduce the reported pressure to £2.3m. The £1.3m movement has arisen mainly because of increased pressures against the demand led services budgets in Forward Planning, Performance and Partnerships, linked to increases in placement costs, and in Localities, with the continued use of agency social work staff to cover vacant positions because of recruitment and retention challenges.

3.2.2 Actions undertaken by the department to control spend and mitigate the pressures following the Quarter 3 forecast included:

- Reviewing Residential, Mother and Baby and Semi-Independent placements and implementing step-downs where possible.
- Holding posts vacant across the department where it is safe to do so and utilising grant funding efficiently to release staffing underspends where possible.
- Ensuring that agency staff take a minimum of 20 days holiday in the financial year and that the London-wide pledge, that has been in place since June 2022 to manage the hourly rates for social workers, is fully adhered to.
- Implementing a spending freeze on any non-statutory spending with the approval of all spend over £1k being escalated to director level.

3.2.3 The total cost avoidance achieved from these measures was £1.3m

Detailed Narrative

3.2.4 The volatility of placement costs for Looked after Children (LAC) within the Forward Planning, Performance and Partnerships (FPPP) service has led to an overspend of £2.3m which is £0.6m more than the position reported at Quarter 3. The increase is mainly due to the increase in the residential placement costs. The overall pressure is because of the following factors:

- £1.7m pressure against the Residential Care budget as a result of the increase in the number of children placed in residential homes and in increasing placement fees. In 2022/23 there was a 22% increase in the number of CYP in residential homes from 25 at the end of 2021/22 to 32. Weekly costs have continued to increase with the highest ranging from £8,400 per week to £19,474 per week. This reflects increasing demand for specialist provision that can support complex mental health needs for children who do not meet the criteria for a Tier 4 hospital setting.
- £0.3m pressure against the budget for care leavers – semi-independent placements. There was an overall 15% increase in the number of care leavers being accommodated by the local authority compared to 2021/22 and on average prices increased by 6.6%, which led to a pressure against the budget of £1.4m. However, as this increase is mainly due to the number of Unaccompanied Asylum-Seeking Children (UASC) who as care leavers need to be accommodated until the Home Office makes an asylum determination, the pressure is partly mitigated by (£1.1m) grant income received from the Home Office.

- £0.3m pressure because of the slippage of the savings target against a project to use the Gordon Brown Centre (GBC) to support looked after children and care leavers to develop their life skills for independent living. A decision has been taken not to undertake planned adaptations to the GBC due to the capital cost.
- 3.2.5 A programme of placement commissioning activity is underway which projects to deliver efficiencies against the placement budgets. This includes a full review of Brent's approach to the commissioning of accommodation for care leavers, including practice that supports their independence; reducing spend on residential placements through new approaches to market engagement and management; improving in-house foster care provision to recruit more foster carers and reduce use of higher cost IFAs and piloting a new wrap-around preventative mental health and wellbeing support service for looked after children to reduce the need for high cost specialist placements.
- 3.2.6 The Localities service overspent by £2.2m which is £1.5m more than £0.7m forecast overspend reported at Quarter 3. The movement is because of increased staffing pressures as the Quarter 3 forecast assumed that a number of positions filled by agency staff would be replaced by permanent staff, but after two recruitment drives, this was not the case and agency staff were kept on longer to manage caseloads. There was also increased pressures against the demand led budgets. The overall pressure has arisen because of:
- £1.3m pressure due to the continued use of agency social workers to cover vacant positions and some long-term staff absence to manage caseloads. There is a national challenge to recruit and retain permanent social work staff. Across the Locality teams in 2022/23, agency workers occupied 46% of the establishment.
 - £0.7m pressure against the Children with Disabilities area (CWD) in the Localities service, is because of increased demand against the CWD Placements budget which includes Direct payments, Care at Home, Residential and Day Services with numbers rising from 518 CYP supported in 2021/22 to 579 in 2022/23, a 12% rise. A cost driver of the pressure in this area is the increasing number of Education, Health, and Care Plans (EHCPs) which is also affecting the High Needs Block of the Dedicated Schools Grant (DSG).
 - £0.2m of the pressure has arisen due to demand led pressures arising from client subsistence costs and additional legal costs incurred in the year.
- 3.2.7 The pressures in the department have been partly offset by underspends in the Early Help Service where positions were held vacant as part of a mitigating action to support the pressure in the department and also utilising grant funds efficiently. Also, within Early Help and the Inclusion Service, some positions were partly vacant because of restructures that took place in the year.

3.2.8 There are a number of actions in place to address the workforce pressures across the service, including working in collaboration with our neighbouring local authorities on effective and targeted recruitment and retention activity. Compliance with the London Pledge to ensure that agency worker rates are kept to the agreed cap is closely monitored at Director level and a weekly Establishment Board has been created to scrutinise all agency recruitment, and corresponding activity to achieve permanency through conversations with agency staff to convert to permanent roles. A workforce development plan is in place with metrics linked to savings and reductions in agency spend.

Savings and Slippages

3.2.9 The department had a £0.3m savings target against a project to use the Gordon Brown Centre to support looked after children and care leavers to develop their life skills for independent living. The slippage is reflected as a pressure against the placement budget detailed in the FPPP forecast paragraph above.

3.3 Communities and Regeneration

Summary

Table 5 – Communities and Regeneration Outturn 2022/23

Communities and Regeneration	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Communities and Strategy	4.9	4.9	0.0
Regeneration	5.2	5.2	0.0
Total	10.1	10.1	0.0

3.3.1 Communities and Regeneration spent to budget. This is a net result of a small number of overspends being offset by a small number of underspends.

Detailed Narrative

3.3.2 Communities and Regeneration spent to budget. Underspends in Building Control and directorate budgets in Communities and Strategy and Regeneration offset overspends in Strategy and Partnership, Planning and Development services and Employment, Skills and Enterprise. Planning and Development services income dropped significantly in the last quarter, and reduced income remains a risk for 2023/24.

Savings and Slippages

3.3.3 Communities and Regeneration savings were in Building control, these savings were delivered in 2022/23, with the service underspending. However, Building control had received one off growth in 2022/23, there is a risk of an overspend in 2023/24 unless there is a growth in demand for their services.

3.4 Finance & Resources

Summary

Table 6 – Finance and Resources Outturn 2022/23

Finance & Resources	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Finance	9.3	9.3	0.0
Audit and Investigations	1.2	1.2	0.0
Digital Services	0.4	0.4	0.0
Property & Assets	4.0	3.6	(0.4)
Total	14.9	14.5	(0.4)

3.4.1 The Finance & Resources department underspent by £0.4m. This came from the Property & Assets service, with the other services breaking even. In Quarter 3, Finance & Resources were forecasting an overall break-even position

Detailed Narrative

3.4.2 Finance & Resources achieved an overall underspend of £0.4m. This is all attributed to the Property & Assets service.

3.4.3 Within the Property service around £0.2m of the underspend came from the early delivery of a 2023/24 savings target, with the Civic Centre car park fee increase implemented in 2022/23. The remainder came from one-off contractual savings within Facilities Management due to contractual requirements not being met, and penalties imposed.

Savings & Slippages

3.4.4 In 2022/23, the department achieved £0.2m worth of savings as planned.

3.5 Governance

Summary

Table 7 – Governance Outturn 2022/23

Governance	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Executive and Member Services	4.2	4.4	0.2
Human Resources	4.0	3.7	(0.3)
Legal Services	5.4	5.3	(0.1)
Procurement	1.1	1.2	0.1
Total	14.7	14.6	(0.1)

- 3.5.1 The Governance department has underspent by £0.1m. This is a net result of a number of budgetary pressures being more than offset by general efficiencies across the department. In Quarter 3, the department had projected a break-even position, which has since moved to some variances against the budgetary assumptions; these are discussed below.

Detailed Narrative

- 3.5.2 The Governance department has achieved an overall underspend of £0.1m for the financial year 2022/23.
- 3.5.3 This position is a result of higher than budgeted expenditure on third party payments being more than offset by underspends on staffing due to vacancies, general efficiencies across the department and additional income from schools.

Savings and Slippages

- 3.5.4 There were no savings planned from this department for 2022/23.

3.6 Resident Services

Summary

Table 8 – Resident Services Outturn 2022/23

Residents Services	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Resident Services Directorate	0.4	0.3	(0.1)
Customer Access	17.8	17.9	0.1
Environment & Leisure	44.5	44.2	(0.3)
Transformation	11.9	12.0	0.1
Housing GF	3.7	4.0	0.3
Total	78.3	78.5	0.2

3.6.1 The Resident Services department has overspent by £0.2m. This is a net result of a number of budgetary pressures being partially mitigated by an early achievement of savings. In Quarter 3, the department had projected a break-even position, which has since moved to some variances against the budgetary assumptions; these are discussed below.

Detailed Narrative

Resident Services Directorate

3.6.2 The Directorate budget shows an overall £0.1m underspends, which is a result of general efficiencies across the department.

Customer Access

3.6.3 The Customer Access service has a net overspend £0.1m. The overspends incurred were predominately attributable to staffing costs as additional resource was deployed to support increased demand as result of the cost-of-living crisis.

3.6.4 The overspend was partially mitigated by higher than budgeted income generated by the Registration and Nationality service as bookings related to marriage ceremonies increased following promotion of the authority's marriage space in the Civic Centre.

3.6.5 The service has achieved a £0.3m saving linked to increased automation, staffing efficiencies and contract management.

Environment and Leisure

3.6.6 The Environment and Leisure service has an overall underspend of £0.3m. This is a net position which has been achieved as a result of the following

variances against budgets:

- £0.2m overspend within the Energy Team due to settling historic water bills
- £0.1m under recovery of income in Parking services
- £0.2m overspend on Healthy Streets due to a reduction in the TfL LIP funding
- £0.1m income loss at Bridge Park due to slower than anticipated service recovery
- (£0.2m) underspend in Regulatory Services due to staff vacancies
- (£0.2m) underspend in Public Realm due to higher than budgeted contractor rebates income
- (£0.4m) underspend within the Directorate due to staff vacancies, a reduction in training and conferences, as well as consultancy spend (£0.1m) other general efficiencies across the service.

- 3.6.7 The service has achieved a £0.3m saving associated with a review and a reduction in operating costs of the Brent Transport Service and increased income from damage cost recovery from developers and builders where damage is caused to the public highway.

Transformation

- 3.6.8 The Transformation service has an overall overspend of £0.1m, which is mainly due to additional licenses costs being partially offset by staffing underspends due to vacancies.
- 3.6.9 The service has achieved a £0.3m saving due to staffing efficiencies.

Housing

- 3.6.10 The Housing service is showing a net £0.3m overspend for the year. This is due to additional Council Tax costs on new temporary accommodation provision being partially offset by released funds from the provision for uncollectable debt following a rent accounts cleansing exercise.
- 3.6.11 The service has achieved a £0.5m saving associated with reducing demand for Temporary Accommodation due to an increased supply within the Housing Partnerships Service.

Savings and Slippages

- 3.6.12 In 2022/23, the department has achieved £1.4m worth of savings as planned.

3.7 Collection Fund

- 3.7.1 The budgeted net collectible amount for Council Tax (after exemptions, discounts and Council Tax support) was £179.2m in 2022/23. The actual net collectible amount as at 31 March 2023 increased to £179.6m, an increase of £0.4m since April 2022. The increase during the year was due to new properties being completed above assumed levels and a reduction due to

Appendix 1

additional Council Tax Support payments to residents, producing a cumulative Council Tax surplus on the Collection Fund of £12.4m after accounting adjustments for items such as impairment for doubtful debt, and write-offs. The in-year collection rate was 93.4%, 1.1% higher than the amount achieved in the previous year, although collection will continue to be attempted in future years.

- 3.7.2 The budgeted net collectible amounts for Business Rates (after exemptions, reliefs and discounts) was £112.8m. The actual net collectible amount as at 31 March 2023 increased to £119.3m, an increase of £6.5m since April 2022. This increase is a result of changes to mandatory reliefs and the taxbase. The Collection Fund had an in-year deficit of around £61.2m, of which £22.5m will be funded by the GLA and £20.3m from central government. Brent's share will be funded from an earmarked reserves specifically earmarked for this purpose. As at the 31 March 2022, the amount collected was 91.3%, this is higher than the amount collected in the same period last year, at 87.3%, as payment deferrals to support businesses overcome the impact of COVID-19 have been reduced, and enforcement activity has re-commenced.
- 3.7.3 Movements between the budget and actual collectable amounts affect the overall level of balances held on the Collection Fund at year-end after deducting charges. For Business Rates, additional grants were paid to the General Fund which have been moved to reserves to repay Brent's share of the deficit over the next two years as described in paragraph 3.7.2.

3.8 Dedicated Schools Grant (DSG)

Summary

Table 9 – Dedicated Schools Grant Outturn 2022/23

DSG Funding Blocks	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Schools Block	118.9	119.1	0.2
High Needs Block	67.7	67.4	(0.3)
Early Years Block	23.2	22.2	(1.0)
Central Block	2.1	1.9	(0.2)
Total	211.9	210.6	(1.3)

- 3.8.1 The overall DSG outturn for 2022/23 is a surplus of £1.3m, against grant funds of £211.9m. This surplus is a movement from the reported Quarter 3 forecast position of £1.6m deficit and this is mainly due to a reduction (£3.1m) in the pressure assumed against the High Needs Block (HNB). This in-year surplus is mainly driven by a £1m underspend against the Early Years Block due to the Department of Education's (DfE) in-year adjustment and a £0.3m surplus against the High Needs Block (HNB), a positive outturn for the HNB.
- 3.8.2 The cumulative DSG deficit carried forward from 2021/22 was £15.1m. This

has reduced to £13.8m at the end of 2022/23. However, there remains a risk that the EY Block surplus could be clawed back by the DfE in 2023/24 following the final allocations based on the results of the January 2023 census to be confirmed in July 2023.

- 3.8.3 The financial year 2022/23 was the final year of the statutory override set out in the School and Early Years Finance Regulations 2020 which requires local authorities to either carry forward any cumulative DSG deficit to set against the DSG in the next funding period or carry forward some or all the deficit to the funding period after that. The government has now extended the arrangement for another three financial years from 2023/24 to 2025/26.

Detailed Narrative

- 3.8.4 The Schools Block overspent by £0.2m due to pressures against the growth funds which covers the cost of the Choice and Fair Access Panel (CAFAP) arrangements for new arrivals to Brent schools, as well as the impact of rising rolls in schools as pupil numbers grow. The growth in pupil numbers has mainly been within the secondary school phase. This pressure is mitigated by a £0.2m underspend against the Central Block, resulting mainly from reduced reliance on temporary staff throughout the year.

- 3.8.5 The Early Years Block which passes on 95% of its funding to providers has underspent by £1m. This is mainly due to the DfE's in-year adjustment to the EY Block funding in July 2022, following the completion of the January 2022 census. The EY Block is a self-contained block based on headcount therefore, there is a risk that the DfE may claw back the funding following an in-year adjustment expected in July 2023.

- 3.8.6 The High Needs Block Qtr. 3 forecast assumed an overspend position of £2.8m, however the outturn position reflects a £0.3m surplus. The movement is because of the following:

- £1.2m increase against the recoupment income expected from other local authorities that have placed children in Brent schools, following finalized confirmation of pupil information from schools and actual charges processed.
- £0.6m reduction in the expected top-up funding for in-borough schools following final confirmation of pupil details which takes place at the end of the year.
- £0.6m reduction in forecast against out of borough Special schools also as a result of final confirmation of pupil details.
- £0.4m reduction against the Post 16 SEND expenditure which previously assumed a breakeven position. The budget was set based on the expenditure trend from prior years and actual expenditure is usually confirmed in the last quarter of the financial year due to the volatile nature of pupil attendance at these settings.

- 3.8.7 The historic deficit which started in 2019/20 was as a result of the increasing number of children with Education, Health and Care plans (EHCPs) with their

education being funded from the HN Block. The growth in EHCPs has also impacted the General Fund as the social care costs are funded from the Children with Disabilities budget within the Localities Service. In 2022/23 there was an 11% increase in the number of EHCPs. However, the 13% increase in HN Block funding allocation in 2022/23 and work undertaken as part of the HN Block Deficit Recovery Management Plan, have resulted in the positive outturn for the financial year.

3.8.8 In 2022/23 Brent was invited to participate in the DfE programme called Delivering Better Value (DBV) in SEND for local authorities which provided dedicated support and funding to help local authorities with HNB deficits reform their high needs systems. The first phase of the programme included a comprehensive diagnostic to identify root cause cost drivers, mitigating solutions or reforms and support in developing a quality assured Management Plan. The findings confirmed that in Brent, the increased expenditure leading to the deficit was fuelled by increases in the number of children with EHCPs. It also confirmed that Brent had already taken steps via the existing Management Plan to identify mitigating solutions. Following the discovery phase, Brent successfully bid for a £1 million grant to deliver the actions in the Management Plan. The funding is over two financial years i.e., 2023/24 and 2024/25.

3.8.9 The DBV programme will not address the historic deficit, but the current Management Plan and efficiencies identified from the programme may allow funds to be released to address historic deficits. Some of the existing actions to reduce costs include improving the sufficiency of local places with a £44m capital investment to deliver 427 SEND places to , increase the amount of special provision within the borough, particularly for secondary phase pupils and investment in a Post-16 Skills Resource Centre for 16–25-year-old SEND students; rolling out the Graduated Approach to SEND across 88 schools and 200 settings, aimed at the early identification of children’s needs and delivery of appropriate support in order to manage demand. Also, as part of the DBV programme, the grant funding will enable targeted support to be provided which will focus on managing demand for EHCPs to deliver efficiencies that reduce costs.

3.8.10 A combination of these longer-term recovery actions and anticipated funding increases will go towards reducing the cumulative deficit.

3.9 Housing Revenue Account (HRA)

3.9.1 The budgets for the Housing Management function are contained within the ring-fenced Housing Revenue Account (HRA), which had a balanced budget set for 2022/23.

3.9.2 The HRA has achieved a break-even position for 2022/23, which is consistent with the position reported at Quarter 3.

3.9.3 Within Customer Services, lower than budgeted income from major works service charge billing was offset by additional income from new builds.

3.9.4 Within Property Services, overspends associated with repairs on void properties and increased disrepair compensation payments were offset by staffing underspends due to vacancies and lower than budgeted interest charges due to higher than anticipated rates on balance held. In addition, the capital programme had slippage in spend and not as much borrowing took place as budgeted at the beginning of the year.

4. Capital Programme

Table 10 - Capital Programme Outturn for 2022/23

Capital Programme Item	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Corporate Landlord	17.9	13.4	(4.5)
Regeneration	9.4	2.5	(6.9)
St. Raphael's Estate Regeneration	1.9	0.8	(1.1)
Housing Care Investment	158.2	144.7	(13.5)
Schools	12.5	5.5	(7.0)
South Kilburn	11.5	11.2	(0.3)
Public Realm	21.3	13.5	(7.8)
Grand Total	232.7	191.6	(41.1)

4.1 The Council's corporate strategy drives an ambitious five-year capital investment programme totalling £827m which is financed from a combination of capital receipts, grants, contributions, reserves and external borrowing.

4.2 For 2022/23 the Council spent £191.6m which equates to 82% of the approved capital programme budget and was under spent compared to budget by £41.1m as shown in Table 10. Because of the project-based nature of capital expenditure, there can be relatively larger variance in expenditure over time compared with revenue expenditure.

Corporate Landlord

4.3 Corporate Landlord has had an underspend of £1.8m and slippage of £2.6m for an overall budget variance of £4.5m. The ICT Investment Fund is in its second year out of a four-year programme and has slippage of £1.4m on projects that will be spent in future years. £1.2m of slippage can be attributed to the Digital Strategy programme owing to time spent on the project discovery phase and identifying digital savings. The largest areas of underspend include £0.5m for the LED Programme, £0.5m for Oracle Cloud Release 2, £0.3m for Family Wellbeing Centre, and £0.2m for Flexible working equipment.

Regeneration

4.4 Within the financial year Regeneration has appointed a main works contractor

at Picture Palace and feasibility works have been completed on Design works, both are part of the Harlesden regeneration. Harlesden High Street Heritage Action Zone has also now appointed a main works contractor. The programme has experienced slippage of £6.9m across their programmes. The Morland Garden mixed development project will deliver new affordable homes, a modern adult education centre and affordable workspace. The project experienced delays in the appointment of a design and build contractor for the development and there will be further delays in the delivery whilst outstanding objections to the stopping up order are being resolved. This led to slippage of £4.8m from 2022/23 and will be spent in 2023/24, subject to resolution of the current objections. The Picture Palace and Designworks Schemes have also experienced slippage of £1.6m with the fit out work yet to commence. The Wembley Housing Zones project which will provide new homes, leisure, retail and workspace in Wembley town centre experienced slippage of £0.5m following a longer than anticipated time frame to appoint the developer partner for the scheme.

St Raphael's

- 4.5 The St Raphael's budget of £1.9m relates to Phase 1 of the infill scheme, There have been viability challenges for the development causing slippage of £1.1m. The emphasis has now shifted with the Council is now working towards the delivery of the Estate improvement works. These works are set to commence in 2023/24.

Housing Care and Investment

- 4.6 Schemes onsite have seen delays due to material and labour shortages; this in turn created pressure on supply chains. Schemes onsite have also seen delays due to boundary disputes. Brent Indian Community Centre, Preston Park and Learie Constantine some of the largest developments onsite saw slippage totalling £1.6m. A significant component of the variance is attributable to unused contingency (£21.5m), which is an indication of the difficulties faced in progressing schemes generally. I4B, the Council's wholly owned subsidiary utilised an additional £20m of loan during the year for their capital acquisitions. A number of schemes at the pre contract stage had to be paused on the grounds they were no longer viable due to rising build costs. The schemes paused in the year were Kilburn Square, Windmill Court, Lidding Road and Seymour Court, the impact of the decision to pause resulted in slippage totalling £7.0m. The higher-than-expected tender returns are a reflection of wider macroeconomic variables, e.g., Brexit and war in Europe. Elsewhere across the programme, Claire Court/Watling Garden, a significant scheme at the pre contract award stage, saw delay due to the agreement of contractual terms and conditions resulting in slippage of £3.3m.

Schools

- 4.7 During 2022/23 the Roe Green Kitchen Project was completed, and 6 schools condition improvement projects were also finalised. 28 places at Additionally Resourced Provision (ARP) across 3 x ARP in Primary Schools happened

and the final closure of the remaining Primary School Expansion projects. The School's programme has experienced slippage of £7m. The Special Educational Needs Expansion (SEND) programme has experienced slippage of £5m. This currently includes the programme contingency budget which will be moved to future years. There has been delays to the SEND expansions at a number of the school sites as the delivery plans are finalised, but a competitive procurement process has yielded savings on the consultancy fees for the project. Following the completion of the Uxendon Manor School expansion project, a £0.3m underspend has been achieved. The School's asset management programme has slippage of £0.8m due to delays by a contractor who is experiencing financial challenges.

South Kilburn

- 4.8 The South Kilburn programme is a 15 year programme that aims to transform the South Kilburn area into a sustainable and vibrant neighbourhood. The Decentralised Energy Network has experienced slippage of £1.3m as the concept designs had to be updated to meet the revised London Plan low carbon district heat network requirements. The regeneration scheme has seen higher than anticipated leaseholder acquisitions of £1m at several sites within the remaining programme of which budgets can be brought forward from future years to cover the spend.

Public Realm

- 4.9 The highways programme has experienced slippage of £4.6m owing to delays in the planned programme. The Highways Legacy project is forecasting slippage of £0.1m which is carry over from LIP schemes implemented late in March and spend will be achieved in Q1 of FY23/24. £0.5m has been slipped into the new year for the Footway reconstruction as the contractor could not commit to completion on time so a new contractor to complete in the new year. The Carriageways and structures projects have slippage of £0.4m in total. The injection patching project started later in the year due to inclement weather conditions causing slippage of £0.2m. The Hostile Vehicle Measures project has experienced delays in feasibility due to obstruction from developments with £0.9m slipped into the new year. Further investigations have been required into the underlying structural issues on Wembley High St. leading to slippage of £0.9m. The Public Realm stump programme is ongoing and £0.4m over budget. The project will be exploring efficiencies in future years to cover this. The joint work in Kilburn Town Centre with Camden have been delayed due to design issues resulting in slippage of £1m and Church End has slippage of £0.7m due to the lighting works which need to take place.

Capital Financing

- 4.10 The capital financing budget outturn for 2022/23 is £23.8m. A review of the MRP policy has resulted in an increase in the charge in year which has been funded through the Capital Financing Reserve. Investment income has increased with the rise in interest rates but has been partially offset with the

associated increase in rates for new borrowing in year.

5. Financial Implications

5.1 This report is about the Council's financial position in 2022/23, but there are no direct financial implications in agreeing the report.

6. Legal Implications

6.1 Managing public money responsibly is a key legal duty, but there are no direct legal implications in agreeing the report.

7. Equality Implications

7.1 There are no direct equality implications in agreeing the report.

8 Consultation with Ward Members and Stakeholders

8.1 Not Applicable


9. Human Resources

9.1 Not applicable

Report sign off:

Minesh Patel

Corporate Director of Finance & Resources

 Brent	Cabinet 17 July 2023
	Report of the Corporate Director Finance and Resources
Quarter 1 Financial Report 2023/24	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	Two: Appendix A: Savings Delivery Tracker Appendix B: Treasury Management Prudential Indicators
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel, Corporate Director of Finance & Resources 020 8937 4043 Minesh.Patel@Brent.gov.uk Ben Ainsworth, Head of Finance 020 8937 1731 Benjamin.Ainsworth@Brent.gov.uk

1. Summary

- 1.1. This report sets out the current forecast of income and expenditure versus the revenue and capital budgets for 2023/24 and other key financial data.
- 1.2. The 2023/24 budget was set to accommodate for the pressures arising as a result of the current economic climate and cost-of-living crisis. At this stage of the financial year the overall forecast for the Council is a break-even position. The budget also reflects £13.5m of savings that were agreed for 2023/24. The latest forecast for the delivery of these savings are set out in Appendix A.
- 1.3. The table below shows the forecast position against budget for the General Fund, DSG and HRA. Further detail on each area is contained within section three of this report.

	Budget	Forecast	Overspend / (Underspend)
	£m	£m	£m
Care, Health and Wellbeing	122.7	122.7	0.0
Children and Young People	62.1	62.1	0.0
Communities and Regeneration	6.3	6.3	0.0
Governance	13.6	13.6	0.0
Finance and Resources	11.8	11.8	0.0
Resident Services	69.2	69.2	0.0
Subtotal Service Area Budgets	285.7	285.7	0.0
Central Items	(285.7)	(285.7)	0.0
Grand Total General Fund Budgets	0.0	0.0	0.0
DSG Funded Activity	0.0	0.0	0.0
Housing Revenue Account (HRA)	0.0	0.0	0.0
Net Total	0.0	0.0	0.0

**DSG and HRA budgets have been presented as net figures in the table above. Gross income and expenditure budgets for the DSG and HRA are shown below.*

DSG gross income and expenditure			
	Budget	Forecast	(Under)/ Overspend
	£m	£m	£m
DSG			
Income	(220.8)	(220.8)	0.0
Expenditure	220.8	220.8	0.0
Total	0.0	0.0	0.0

HRA gross income and expenditure			
	Budget	Forecast	Under/ (Over)spend
	£m	£m	£m
HRA			
Income	(61.2)	(61.2)	0.0
Expenditure	61.2	61.2	0.0
Total	0.0	0.0	0.0

- 1.4. The table below shows the current forecast against the revised budget for the Capital Programme, as at Quarter 1 for 2023/24. Further detail is contained within section four of this report.

Directorate	Original Budget	Revised Budget	Current Forecast	FY Variance	
				£m (Underspend)/ Overspend/	£m (Slippage)/ Brought Forward
	£m	£m	£m		
Corporate Landlord	10.3	14.3	14.4	0.1	0.0
Housing GF	82.3	96.9	92.8	1.6	(5.7)
Housing HRA	157.0	135.5	137.8	2.4	0.1
PRS I4B	18.5	0.0	0.0	0.0	0.0
Public Realm	25.5	35.6	33.2	(0.5)	(2.0)
Regeneration	74.1	44.8	39.9	(1.0)	(3.9)
Schools	35.1	19.6	17.2	(0.6)	(1.7)
South Kilburn	27.0	28.1	28.1	0.0	0.0
St Raphael's	31.7	0.8	0.8	0.0	0.0
Total	461.5	375.6	364.2	2.0	(13.2)

- 1.5. The current economic environment is volatile and uncertain with high inflation, particularly affecting energy costs, rising interest rates and war in Ukraine, precipitating the cost-of-living crisis. The Bank of England's view is that inflation peaked towards the end of 2022 and will now reduce in 2023 before reverting to its 2% target in 2024. CPI fell to 10.1% in January 2023, down from the peak of 11.1% in November 2022 – the highest rate of increase in 41 years. However, in February 2023 CPI rose again to 10.4% and then in March fell back to 10.1%, illustrating the volatility that persists in the economy. CPI for April 2023 was 8.7%. This has resulted in a rise in interest rates to 5% in June 2023 and is likely to result in further rises in interest rates, with commentators forecasting a peak of 5.5% for base rate by December 2023. These factors create a challenging environment for the Council to plan its future resourcing requirements. Given that many contracts increase in price based on inflation as measured at a specific month, (e.g. every September) this creates a significant risk for this financial year that costs could grow faster than forecast if inflation is higher than forecast. Should this occur, the Council

will need to find in-year efficiencies in order to keep the budget in balance. As a last resort, the Council may need to utilise reserves to fund any further in-year pressures.

2. Recommendation

- 2.1 That Cabinet note the new grant funding received in year, the overall financial position and the actions being taken to manage the issues arising.
- 2.2. That Cabinet note the savings delivery tracker in Appendix A.
- 2.3 That Cabinet approve the virements set out in section 3.7.7 of this report.
- 2.4 That Cabinet note for the 2023/24 Q1 the Council has complied with its Prudential Indicators which were approved by Full Council as part of the Council's Treasury Management Strategy Statement and Capital Strategy Statement, as set out in Appendix B.

3. Revenue Detail

3.1 Care, Health and Wellbeing

Care, Health and Wellbeing	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Adult Social Care	99.0	99.0	0.0
Public Health	23.7	23.7	0.0
Integrated Health Partnerships	0.0	0.0	0.0
Total	122.7	122.7	0.0

Summary

- 3.1.1 The Care, Health and Wellbeing budget 2023/24 includes a savings target of £4.3m and an additional growth allocation of £15.3m. This budget has been set accordingly, based on assumptions around future demographic and inflationary trends.

Risks and uncertainties

- 3.1.2 There are a number of risks and uncertainties within the service that could affect the assumptions made and the overall forecast outturn for Care, Health and Wellbeing 2023/24.
- 3.1.3 As is the case in other service areas, Public Health contracts are likely to be affected by the rising levels of inflation. The majority of public health services are commissioned from the NHS where national Agenda for Change pay awards have significantly outstripped uplifts in the public health grant, even before the resolution of current industrial disputes. However, for 2023/24 the costs are anticipated to be contained within the main Public Health grant.

- 3.1.4 Within Adult Social Care, demographic and inflationary pressures, as well as uncertain implications of the introduced fair cost of care and social care reforms, all pose financial risks to the service's budgets.
- 3.1.5 Whilst the planned social care charging reforms have been delayed from October 2023 to October 2025, the sector must still work to ensure sustainable rates for care are paid with fair cost of care funding from the Government continuing for the next two years.
- 3.1.6 The demand for social care services and complexity of care needs are also ever-increasing resulting in higher costs. Whilst there are some reductions in costs due to less Residential and Nursing placement following the COVID-19 outbreaks, the demand for homecare and supported living is on the rise.
- 3.1.7 The cost-of-living crisis and the steep rise in inflation, heating and fuel costs are likely to have an impact on spot placement requests from providers who are looking to recover some of the additional costs they are incurring. For 2023/24, the Adult Social Care budget was allocated a growth budget to manage projected demographic growth demand and inflationary increases. Due to continued rises in inflation this creates additional risk and uncertainty, and care package budgets are therefore being monitored closely whilst any placement fee increase requests from providers are also being reviewed in detail.
- 3.1.8 It has now been confirmed that Brent will continue to receive Hospital Discharge Funding from Government this financial year (£1.8m funding directly to the Local Authorities and an unconfirmed amount of funding from the Integrated Care Board).
- 3.1.9 As part of the £4.3m savings target, £600k is attributed to Learning Disabilities. It has been identified that there are potential challenges in delivering this saving within the timeframe agreed. This will be monitored closely and mitigating items will need to be identified if this were to materialise.

Savings and Slippages

- 3.1.10 A savings target for 2023/24 of £4.3m is planned to be delivered across a number of services within the department including, homecare, reablement, staffing, learning disability and mental health placements. The department will need to manage any risk of slippage as stated earlier.

Summary of Key Assumptions

Key Assumption	Downside if worse	Upside if better	Mitigations
The Adult Social Care providers' costs will increase to the anticipated level in line with	A 1% increase on the cost of care packages could result in a £0.7m pressure.	A 1% decrease on the cost of care packages could result in	The Council is working closely with the service providers and provides robust challenge of

inflationary assumptions.		a £0.7m reduction in anticipated costs.	individual package costs based on evidence as part of placement reviews.
Client numbers and unit costs stay within the forecast range	Additional budget pressures should there be clients beyond those predicted in the forecast	Client numbers falling below those forecasted would reduce costs	The Council are monitoring both client numbers and package costs for each service. This should allow for early identification of pressures so mitigating actions can be taken.

3.2 Children and Young People (CYP) (General Fund)

CYP Department	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Central Management	0.6	0.6	0.0
Early Help	5.0	5.0	0.0
Inclusion	2.0	2.0	0.0
Localities	21.1	21.1	0.0
Looked After Children and Permanency	7.3	7.3	0.0
Forward Planning, Performance & Partnerships	23.3	23.3	0.0
Safeguarding and Quality Assurance	2.8	2.8	0.0
Setting and School Effectiveness	0.0	0.0	0.0
Total	62.1	62.1	0.0

Summary

- 3.2.1 At this early stage of the financial year the Children & Young People's department is currently forecasting a breakeven position. The budget includes savings of £0.84m and a growth allocation of £8m. However, there are a number of risks and uncertainties discussed below which may impact on this position going forward.

Risks and uncertainties

- 3.2.2 The main risks and uncertainties impacting on the CYP department include issues such as inflationary pressures resulting in private providers of fostering, semi-independent and residential accommodation for looked after children, increasing costs significantly and the impacts of the cost-of-living crisis on care leavers and vulnerable families, increasing demand.

- 3.2.3 Recruitment and retention of skilled and experienced social work staff remains a risk in Localities and Looked After Children, and Permanency (LAC&P) services with agency staff occupying up to 50% of the workforce in some teams.
- 3.2.4 The volatility surrounding the placements budget for looked after children (LAC) is a key challenge. If demand for residential placements increases, this will increase the pressure as an individual high cost residential or secure placement can cost over £0.3m per annum. Ofsted are strengthening their reviews of children's residential homes and there is a risk that this could lead to a reduction in the number of homes, causing higher demand and higher costs for local authorities competing for the same places. In response Brent has been successful in a DfE bid to build and run a children's home which will help to manage costs and improve placement sufficiency. The home is expected to be operational towards the end of 2024/25. Brent is also joining the West London Commissioning Alliance, a pan-London vehicle to ensure greater sufficiency of secure welfare residential placements which will be operational in 2025.
- 3.2.5 There is the risk of additional cost pressures being passed on to local authorities from semi-independent provisions due to the DfE introducing mandatory national standards from April 2023, which will be overseen by an Ofsted-led registration and inspection regime. The average weekly cost for semi-independent accommodation is c£913 per week for a looked after child and £769 per week for Care Leavers, and there is a risk that the weekly cost of both could increase. Grant funds will be provided however the risk remains that the funding may not be sufficient to cover the increased costs.
- 3.2.6 The Children with Disabilities budget within the Localities service funds the care costs for children with Education, Care and Health Plans (EHCPs). There remains a risk that further increases in EHCPs will put additional pressure on the care packages budgets in this area and impact on staffing costs.
- 3.2.7 The forecast position is also dependent on estimated income from the Home Office for (UASC) and Care leavers of c£2.6m and health contributions from the ICB of £1.7m. Any major fluctuations against these income streams could have an impact on the outturn position.

Savings and Slippages

- 3.2.8 The department has a £0.84m savings target to deliver across the department. The savings are mainly from reductions in care packages of £0.36m, staffing efficiencies of £0.36m, and £0.12m arising from contract savings and a reduction in the training budget. The department is on track to deliver the savings and any risk of slippage will be managed by the department.

Summary of Key Assumptions

Key Assumption	Downside if worse	Upside if better	Mitigations
LAC and Care Leaver placements forecast assumes numbers of 809 and unit costs reflect current trends.	An increase in the number of high cost residential or secure placements would place additional pressure on the budget. e.g., an increase by 4 placements in year could cause an additional in-year pressure of c£0.9m (and £1.2m per annum).	Increased step-down arrangements result in falling number of residential placements. A single stepdown from a residential placement to a semi-independent placement could reduce expenditure by c£0.1m in-year.	A CYP Placements Commissioning Board has been put in place to oversee the development of four workstreams which include; Growing Brent's in-house foster care provision; preventing escalating need by targeting mental health and wellbeing services; Developing new approaches to market management and engagement and promoting greater independence for care experienced young people
Health & DSG contributions for CYP placements and Children with Disabilities (CWD) packages will be lower than the 2022/23 levels.	The spend will not be mitigated by these contributions in proportion to the overall demand.	It will assist in mitigating overall net spend.	Maximising joint funding approaches with health to ensure contributions to placement costs where applicable. Targeted activity across ICS to ensure consistency in Continuing Health Care funding. Ensuring that any contributions due from the DSG High Needs Block for Education costs for children with EHCPs paid out of the general fund are received.
Mix of social work staff and caseloads in the Localities and LAC & Permanency	If increases of 15% during the year, there could be up to £1m additional spend on agency social work staff to	There would be a reduction in the use of agency staff and the reduced caseloads could be attractive to social	Continued management action to monitor caseloads across the service and review and manage social work resources.

service to include the use of agency staff.	manage the pressure.	workers seeking permanent roles.	
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3.3 Communities and Regeneration

Communities and Regeneration	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Communities and Strategy	4.4	4.4	0.0
Regeneration	1.9	1.9	0.0
Total	6.3	6.3	0.0

Summary

- 3.3.1 The Communities and Regeneration department is currently forecasting to break even for 2023/24.

Risks and uncertainties

Regeneration

- 3.3.2 The main risk in Regeneration is the uncertainty surrounding the potential for sustained under-achievement of income as a result of the current economic climate. Income in this area is being closely monitored and mitigating actions are being explored.
- 3.3.3 Application and Pre-Application fee income has seen a decline in recent years. This reduction in income is not exclusive to Brent and has been the case across the country. Fee increases have been proposed by the Department for Levelling Up, Housing and Communities, however the impact this increase will have in this financial year is still to be determined.
- 3.3.4 Rising interest rates and material costs are likely to cause cancellation or the scaling back of some developments, which will cause a decline in income in Building Control. This decline in income is being exacerbated by increased competition from private inspectors, which has resulted in a drop in the council's market share. Health and Safety Executive (HSE) high-rise building regulations will be introduced in October 2023, which will mean a switch to a cost recovery basis. New methods of income generation are being explored with a view of reducing the budgetary pressure.

Savings and Slippages

- 3.3.5 A £0.33m saving is planned to be delivered from the Communities and Regeneration departmental budget in 2023/24, predominantly through changes to staffing structures. Delays with a supplier have resulted in a slippage of £50k on a saving which was to be achieved through efficiencies generated by the use of technology and automation. Mitigations are currently

being explored to ensure a break-even position. The rest of the savings are on track to be delivered.

Summary of Key Assumptions

Key Assumption	Downside if worse	Upside if better	Mitigations
Fee income will continue to be lower than the income target for the rest of the financial year for both Planning & Development Services and Building Control	Lower than forecast fee income will create budgetary pressures within the Regeneration department	Higher income volumes will generate additional revenue for the Council	Continuous monitoring of the fee income to identify budgetary pressures as early as possible.

3.4 Governance

Governance	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Legal Services	4.6	4.6	0.0
HR Services	3.8	3.8	0.0
Executive & Membership	4.1	4.1	0.0
Procurement	1.1	1.1	0.0
Total	13.6	13.6	0.0

Summary

3.4.1 The Governance department is forecasting a break-even position for 2023/24.

Risks and uncertainties

3.4.2 There are no materials risks identified for this department at present.

Savings and Slippages

3.4.3 A £0.35m saving is planned to be delivered from the department's budget in 2023/24, predominately through internal restructures and service transformations. This saving is on track and there is currently no slippage anticipated.

3.5 Finance and Resources

Finance and Resources	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Finance	7.4	7.4	0.0
Audit & Investigations	1.1	1.1	0.0
Shared Technology Services	0.2	0.2	0.0
Property & Assets	3.1	3.1	0.0
Total	11.8	11.8	0.0

Summary

- 3.5.1 Finance and Resources are currently forecasting to spend to budget for 2023/24.

Risks and Uncertainties

- 3.5.2 Property & Assets are required to find new tenants to replace expired leases and vacant property to meet their income forecast. The service is working to mitigate this risk by actively marketing these properties and working with agents where appropriate.

Savings and Slippages

- 3.5.3 A total of £1.1m of savings are planned through reductions in staffing, digital transformation, security service transformation, rationalising soft FM services and other departmental efficiencies. The department is on track to deliver these savings.

3.6 Resident Services

Resident Services	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Resident Services Directorate	0.4	0.4	0.0
Customer Services	15.3	15.3	0.0
Housing	3.3	3.3	0.0
Environment and Leisure	39.7	39.7	0.0
Transformation	10.5	10.5	0.0
Total	69.2	69.2	0.0

Summary

- 3.6.1 The department is taking a number of actions to support Brent residents and businesses and mitigate the impact of the cost-of-living crisis.

- 3.6.2 Following the government's Council Tax Energy Rebate scheme in 2022/23, under which the Council delivered £15m of support with energy bills for 90,000 households, a further £1.2m of support is being provided through the Energy Bills Support Scheme Alternative Funding and Alternative Fuel Payments Alternative Funding schemes. This is being delivered to households who were ineligible for support with their energy bill costs through their domestic electricity supply.
- 3.6.3 A Household Support Fund (HSF) grant has been awarded by the government to support residents through the cost of living and winter costs. The total grant allocated for 2023/24 is £5.6m. This is anticipated to be utilised in full to support households receiving free school meals for holiday period, 0-4 year old children whose parents or guardians are on Housing Benefits, food banks, careers in Brent, Housing Benefits residents who did not qualify for any government help, as well as reactive food support through supermarket vouchers. Of the total allocation, £2m of the HSF has been made available for the Resident Support Fund (RSF) for reactive support through RSF applications.
- 3.6.4 While these measures are much needed by Brent households and businesses, the Council has taken additional steps to provide more support to residents and businesses. The Council's RSF, which is a discretionary support fund, has been in place since August 2020 to provide help with the cost of living. This can include, but is not limited to, household bills, arrears in rent, mortgage, council tax, food, fuel, digital equipment and emergency funds. The RSF for 2023/24 is estimated to support 5,000 households with a total of £5m, £3m Council's investment and £2m HSF reactive support fund. In addition, £1m has been made available in the form of the Family Food Fund.
- 3.6.5 The Council has foregone £33m of Council Tax revenue in 2023/24 to fund the Council Tax Reduction Scheme (CTRS), supporting around 27,000 households in the borough. In addition to this, the Council is reducing Council Tax bills for CTRS households by up to £25, funded by Central Government's Council Tax Support Fund. Any remaining allocation from this fund will be used to support vulnerable households through the RSF.
- 3.6.6 The 2023/24 budget has been set taking into account assumptions around future demographic changes, the impacts of the cost-of-living crisis and inflationary trends. Based on these assumptions and current trends, the Resident Services department is forecasting a break-even position for 2023/24. However, there are a number of risks and uncertainties that could impact the final financial outturn position for the year.

Risks and uncertainties

Housing

- 3.6.7 As the cost-of-living crisis deepens, with energy costs and day-to-day expenditure increasing steeply, there is a rise in homelessness applications, resulting in an increased use of temporary accommodation (TA).

- 3.6.8 In addition, the affordable Private Rented Sector (PRS) is contracting meaning there is a lack of supply to move households on from TA, which puts further pressures on the budget.
- 3.6.9 The current economic climate could also have an impact on the rent collection rates and result in increases in rent arrears. Collection rates are being closely monitored and there are ongoing investigations to better understand the drivers for the movements.

Environment and Leisure

- 3.6.10 Within Brent Transport services, rising demand linked to the increase in the EHCPs (Educational, Health and Care Plans), as well as prices on taxi routes could put pressure on the budget. Brent continues to monitor the demand projections for the year and mitigations in place to reduce the impact.
- 3.6.11 Within Leisure, reductions in income could cause financial pressures if recovery of facilities is slower than anticipated. The income levels are being closely monitored and income maximisation strategies are being put in place. Higher utility costs for leisure centres also mean that a risk of provider failure is increasing. Supporting operators by subsidising their operating costs would create budgetary pressures for the Council and closing sites would also have a significant impact on both communities and income levels. The Council is working closely with the leisure providers to ensure continuity of the affordable service.
- 3.6.12 Volatilities in the energy market are being closely monitored against the budgetary assumptions but this is one of the risk areas for the service.
- 3.6.13 In addition, new contractual arrangements for a number of key services within this department commence in 2023/24, which creates further uncertainties that could materialise in financial pressures until the contracts are fully embedded.

Savings and Slippages

- 3.6.14 A £4m saving is planned to be delivered from the department’s budgets in 2023/24. The main savings are expected from the services transformation, restructures and digital projects. There are some risks identified that could result in slippages against the original timeline for the delivery of some savings, however it is anticipated that any slippages will be managed by the department through one off measures.

Summary of Key Assumptions

Key Assumption	Downside if worse	Upside if better	Mitigations
The additional numbers of	Each person costs on average	Faster progress on	The service is focusing on moving homeless

homeless people can be managed within the existing budgets.	£340 per week to accommodate, so a delay for 13 weeks (1 quarter) of 20 people will cost an additional £0.1m.	homeless pathways will reduce expenditure by £340 per person per week.	clients along the various pathways. Use of Homelessness Prevention reserves could help to offset the pressures if required.
Rent collection rates for the Housing Needs service will not fall below the anticipated level.	A 5% worsening in the collection rate will cost £0.4m.	A 5% improvement in the collection rate will recover £0.4m.	Collection rates are being closely monitored and investigations into the drivers for the movements in the collection rates are ongoing.
SEN Transport spend is within budget and expected client numbers.	Every additional child requiring transport via taxis costs the Council an average of £11,300 per annum.	Reduction in the growth requirement for future years.	The service is monitored as part of the shared service with Harrow. Client numbers can therefore be planned for. A strategic review of this service is taking place to look for efficiencies.
Energy costs stay within the expected forecast.	Additional pressures on the reserves.	Reduced pressure on the Council's reserves.	The service is working closely with the contractors to build projections and mitigate impacts.

3.7 Central items

Collection Fund – Council Tax

- 3.7.1 The net collectible amount for Council Tax for 2023/24 (after exemptions, discounts and Council Tax Support) at 30th April 2023 is £200.3m. As at the end of April 2023, the amount collected was 13.3%, an increase of 2.1% when compared to the in-year target and 2.3% higher than the amount collected in the same period last year (11.0%). The long-term collection rate has been reduced to 97% since 2022 due to the effects on collection rates of COVID-19 and the cost-of-living crisis. The trend suggests that collection rates are slowly recovering and therefore it may be possible to return the long-term target to 97.5% for 2024/25, providing a further increase in resources to the General Fund. The data will be closely monitored throughout 2023/24 to determine if the trend is sustainable before a decision is taken for the Council Tax Base report in December 2023.

Collection Fund – NNDR

- 3.7.2 The budgeted net collectable amount for Business Rates (NNDR) for 2023/24 is £125.5m (after exemptions, reliefs and discounts). This was based on the forecast used for the NNDR1 form in January 2023 and has increased by 11% from £112.8m in 2022/23. This increase has been caused by the revaluation of all non-domestic properties at 1st April 2023 (the first revaluation since 2017), which has resulted in an increase to the overall rateable value of Brent’s non-domestic properties from £312m to £370m (19% increase). The increase to the net collectable amount has been partially offset in 2023/24 by transitional reliefs applied to some properties to defer the increase in rates because of the revaluation.
- 3.7.3 The actual net collectable amount for NNDR at 30th April 2023 is £126.0m, a small increase from the budget in January. However, adjustments to this may occur during the year due to increases or reductions in the number of non-domestic properties and successful appeals against rateable values.
- 3.7.4 The increase to the net collectable amount for NNDR does not directly affect the General Fund as the overall resources that the Council receives from the Business Rates retention system are determined in the Local Government Finance Settlement. However, where the actual income to the Collection Fund is different to the budget, Brent’s share of the resulting surplus or deficit estimated in January is distributed to/from the General Fund in the following financial year.
- 3.7.5 As at the end of April 2023, the amount collected was 8.4%. The amount collected in the same period last year was 8.6%. This decrease could be due to factors negatively affecting the ability of businesses to pay their Business Rates, such as energy costs, high inflation and the reduction in consumer spending power as a result of the cost of living crisis. Monitoring of the NNDR collection rates will take place throughout 2023/24 to determine any underlying trends and the impact of this on the Medium Term Financial Strategy.

Savings

- 3.7.6 The 2023/24 budget, agreed at Full Council on 23 February 2023, included an £18m savings target, of which £4.5m was deferred to 2024/25. Appendix A sets out the progress in delivery against this savings target and any mitigating actions.

Virements

- 3.7.7 The table below shows the virements which have been entered to adjust the budgets at Corporate Directorate level during 2023/24. Cabinet are recommended to approve these virements.

	2023/24 Opening Budget	In-year growth	Transfer of functions between services	Technical Adjustments	2023/24 In- Year Budget at 30.04.2023
	£m	£m	£m	£m	£m
Adult Social Care and Health	122.0	0.7	0.0	0.0	122.7
Children and Young People	62.1	0.0	0.0	0.0	62.1
Communities and Regeneration	5.2	1.1	0.0	0.0	6.3
Resident Services	69.2	0.0	0.0	0.0	69.2
Governance	13.6	0.0	0.0	0.0	13.6
Finance and Resources	11.7	0.1	0.0	0.0	11.8
Central Items	(283.8)	(1.9)	0.0	0.0	(285.7)
Total Budget	0.0	0.0	0.0	0.0	0.0

3.7.8 In-year growth items are budget movements from the Central Items budget to Departmental budgets which were not actioned at the start of the financial year.

3.7.9 The table above includes the following in-year growth items:

- Increase to Public Health expenditure budget (£678k) as per the increase to the Public Health grant (held centrally)
- Increase in the PFI budget (£110k) to match to PFI credits income
- Funding for the agreed Regeneration Recovery Initiatives projects (£1,106k)

3.7.10 Transfers of functions between services are budget movements between Corporate Directorates, which occur when a department is moved from one service to the other. The virement ensures that the department and the related budget remain together.

3.7.11 Technical adjustments are budget movements resulting from either events which are provided for in the MTFS, but only confirmed during the year (e.g. pay award), or budget movements resulting from changes to processes (e.g. centralisation of budgets).

3.8 Dedicated Schools Grant (DSG)

Funding Blocks	Overall DSG Funding 2022/23	Forecast Expenditure	Overspend/ (Underspend)
	£m	£m	£m
Schools Block	119.5	119.5	0.0
High Needs Block	74.7	74.7	0.0
Early Years Block	24.5	24.5	0.0
Central Block	2.1	2.1	0.0
Total DSG	220.8	220.8	0.0

Summary

- 3.8.1 There have been increases to the DSG funding blocks for 2023/24 and the overall DSG allocation for Brent is £371m however, the Department for Education (DfE) has recouped £139m from the Schools Block and £8.8m from the High Needs Block to be transferred directly to Academies. In addition, £1.9m was recouped from the Schools Block for National Non-Domestic Rates (NNDR) to be paid directly to billing authorities on behalf of schools. This leaves a total allocation of £220.8m as reflected in the table above. The Schools Block also made a 0.5% contribution to the High Needs Block of £1.3m to support the pressures in this Block. At this stage, the DSG is currently reflecting a balanced in-year budget.
- 3.8.2 The cumulative DSG deficit brought forward from 2022/23 is £13.8m. This is made up of an in-year surplus of £1.3m achieved in 2022/23 and the £15.1m High Needs deficit carried forward from prior years. The £1.3m surplus is held in a separate usable reserve to support the DSG budgets to fund the risk of claw back from the Early Years block and could go towards mitigating the overall DSG deficit. The £15.1m deficit carried forward has been disclosed as an earmarked unusable reserve in line with DfE regulations (the School and Early Years Finance (England) Regulations 2021). The regulations state that the deficit must be carried forward and held separately from in-year surpluses, to be funded from future years' funding and/or recovery plans agreed with the DfE.
- 3.8.3 The Council has a High Needs Block Deficit Recovery Management Plan in place with longer-term actions to recover the deficit. A task group led by the Corporate Director of Children and Young People (CYP) coordinates and monitors these actions. Some of these actions to reduce costs include managing demand for EHCPs through adopting a graduated approach framework, improving sufficiency of places through increasing the amount of special provision within the borough, particularly for secondary phase pupils and 16–25-year-old SEND students and financial management to identify efficiencies and charging an administrative cost to ensure that there is full cost recovery from other local authorities that place pupils in Brent Special Schools. A combination of these longer-term recovery actions and anticipated funding increases is expected to achieve a reduction in the deficit.

3.8.4 In 2022/23 Brent participated in the DfE programme called Delivering Better Value (DBV) in SEND, to provide dedicated support and funding to help local authorities reform their high needs systems. The first phase of the programme included a comprehensive diagnostic to identify root cause cost drivers and mitigating solutions or reforms and support in developing a quality assured Management Plan and the opportunity to bid for a £1m grant to deliver the actions in the Management Plan. Brent was successful and will receive the £1m funding over two financial years i.e., 2023/24 and 2024/25. The DBV programme will not address the historic deficit, however the current Management Plan and efficiencies identified from the programme may allow funds to be released to address historic deficits.

Risk and Uncertainties

3.8.5 A balanced budget has been set for the HN Block but there remains a risk that the number of children and young people with Education Health and Care Plans (EHCPs) will continue to grow. The growth in EHCPs is a national and London wide trend whereby the number of children assessed as meeting the threshold for support continues to increase, however the HN Block funding has not increased in line with continued growth. Over the years, this has created financial pressures with a majority of authorities holding deficit balances. The HN Block received a 10% increase in funding for 2023/24, however the risk remains that this increase may not be sufficient to cover the costs of further increases in EHCP numbers and increases from providers for high inflationary costs.

3.8.6 The statutory override set out in the School and Early Years Finance (England) Regulations 2021 which requires local authorities to either carry forward any cumulative DSG deficit to set against the DSG in the next funding period or carry forward some or all the deficit to the funding period after that was expected to end in 2022/23. The government has now extended the arrangement for another three financial years from 2023/24 to 2025/26. There remains the risk that the local authority would then be required to absorb any accumulated deficit from the DSG by using General Fund reserves.

3.9 HRA

HRA gross income and expenditure			
	Budget	Forecast	Under/ (Over)spend
	£m	£m	£m
HRA			
Income	(61.2)	(61.2)	0.0
Expenditure	61.2	61.2	0.0
Total	0.0	0.0	0.0

Forecast

- 3.9.1 The budgets for the Housing Management function are contained within the ring-fenced Housing Revenue Account (HRA), which has a balanced budget set for 2023/24.
- 3.9.2 The HRA is forecasting a break-even position for 2023/24, however there are a number of risks and uncertainties in this fund that could pose financial pressures.

Risks and uncertainties

- 3.9.3 High levels of uncertainty around the inflation and rising interest rates pose a financial risk to the HRA. This has an impact on the cost of materials and repairs, as well as the cost of new build contracts. Rising energy costs are to be passed on to tenants and leaseholders resulting in an increased risk of non-collection. In addition, an increase in service requests relating to damp and mould is likely to put additional pressures on budgets.
- 3.9.4 Other pressures involve the capital programme as there is no new government funding having been made available to meet environmental priorities and requirements such as carbon reduction works to homes.
- 3.9.5 The government has limited social housing rent increases to 7%, which means that the increased costs experienced by the HRA cannot be fully met by rent inflation. The HRA needs to modify service delivery and achieve considerable additional savings in order to close the gap between rental income and the cost of service delivery. In addition, the cost-of-living crisis is likely to further impact rent collection rates and consequently result in increased rent arrears.
- 3.9.6 These risks are being continuously monitored and reflected in the HRA Business Plan and the Council's Medium Term Financial Strategy (MTFS).

4. Capital Programme

The table below sets out the Capital Programme current forecast to the revised budget position as at Quarter 1 for 2023/24.

Directorate	Original Budget	Revised Budget	Current Forecast	FY Variance	
	£m	£m	£m	£m (Underspend)/ Overspend/	£m (Slippage)/ Brought Forward
Corporate Landlord	10.3	14.3	14.4	0.1	0.0
Housing GF	82.3	96.9	92.8	1.6	(5.7)
Housing HRA	157.0	135.5	137.8	2.4	0.1
PRS I4B	18.5	0.0	0.0	0.0	0.0
Public Realm	25.5	35.6	33.2	(0.5)	(2.0)
Regeneration	74.1	44.8	39.9	(1.0)	(3.9)
Schools	35.1	19.6	17.2	(0.6)	(1.7)
South Kilburn	27.0	28.1	28.1	0.0	0.0
St Raphael's	31.7	0.8	0.8	0.0	0.0
Total	461.5	375.6	364.2	2.0	(13.2)

4.1 Corporate Landlord

4.1.1 Corporate Landlord has a forecast of £14.4m versus a revised budget of £14.3m for 23/24.

4.2 Housing General Fund

4.2.1. Housing General Fund is forecasting to spend £4.1m below the current year budget; this due to £1.6m in net project overspends offset by £5.7m slippage. Five schemes (Preston Park, Knowles House, Stonebridge, Honey Pot Lane and Peel Road) are collectively forecasting to overspend by £1.8m; due to works not packaged as part of the original main works contract. Three schemes (Clock Cottages, Northwick Park and Edgware Road) are collectively slipping £5.7m in forecast expenditure to future years due to delays in finalising planning, delays onsite and delay to scheme redesign.

4.3 Housing HRA

4.3.1 Housing HRA is forecasting to spend £ 2.4m ahead of the current year budget; this due to net project overspends across four schemes (J Weston House, Mason Court, Hindhurst Close and Aneurin Bevan Court). A legal dispute with a contractor and upheld contractor loss and expense claims (due to poor weather, COVID-19 and inflation) are the main causes for the overspend.

Risk and Uncertainties – Housing

4.3.2 Viability challenges are set to continue with contractors reporting pressure on supply chains dues to macroeconomic factors (Brexit, war in Ukraine and rising inflation). To mitigate these challenges, the Council has paused schemes to reconsider the available options. These including looking at

alternative delivery options, working with a single contractor and renegotiating the grant settlement with the GLA. In addition, controls are in place to build on knowledge and corporate experience to bring about process improvement. It is likely there will be further schemes in the New Council Homes Programme that will need to be paused throughout the year.

4.4 PRS I4B

- 4.4.1 I4B Private Sector Acquisitions have no planned loan drawdowns in year however this position is subject to the suitability of potential opportunities that may occur throughout the year.

Risk and Uncertainties

- 4.4.2 With inflation not slowing as forecast, the prospect that the Bank of England will further increase interest rates remains a further possibility and make the financing of acquisitions more challenging. On the supply side, rising rates could see housing prices fall. Overall then the picture is uncertain and, while opportunities will be explored on an ongoing basis, the number of acquisitions the company will be able to source that meet financial viability criteria is unclear.

4.5 St Raphael's

- 4.5.1 The St Raphael's project is forecasting to spend to budget. The budget of £0.8m is for planning and design spend for all phases and for the minor improvement works that will not require planning consent (formal application). Plans for further works will be firmed up in future subject to viability. The Council is now working towards the delivery of the first tranche of Estate improvement works, set to commence this financial year.

Risk and Uncertainties

- 4.5.2 The development works on the infill masterplan are currently on pause following recent cost estimates for the scheme. The Council are revising a strategy to deliver the development, with viability being assessed at a later date.

4.6 Public Realm

- 4.6.1 The Public Realm revised budget for the year is £35.6m with a latest forecast of £33.2m. The variance of £2.4m consists of an underspend of £0.5m within the pitch improvement project, lamp column electric charging points programme and a number of smaller projects. The Waste Bins project has an updated project plan with the trial scheduled to start in September resulting in slippage of £1.5m. There is also slippage of £0.4m across several different projects including Parks, Healthy Streets and Parking.

Risk and Uncertainties

- 4.6.2 The reduction in grant funding for TFL has resulted in a smaller scope of works to deliver the Local Implementation Plan. The long-term programme is being developed in recognition of this reduced level of funding to ensure we maximise the impact of the funding received.

4.7 Regeneration

- 4.7.1 Regeneration is currently forecasting an underspend on the Designworks scheme which has concluded feasibility. The new medical centre programme is forecasting slippage of £2.3m whilst further discussions continue with the NHS ICS on their delivery. The Picture Palace scheme is forecasting slippage of £0.8m with the works contract expected in the next year and £0.8m of the spend relating to the UK Shared Prosperity Fund is forecast as slippage.

Risk and Uncertainties

- 4.7.2 The Wembley Housing Zones project is expected to experience a viability pressure when updating the project plans to meet potential fire safety regulations that are yet to be confirmed. Work is already underway with the contractor to reduce the impact of any changes required. The Morland Gardens project could see a significant delay in the project delivery timescales dependent on the outcome of the public inquiry in relation to the stopping up order.

4.8 Schools

- 4.8.1 The Schools Board is forecasting an underspend of £0.63m and slippage of £1.73m for the year. The underspend is driven by an updated Devolved Formula Capital Projects submitted by Schools reducing the expenditure and minor underspends on the Schools Asset Management Programme and Roe Green kitchen project. The SEND programme is forecasting slippage of £1.73m due to a 3 month delay in completion of the PCSA works on the London Road site.

Risk and Uncertainties

- 4.8.2 There are many schools involved in the Additional Resource Provision of the SEND programme which may not be able to progress once full feasibility studies and structural surveys are completed so the programme could see volatility in the location of the provision.

4.9 South Kilburn

- 4.9.1 The South Kilburn programme has a budget of £28.1m of which the current forecast is spend to budget.

Risk and Uncertainties

4.9.2 Viability is a key challenge for the remaining developments within the South Kilburn programme. The Single Delivery Partner approach is being explored to help provide certainty for the programme and provide economies of scale for the delivery partner.

5. Treasury Management Prudential Indicators

5.1 In line with the 2021 Prudential Code, a review of the prudential indicators for the authority will now take place quarterly rather than solely through the Treasury Management updates throughout the year. Performance of the treasury and capital activities against these indicators can be found in Appendix B.

6. Financial Implications

6.1 This report is about the Council's financial position in 2023/24, but there are no direct financial implications in agreeing the report.

7. Legal Implications

7.1 There are no direct legal implications in agreeing the report.

8. Equality Implications

8.1 There are no direct equality implications in agreeing the report.

9. Consultation with Ward Members and Stakeholders

9.1 Not applicable.

10. Human Resources

10.1 Not applicable.

Report sign off:

Minesh Patel

Corporate Director of Finance &
Resources

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Appendix A - MTFS Savings Delivery Tracker 2023/24

Department	Index	Reference	2023/24 savings (£000)	2024/25 deferred savings (£000)	Savings on track to be delivered (£000)	Description	RAG Status	Comments / Mitigating Actions
Care, Health and Wellbeing	2023-24 AH01	Homecare Reductions	1,200		1,200	Post Covid increases in homecare, driven by increased need and hospital discharge, introduce new reablement service and reduce double handed care packages to manage demand and increase independence	Green	Saving on track to be delivered
Care, Health and Wellbeing	2023-24 AH02	Not in-sourcing Reablement	1,300		1,300	Commission a reablement service through the market, which will deliver the same benefit for residents and for demand, but will cost substantially less to deliver than bringing the service in house	Green	Saving already achieved
Care, Health and Wellbeing	2023-24 AH03	Reduction in cost of Learning Disability Placements	600		600	Proposal to support more people with a Learning Disability to live as independently as possible and to continue to reduce Residential Placements	Amber	Potential delays in fully delivering the savings in 23/24, mitigating items to be identified if this materialises
Care, Health and Wellbeing	2023-24 AH04	Extra Care Void Saving	250		250	Reduce the number of care home placements, reversing the increase driven by health during Covid, re-focusing on extra care placements filling voids and new extra care schemes as alternatives that promote more independence	Green	Saving on track to be delivered
Care, Health and Wellbeing	2023-24 AH05	Mental Health Placements	470		470	Working closely with housing and secondary MH services to improve the recovery pathway post Covid, in particular reducing supported living placements and increased access to General Needs accommodation	Green	Saving on track to be delivered
Care, Health and Wellbeing	2023-24 AH06	Reductions in Staffing	270		270	Deliver the plan to increase the number of permanent staff in a very challenging recruitment market and reduce the Adult Social Care agency staffing	Green	Saving on track to be delivered via vacancy factors across the service

Department	Index	Reference	2023/24 savings (£000)	2024/25 deferred savings (£000)	Savings on track to be delivered (£000)	Description	RAG Status	Comments / Mitigating Actions
Care, Health and Wellbeing	2023-24 AH07	Digital / Transformation Savings	175		175	ASC - online forms, single view dashboards, integration of applications with Mosaic, assistive technology. Electronic document management. Direct payments automation and reduction in overpayments; and potential for increased alignment with CYP DP team. Automation of manual case review processes.	Green	Saving on track to be delivered
Sub Total			4,265	0	4,265			
Children & Young People	2023-24 CYP01	Early Help	240		240	Savings proposals will be a combination of establishment savings achieved by deleting posts and reducing some commissioned services.	Green	Savings on track to be delivered
Children & Young People	2023-24 CYP02	Inclusion and Virtual School	80		80	Reducing the Supporting Young People Contract, ('Connexions').	Green	Savings on track to be delivered
Children & Young People	2023-24 CYP03	Localities - Care Packages reduction	365		365	Care package reductions for families receiving support from the 0-25 children and young people with disabilities teams	Green	Work underway to ensure that savings will be on track to be delivered.
Children & Young People	2023-24 CYP05	Looked after Children and Permanency		510	510	Review of agency worker usage and implementation of a vacancy factor	Green	Work underway to ensure that savings will be on track to be delivered.
Children & Young People	2023-24 CYP06	Forward Planning Performance & Partnerships		860	860	Proposed savings will be made through the commissioning of placements for Looked After Children and Care Leavers	Green	Work underway to ensure that savings will be on track to be delivered.
Children & Young People	2023-24 CYP07	Safeguarding and Quality Assurance	121		121	Savings will be made through the management of vacant posts and a reduction of the CYP training budget.	Green	Work underway to ensure that savings will be on track to be delivered.
Children & Young People	2023-24 CYP08	Setting and School Effectiveness	34		34	Proposed savings will be made by a reduction in staffing costs within the core school effectiveness team.	Green	Savings on track to be delivered

Department	Index	Reference	2023/24 savings (£000)	2024/25 deferred savings (£000)	Savings on track to be delivered (£000)	Description	RAG Status	Comments / Mitigating Actions
Children & Young People	2023-24 CYP09	Digital / Transformation Savings		200	200	Admin - case management, RPA, Mosaic enhancement (alerts), electronic document management, removing manual processes and excel. Schools admissions chatbots/virtual agents. Direct payments automation and reduction in overpayments; potential for increased alignment with ASC DP team. CAMS dashboard.	Green	Work underway to ensure that savings will be on track to be delivered.
Sub Total			840	1,570	2,410			
Communities & Regeneration	2023-24 CR01	Planning Service Staff		205	205	Reduce planning staff by 5% (3.5 FTE) achieved by natural turnover/deletion of vacant posts. Would impact ability to provide planning service and policy framework.	Green	Savings on track to be delivered
Communities & Regeneration	2023-24 CR02	Brent Works / Brent Start	35		35	Proposal to combine advisors across both Brent Start and Brent Works via turnover / vacancy management	Green	Savings on track to be delivered
Communities & Regeneration	2023-24 CR03	Brent Start Programme Leader	24		24	Proposal to merge a position with another programme to delete this provision in Brent Start via vacancy management	Green	Savings on track to be delivered
Communities & Regeneration	2023-24 CR04	Regeneration Capitalisation		75	75	Opportunity for further capitalisation for 4 years, whilst Wembley housing zone schemes are built	Green	Savings on track to be delivered
Communities & Regeneration	2023-24 CR05	Town Centre managers	68		68	Reduction of one Town Centre manager.	Green	Savings on track to be delivered
Communities & Regeneration	2023-24 CR06	Strategy & Engagement restructure	55		55	Reduction in IAG Contract. Non appointment of new posts identified in the new structure	Green	Savings on track to be delivered
Communities & Regeneration	2023-24 CR07	Communications restructure	100		100	Reduce the number of Communications Account Managers in the corporate communications team from five to three	Green	Savings on track to be delivered

Department	Index	Reference	2023/24 savings (£000)	2024/25 deferred savings (£000)	Savings on track to be delivered (£000)	Description	RAG Status	Comments / Mitigating Actions
Communities & Regeneration	2023-24 CR08	Digital / Transformation Savings	50		50	Automation, chatbot, virtual agents. Dashboards for contract monitoring and demand management. Any changes to structures, alignment and commissioned services from Employment and Skills OBR. IoT e.g. potholes, better tech for field officers (Powerapps) to increase efficiency.	Green	Delays with a supplier will result in a slippage. Mitigating actions need to be identified.
Sub Total			332	280	612			
Resident Services	2023-24 RS01	Removal of first class envelopes from the Civic Centre	64		64	Removal of first class envelopes from Civic Centre to reduce postage spends. First class postage will remain available in the Post Room but only for those requiring first class postage	Green	Savings on track to be delivered
Resident Services	2023-24 RS02	Staffing Changes	86		86	Staffing changes across the Improvement & Performance Team and the Digital Post Room teams. Duties to be covered by existing staff once re-evaluation of JD's and staff consultation has been carried out	Green	Savings on track to be delivered
Resident Services	2023-24 RS03	IEG and Resilience contract reduction & Staffing reductions due to systems automation	262		262	Reduction in the usage of the Resilience contract and creation of in house applications to replace IEG	Green	Savings on track to be delivered
Resident Services	2023-24 RS04	Online diary and reporting system and booking citizenship ceremonies	11		11	Online diary and reporting system equivalent to current product bought in house use of corporate. Online booking Citizenship ceremonies incorporating facility for payment for private ceremonies	Green	Savings on track to be delivered
Resident Services	2023-24 RS05	Staff reorganisation	210		210	Staff reorganisation in the Revenue & Debt team	Green	Savings on track to be delivered

Department	Index	Reference	2023/24 savings (£000)	2024/25 deferred savings (£000)	Savings on track to be delivered (£000)	Description	RAG Status	Comments / Mitigating Actions
Resident Services	2023-24 RS06	Reduction in licensing, corporate printing, supplies and services, delivery of ICT roadmap, staffing	418		418	<ul style="list-style-type: none"> Reduction in licensing spend through applications rationalisation Reduction in corporate printing spend through continued move to digital options Reduction in ICT and Transformation supplies and services spend Reduction in Brent's contribution to the shared ICT service through realisation of savings through delivery of roadmap projects Reduction in staffing in Transformation service 	Green	Savings on track to be delivered
Resident Services	2023-24 RS07	Digital / Transformation Savings	300		300	Online forms, chatbot/virtual agent, RPA, further reduction in print, aligning systems	Green	Savings on track to be delivered
Resident Services	2023-24 RS08	Libraries stock	62		62	Reduction in Libraries stock budget	Green	Savings on track to be delivered
Resident Services	2023-24 RS09	Increase Council Owned Temporary Accommodation Portfolio	350		350	Build a new Temporary Accommodation scheme of up to 100 units (similar to Anansi House), providing better quality and more affordable accommodation for people who would otherwise be in private sector nightly paid accommodation	Amber	New accommodation will not be available until 2024 so one-off mitigations in year will need to be identified
Resident Services	2023-24 RS11	Increase portfolio of Council Managed Temporary Accommodation (TA)	86		86	Transfer HALS TA portfolio from Notting Hill Genesis (NHG) to Brent Direct Leasing (BDL)	Green	Saving is no longer deliverable in the original form, however mitigating actions have been identified to deliver the saving in an alternative way through reducing other costs within the Temporary Accommodation portfolio
Resident Services	2023-24 RS12	Street Light Dimming	60		60	Proposal for Street Light Dimming. Identify areas where lighting levels can be reduced to secure energy cost savings	Green	Savings on track to be delivered

Department	Index	Reference	2023/24 savings (£000)	2024/25 deferred savings (£000)	Savings on track to be delivered (£000)	Description	RAG Status	Comments / Mitigating Actions
Resident Services	2023-24 RS13	Waste disposal – Education and outreach insourcing	250		250	Reduction in residual waste stream in order to secure increased recycling rates and reduced waste disposal payments to WLWA	Green	Savings on track to be delivered
Resident Services	2023-24 RS14	Review Payments to WLWA	100		100	This proposal seeks to recover any over-payment of waste disposal charges made by Brent that may be retained by WLWA and held as reserves by that organisation.	Green	Savings on track to be delivered
Resident Services	2023-24 RS15	Increased use of Proceeds Of Crime Act	300		300	Subsidise Regulatory Services area with use of POCA income	Green	Savings on track to be delivered
Resident Services	2023-24 RS16	RLS related - Environmental Services Review	150		150	Environmental Services review staff structures as part of RLS Phase 2 review	Green	Savings on track to be delivered
Resident Services	2023-24 RS17	RLS related - Review of BTS	1,200		1,200	Detailed service review, route optimisation and alternative means of transport	Amber	The review is underway, however it is not anticipated that the saving will be realised in 2023/24 so one-off mitigations in year will need to be identified
Resident Services	2023-24 RS18	RLS Related - Negotiate RLS cost reduction		200	200	Potential to reduce cost as part of RLS competitive dialogue tendering approach	Green	Savings on track to be delivered
Resident Services	2023-24 RS19	RLS related - Rationalisation of Environmental service budgets	130		130	A rationalisation of the budgets within Environmental Services has taken place in anticipation of the savings required for the RLS project.	Green	Savings on track to be delivered
Sub Total			4,039	200	4,239			
Finance & Resources	2023-24 FR01	Reduction in staffing	252		252	Savings will be made from the creation of a centralised Oracle support function in IT, a proportion of Head of Finance management oversight of master data and systems control is no longer required	Green	Saving on track to be delivered

Department	Index	Reference	2023/24 savings (£000)	2024/25 deferred savings (£000)	Savings on track to be delivered (£000)	Description	RAG Status	Comments / Mitigating Actions
Finance & Resources	2023-24 FR02	Digital / Transformation Savings	250		250	Digital Transformation will enable automation of transactional activity across the whole of the Finance function and improvements in management self serve as a result of Oracle Cloud enhancements which will deliver savings	Green	Saving on track to be delivered
Finance & Resources	2023-24 FR03	External support for Internal Audit activity	23		23	Reduce use of external support to internal audit service	Green	Saving on track to be delivered
Finance & Resources	2023-24 FR04	Civic Centre Office Let		680	680	Lease further floors of the Civic Centre to external organisations / tenants to generate revenue	Green	Saving on track to be delivered
Finance & Resources	2023-24 FR05	Increase car park/EVCP charge	100		100	Considered feasible to increase civic centre parking charge and also charging rate for EVCP provision without impacting demand.	Green	Saving on track to be delivered
Finance & Resources	2023-24 FR06	Security Service Transformation	300		300	Service transformation to be implemented following the detailed review of security provision across all Brent's operational buildings after staff TUPE'D across from the previous out-sourced provider in summer 2021	Green	Saving on track to be delivered
Finance & Resources	2023-24 FR07	Rationalise soft FM service	150		150	Rationalising soft FM services (cleaning) to meet reduced portfolio demand	Green	Saving on track to be delivered
Finance & Resources	2023-24 FR08	Commercial Staffing Review	50		50	Review capitalisation of staffing costs and replace interims with permanent staff	Green	Saving on track to be delivered
Sub Total			1,125	680	1,805			
Governance	2023-24 GOV01	Reduction in staffing via restructure	89		89	Proposed savings to be made from reduction in posts and more efficient allocation of tasks	Green	Savings on track to be delivered
Governance	2023-24 GOV02	Restructures in HR	85		85	This saving would introduce a new model for advisory support in HR and reduce the number of advisory posts	Green	Savings on track to be delivered

Department	Index	Reference	2023/24 savings (£000)	2024/25 deferred savings (£000)	Savings on track to be delivered (£000)	Description	RAG Status	Comments / Mitigating Actions
						in HR by one in 2023/24 and by one in 2023/24.		
Governance	2023-24 GOV03	Reduce Corporate Learning and Development Budget	40		40	Reduction in budget held by HR for Corporate training	Green	Savings on track to be delivered
Governance	2023-24 GOV04	Administrative and Miscellaneous Efficiencies	12		12	Increased advert via LinkedIn for recruitment advertising - reduction in publications	Green	Savings on track to be delivered
Governance	2023-24 GOV05	Increase income target for recoverable legal work costs	30		30	S106 and other third party income increase	Green	Savings on track to be delivered
Governance	2023-24 GOV06	Reduce Legal Fees Budget	50		50	Reduce the provision in the legal budget for payment of court fees and the costs of advice and representation by barristers in cases brought by or against the council	Green	Savings on track to be delivered
Governance	2023-24 GOV07	Cessation of DX Postal service	3		3	This savings would involve discontinuing use of the legal document exchange service through which documents for the court, barristers chambers and solicitors firms are currently sometimes despatched	Green	Savings on track to be delivered
Governance	2023-24 GOV08	Miscellaneous expenses reduction	19		19	Miscellaneous expenses reduction. This saving would remove a budget utilised for unplanned overhead expenses	Green	Savings on track to be delivered
Governance	2023-24 GOV09	Administrative and Miscellaneous Efficiencies	22		22	This proposal concerns aligning salary budgets with the establishment	Green	Savings on track to be delivered
Governance	2023-24 GOV10	Procurement restructure		50	50	Review structure of the Procurement team with overall impact leading to a	Green	Savings on track to be delivered

Department	Index	Reference	2023/24 savings (£000)	2024/25 deferred savings (£000)	Savings on track to be delivered (£000)	Description	RAG Status	Comments / Mitigating Actions
						reduction in the establishment by 1 FTE		
Governance	2023-24 GOV11	Digital / Transformation Savings		75	75	Electronic document management, further implementation of DocuSign, sharing documents with external parties via M365, chatbots for routine HR and Legal queries	Green	Savings on track to be delivered
Sub Total			350	125	475			
Corporate	2023-24 CORP1	Digital / Transformation Savings	600		600	Commissioning, Performance and Communications review	Green	Saving on track to be delivered
Corporate	2023-24 CORP4	Procurement savings	449	51	500	To be managed by the Commissioning and Procurement Board. All contracts on pipeline will come to the board to review contract specifications in order to deliver savings	Green	Saving on track to be delivered
Corporate	2023-24 CORP5	CMT Savings	200		200	Savings from June 2022 CMT Restructure	Green	Saving already achieved
Corporate	2023-24 CORP6	RLS related - Environment department saving	1,300		1,300	A rationalisation of the budgets within Environment has taken place in anticipation of the savings required for the RLS project.	Green	Saving already achieved
Corporate	2023-24 AH08	Technical Adjustment - recurring grant funding		1,500	1,500	Recognition of grants not previously budgeted for in the MTFS.	Green	Saving on track to be delivered
Sub Total			2,549	1,551	4,100			
Grand Total			13,500	4,406	17,906			

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Appendix B – Treasury Management Prudential Indicators

Legislative Update

In December 2021, CIPFA published its revised Prudential Code and Treasury Management Code of Practice following concerns around the commercial activity undertaken by several local authorities and the affordability of borrowing plans.

The Code required authorities to not borrow to invest primarily for financial return and all capital expenditure undertaken must be related to the functions of the authority. The Council has not undertaken any activities to invest for a yield or have any commercial plans within the capital programme.

The code required the Prudential Indicators (which are approved as part of the Council's Treasury Management Strategy) to be reported quarterly (from semi-annually) as part of the financial updates. The code permitted this reporting to be implemented by the 2023/24 financial year so this appendix will be a recurring addition to the quarterly financial reports.

Prudential Indicators

The Council has a significant borrowing requirement and balance and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.

(a) Capital Financing Requirement (CFR)

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement. This is the amount of the Capital Programme that is funded by borrowing. The Council's maximum external borrowing requirement for 2023/24 is shown in the table below. The indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council tax and in the case of the HRA, housing rent levels.

	2023/24 Forecast	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£m	£m	£m	£m	£m
Opening CFR	1,146.4	1,411.1	1,688.8	1,802.7	1,816.1
Capital Expenditure	378.1	450.7	169.8	65.5	42.2
External Resources	(43.7)	(57.7)	(4.5)	(15.0)	0.0
Internal Resources	(54.6)	(96.9)	(29.1)	(11.4)	(6.3)
MRP	(15.2)	(18.7)	(22.7)	(25.7)	(27.1)
Closing CFR	1,411.1	1,688.8	1,802.7	1,816.1	1,824.9

(b) Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium term, debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence. The table below shows that the Council expects to comply with this recommendation during 2023/24.

Debt	2023/24	30/06/23
	Estimate	Actual
	£m	£m
Borrowing	689.0	747.7
PFI liabilities	17.1	18.8
Other	7.7	7.7
Total Debt	713.7	774.1
Capital Financing Requirement	1,411.1	1,411.1
Compliance	Yes	Yes

(c) Liability Benchmark

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

	31/03/24 Forecast	31/03/2025 Forecast	31/03/26 Forecast
	£m	£m	£m
Loans CFR	1,435.2	1,713.8	1,829.9
Less Balance sheet resources	(438.2)	(438.2)	(438.2)
Net Loan requirement	997.0	1,275.6	1,391.7
Plus Liquidity Allowance	20.0	20.0	20.0
Liability Benchmark	1,017.0	1,295.6	1,411.7

(d) Authorised limit and Operational Boundary for External Debt

The Operational Boundary for External Debt is based on the Council's estimate of most likely i.e. prudent, but not worst case scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring.

Other long-term liabilities comprise finance leases, Private Finance Initiative contracts and other liabilities that are not borrowing but form part of the Council's debt.

The Authorised Limit for External Debt is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the

Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

	Operational Boundary	Authorised Limit	Actual external debt 30/06/23	Compliance
	£m	£m	£m	
Borrowing	1,500.0	1,700.0	747.7	Yes
Other Long-term liabilities	-	-	34.5	
Total	1,500.0	1,700.0	782.2	

The Corporate Director for Finance and Resources confirms that there were no breaches to the Authorised Limit and the Operational Boundary during Q1 of 2023/24.

(e) Upper Limits on one-year revenue impact of a 1% movement in interest rates

This indicators is set to control the Council's exposure to interest rate risk. The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates.

	2023/24 Approved Limits £m	30/06/2023 Actual £m
Upper limit on one-year revenue impact of a 1% rise in interest rates	5.0	0.6
Compliance with limits:		Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	5.0	0.6
Compliance with limits:		Yes

(f) Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replace at times of uncertainty over interest rates. The Council uses the option date as the maturity date for it's LOBO loans.

Maturity Structure of Fixed Rate Borrowing	Upper Limit	Lower Limit	Actual Fixed Rate Borrowing at 30/06/2023	% of Fixed Rate Borrowing at 13/06/2023	Compliance with set limits?
	%	%	£m	%	Yes / No
Under 12 months	40%	0%	52.5	7%	Yes
12 months and within 24 months	40%	0%	9.4	1%	Yes
24 months and within 5 years	40%	0%	28.2	4%	Yes
5 years and within 10 years	60%	0%	46.8	6%	Yes
10 years and within 20 years	75%	0%	134.8	18%	Yes
20 years and within 30 years	75%	0%	116.3	16%	Yes
30 years and within 40 years	75%	0%	199.3	27%	Yes
Over 40 years	75%	0%	160.5	21%	Yes
			747.7	100%	

(g) Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	31/03/2024 Estimate
Financing costs	33.1
Proportion of net revenue stream (%)	5.1%

(h) Upper Limit for Total Principal Sums invested over 364 Days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for Total Principal Sums Invested Over 364 Days	2023/24 Approved	30/06/2023 Actual
	£m	£m
Limit on principal invested beyond a year	50	0

(i) Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit Risk Indicator	2023/24 Target	30/06/2023 Actual
Portfolio average credit rating	A	A+

(j) Liquidity

The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity Risk Indicator	2023/24 Target £m	30/06/2023 Actual £m
Total cash available within 3 months	20	136.6

(k) Investment Forecast

This indicator demonstrates the Council's investment exposure broken down by category.

Total investment exposure	23/24 Actual	23/24 Forecast
	£m	£m
Treasury management investments	108.8	30.0
Service investments: Loans	272.7	172.1
Commercial investments: Property	14.1	20.7
TOTAL INVESTMENTS	402.2	222.8
Commitments to lend	11.3	11.3
TOTAL EXPOSURE	428.9	234.1

Treasury management investments are higher than originally forecast due to the holding of additional short-term investments to allow for more flexible timing around long-term borrowing needs in light of the elevated interest rate environment.

(l) Investment Funding

This indicator demonstrates the amount of exposure to borrowing as a result of investments made for service purposes. These investments are the loans to the Council's subsidiaries i4B Holdings Ltd and First Wave Housing Ltd.

Investments funded by borrowing	23/24 Actual	23/24 Forecast
	£m	£m
Service investments: Loans	272.7	172.1
Total funded by borrowing	272.7	172.1


(m) Investment Rate of Return

This indicator demonstrates the rate of return obtained from the different investment categories.

Investments rate of return	23/24 Actual	23/24 Budget
Treasury management investments	4.46%	3.10%
Service investments: Loans	3.11%	3.90%
Commercial investments: Property	21%	15%

(n) Other Investment Indicators

Indicator	2023/24 Actual	2023/24 Forecast
Debt to net service expenditure ratio	2.09	2.03
Commercial income as a % of net service expenditure ratio	0.96%	0.94%

	Cabinet 17 July 2023
	Report from the Corporate Director of Finance & Resources
Medium Term Financial Outlook	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	None
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Minesh Patel Corporate Director of Finance & Resources Email: Minesh.Patel@brent.gov.uk Tel: 020 8937 4043 Rav Jassar Deputy Director of Finance Email: Ravinder.Jassar@brent.gov.uk Tel: 020 8937 1487

1. Purpose of the Report

- 1.1. This report sets out the overall financial position facing the Council and highlights the significant risks, issues and uncertainties with regards to the Council's Medium Term Financial Strategy (MTFS). It also sets out the proposed budget setting strategy for 2024/25, which is the Council's minimum legal duty in respect of local authority budget setting, in order to maximise the period of consultation with residents, businesses and other key stakeholders
- 1.2. The report also outlines how the MTFS will aim to provide a framework to invest in broader ambitions and long-term priorities such as the Borough Plan, the cost-of-living crisis and other future steps to ensure the Council continues to operate in a financially sustainable and resilient way as well as supporting residents in need.

- 1.3. The remainder of this report sets out the medium-term risks and uncertainties with regards to the current budget assumptions contained within the MTFS. These primarily relate to exceptional factors such as high levels of inflation, rising interest rates, increased demand for key services and uncertainty in government funding. In doing so, it must be recognised that the situation remains uncertain and it is extremely difficult to make a full, definitive and comprehensive assessment of the ongoing financial impact of these issues. As such, the figures in this report are based upon best estimates and forecasts and will therefore be subject to change. However, the significance of the financial challenge cannot be underestimated and over time, the Council will need to develop a response that continues to maintain a commitment to strong financial resilience and sustainability.
- 1.4. This report is structured as follows:
- Recommendations for Cabinet to approve
 - Strategic overview of Local Government finance
 - Future budget assumptions
 - Proposed budget setting process for 2024/25
 - Capital programme
 - Housing Revenue Account
 - Schools and the Dedicated Schools Grant

2. Recommendation(s)

That Cabinet:

- 2.1. Note the contents of the report and the potential financial impact on the Council's Medium Term Financial Strategy;
- 2.2. Agree the budget setting process for 2024/25, including the approach to consultation and scrutiny, as set out in section eight of this report;
- 2.3. Note and agree the proposed 2022/23 capital budget carry forwards and capital virements for 2023/24 as set out in section nine of this report;
- 2.4. Note the financial position with regards to the Housing Revenue Account, as set out in section ten of this report; and
- 2.5. Note the financial position with regards to Schools and the Dedicated Schools Grant, as set out in section eleven of this report.

3. Strategic Overview**Macro-Economic Outlook**

- 3.1. The current and medium term the economic environment is volatile and uncertain with high inflation, particularly affecting energy costs, rising interest rates, a potential banking crisis and war in Ukraine, precipitating the cost-of-living crisis. Looking to the future, there is political uncertainty with a general election likely in 2024 and economic forecasts of little or no growth.
- 3.2. The Bank of England's view is that inflation peaked towards the end of 2022 and will now reduce in 2023 before reverting to its 2% target in 2024. The Treasury publish a summary of independent economic forecasts. In the latest issue (May 2023) the average of new independent forecasts is for CPI inflation to be 3.9% in December 2023 and 2.5% in December 2024.
- 3.3. CPI fell to 10.5% in December 2022 and 10.1% in January 2023, down from the peak of 11.1% in November 2022 – the highest rate of increase in 41 years. However, in February 2023 CPI rose again to 10.4% and then in March fell back to 10.1%, illustrating the volatility that persists in the economy. CPI for May 2023 was 8.7%. This is the latest figure and is unchanged from April.
- 3.4. The most recent major fiscal event was the Spring Budget on 15 March 2023. There were few measures of any major impact on local government. The Chancellor set out policies designed to promote growth and to shore up the public finances. He provided further support to consumers and businesses for energy costs. He committed to the target of halving inflation by December 2023. This is likely to entail further rises in interest rates, with commentators forecasting a peak as high as 7% for base rate by December 2023.
- 3.5. These factors create a challenging environment for the Council to plan its future resourcing requirements.

Local Government Issues

- 3.6. The government's Autumn Statement and Local Government Finance Settlement provided figures in sufficient detail to enable effective resource planning for the next two years. This brings welcome certainty after a protracted period of one-year settlements. However, the Autumn Statement in particular reveals that hard decisions on reducing public sector spending have been put back until the 2025/26 budget round. That is likely to be after the next general election and the task of making substantial reductions in public expenditure will therefore fall to the incoming government. There is no indication how much of any expenditure reductions will be targeted at local government but given the high level of the national savings requirement from 2025/26 onwards, it would be reasonable to assume that most parts of the public sector will be affected including local government. There is therefore a real risk of a new round of austerity.

- 3.7. Whilst there is cross-party recognition of adult social care funding pressures and in particular the adverse effect bed blocking has on the NHS, that consideration alone is unlikely to protect local government from a significant reduction in funding. The current MTFs anticipates an inflationary uplift of existing grants with no new funding. If the government opts for a cash-terms freeze in funding from 2025/26 onwards, this could equate to a substantial real-terms cut in spending power, if inflation remains high.
- 3.8. Future cuts to public sector expenditure have been put off until 2025/26, but they are not the only items deferred until then. The fair funding review of local government funding, the reset of the business rates baseline, and the introduction of a cap on care costs are just some major policy decisions currently on hold until after the next general election.

Brent Factors

- 3.9. The residents of Brent face an equally challenging economic environment with the effects of the cost-of-living crisis exacerbated by levels of unemployment above national and London averages. This could be made worse if the economic slowdown persists and results in a significant number of business failures. The Council is seeing the effect of Brent's precarious economic position through a post COVID-19 bounce back in both council tax and business rates collection which is below the London average. The Council will need to consider how it can assist residents and local business through these difficult economic times. At present the Resident Support Fund is a temporary provision reviewed annually. This may need to continue for some years to come.
- 3.10. The impact of COVID-19 scarring is another issue, and it will not be known for some time the exact extent and effect of this.
- 3.11. At a service level, there are considerable cost and demand pressures on children's social care in the Children & Young Peoples department as a result of increased placement numbers at a higher cost per placement. Staffing costs are also high due to recruitment difficulties which require the use of temporary staff to sustain service delivery. The adverse financial position could be worsened if the government removes the current statutory provision which eliminates the accounting requirement to fund the deficit on the DSG High Needs Block from General Fund reserves. This currently stands at c£20m. The statutory override is set to be reviewed in 2025/26.
- 3.12. Homelessness is another pressure area with rising demand, worsened by the cost-of-living crisis. There are also potential reductions in funding in this area. The review of Homelessness Prevention Grant has been pushed back until 2025/26. Brent loses substantial amounts of funding under either of the two options proposed in the government's consultation.
- 3.13. The relet environment contracts in Residents Services will face their first indexation over the period of the revised MTFs. Given the uncertainties over future inflation rates, and the size of these contracts, this is a significant financial risk which will potentially crystallise in 2025/26.

- 3.14. Whilst the 2023/24 Local Government Finance Settlement provided higher than expected grant funding, it would be unrealistic to expect similar levels of increase in future years, particularly given the public sector funding cliff edge in 2025/26. The government recognises that social care requires additional funding, which was forthcoming in the 2023/24 settlement. However, some of the “new” funding was actually the repurposing of existing funding allocated for the introduction of the care cap and other social care reforms, which are now deferred until 2025/26. It is unclear whether genuinely new funding will be made available if introduction of the care cap resumes in 2025/26. Without new funding, there will be a gap if there are ongoing costs supported by the use of the repurposed grants.
- 3.15. Looking more widely, whilst the 2024/25 levels of funding are largely known, there is still uncertainty over whether the government may tweak the distribution methodology to redirect funds in support of its Levelling Up agenda. Also, the government has given no commitment to the continuation of the New Homes Bonus. Commentators expect that there will be a re-distribution in 2024/25 and that this will be the last distribution. In 2023/24 Brent received £7.9m – the largest amount in England. This funding stream looks set to cease in its entirety from 2025/26.
- 3.16. Since the MTFs was agreed by Full Council in February 2023, detailed models have been developed to forecast changes in demographic demand and inflationary pressures on social care budgets in the Care, Health and Wellbeing, and Children and Young Peoples services. For Resident Services, forecasts have been made of the anticipated effects of reletting contracts under the Redefining Local Services (RLS) programme. As with any financial model, the quality of the input data will affect the quality of the output forecast. Whilst the Council has the leading software products for care management, there is some work to be done on making best use of the data captured. Whilst this information is important for forward planning, timely and accurate data will be essential for in-year monitoring of growth against demand and inflationary pressures as they occur.

Borough Plan

- 3.17. The Borough Plan 2023-27 sets out the Council’s vision for the next four years. There is an emphasis on how the Council will work with others to support people through the cost-of-living crisis, realise climate change ambitions and harness the diverse range of communities. Central to these ambitions is making Brent the best it can be for everyone who lives and works in the borough.
- 3.18. The overarching theme of the plan is ‘Moving Brent Forward Together’. The plan focuses on how the Council will take forward delivery in the five priority areas being of fundamental importance to Brent and its people. Each priority area has set outcomes the Council will work towards, building on the achievements so far with renewed focus and actions. It tackles cross-cutting issues such as homelessness and health inequalities. The five priorities are:

- Prosperity, Pride and Belonging
- A Cleaner, Greener Future
- Respect and Renewal in Brent
- The Best Start In Life
- A Healthier Brent

3.19. As is customary during the budget setting process, the MTFS will need to ensure it provides a framework to enable and support the delivery of these programmes.

Cost of Living Crisis

3.20. Since late 2021, the UK has experienced a rise in the cost of living for individuals and businesses. For many Brent residents, this means having to make difficult decisions on how they spend their income, which can have a negative impact on their standard of living.

3.21. The April 2023 Cost of Living poll by YouGov for the GLA found 48% of Londoners surveyed were going without basic needs, struggling to make ends meet or just about managing with their financial situation, with 32% buying less food and essentials to manage their living costs. Of those surveyed, the groups that were most likely to face these challenges included Black and Asian Londoners, social renters (from housing association or Council), and those whose daily activities were considerably limited by health problems or disabilities. These findings align with the Council's Resident's Attitudes Survey, conducted in 2021 to inform the Borough Plan, which at that time found almost a quarter of residents said their financial situation had got worse.

3.22. The Council has a number of initiatives aimed at supporting residents who may be struggling and enabling Brent and partner organisations to best respond to local needs. These include:

Financial Support

- The **Brent Resident Support Fund (RSF)** has been in place since August 2020. In the period August 2020 to March 2023, RSF has supported 7,930 households with a total of £13m. The support provided is for help with the cost of living. This can include, but is not limited to, household bills, arrears in rent, mortgage, Council Tax, food, fuel, digital equipment and emergency funds. Urgent assistance is provided when residents are at risk of losing their home or in an emergency crisis.
- Further support is provided through signposting to other internal (e.g. Brent Hubs) and external (e.g. Citizens Advice) services. The Council and key partners are also trialling a subsidiary of the RSF, a Crisis Response Fund, to provide rapid financial aid (for residents facing emergencies). The trial began in December 2022 and will be evaluated in the Summer.

- During 2022/23 Brent has also supported 94,000 households with a £150 rebate, funded from government grants, to help with the cost of energy bills.
- **Council Tax Support (CTS):** 27,014 households are supported through CTS as at 31 May 2023, of which 18,503 are working age and 8,511 are pension age. Working and Pension age residents are entitled to a maximum of 100% Council Tax Support depending on their income, savings and household composition. The total CTS given to households is forecast to be around £32.8m in 2023/24. Working age residents on CTS with some council tax to pay have also received £25 off their bill through the government's council tax rebate scheme. Care leavers receive 100% support for their council tax costing around £0.1m. Residents can also receive support due to hardship through the Council's Section 13A policy paid as part of RSF or directly.
- A new training programme to upskill front-line staff began in January 2023. The programme aims to enable more effective and earlier interventions by Brent and partner staff and to increase capacity for money and debt support in the borough. A CoL Practitioners Network has also been developed and recently expanded to include external partners to share learning and improve access to existing support.
- In addition, a six-month pilot to increase capacity for specialist debt advice is being tested in partnership with Advice for Renters and Brent Hubs. The pilot began in February 2023 and is exploring the benefits of providing this advice to RSF applicants who are seeking support to deal with debt to help them to avoid going back into debt in future. As of May 2023, 132 residents had accessed this service.

Food and energy support

- **Brent Hubs** work with residents who find it difficult to access the support they need through mainstream services. This includes issuing vouchers to residents in need of urgent food and fuel support, as well as making referrals to food aid agencies and support schemes for utility costs. Since January 2021, over 8,115 residents have accessed Hub services. Over the same period, the Hubs provided food and fuel vouchers.
- The most common needs which residents present with at the Hubs are food and fuel support (25%), housing costs (18%), homelessness (11%), form filling – such as RSF applications - (16%), debt and money (7%), welfare benefits (7%), and other, for example, employment, general support, immigration etc.(16%).
- The Government's **Household Support Fund (HSF)** has been used to provide support to Brent households with the cost of food and fuel in the form of food and fuel vouchers, grants, and financial support to food aid organisations. The HSF is a follow-on fund from the previous COVID-19 Winter Support Fund and COVID-19 Local Support Funds, which had been in place since December 2020.
- In partnership with Sufra NW London, the Council is trialling the delivery of a new wraparound support and food aid model aiming to

increase community resilience, tackle food insecurity and provide holistic support for residents. The Community Wellbeing Project commenced in February 2023 for a 6-month pilot at Bridge Park Leisure Centre. The model gives members access to a host of support including weekly food shopping, hot meals, access to themed workshops, gym access as well as 1-2-1 advice sessions with a Brent Hubs advisor and creation of a personal development plan. 200 members are enrolled on the programme, and to date have accessed 919 weekly food shops. In addition 1,239 daytime meals and 1,444 evening meals have been served (including members and non-members).

Service Specific Pressures, Risks and Mitigations

- 3.23. The Council is operating in a challenging financial environment with a funding outlook which is uncertain for local government in general and in particular, there is a lack of clarity around long-term funding for adult social care and emerging pressures in children's services. In addition to this uncertainty, there is also the potential for significant spending pressures from demand-led services, specifically in children's and adult social care, new burdens which impact on the budget and on-going pressures as a result of the cost-of-living crisis. Although growth has been built into the MTFS to help alleviate some of these pressures, they continue to present a significant budget risk, particularly in respect of the demographic pressures and contractual indexation. Sluggish economic growth, rising inflation, demand pressures on services and the reletting of a number of significant contracts in the Resident Services department add further financial risks. Therefore, Brent is likely to require significant savings over the next few years to deliver a balanced budget.
- 3.24. The demand for social care services and complexity of care needs are also ever-increasing resulting in higher costs. Whilst there are some reductions in costs due to fewer Residential and Nursing placements following the COVID-19 pandemic, the demand for homecare and supported living is on the rise.
- 3.25. The cost-of-living crisis and the steep rise in inflation, particularly for heating and fuel costs, are likely to have an impact on social care placement expenditure as providers look to recover some of the additional costs which they are incurring.
- 3.26. Another key area of uncertainty is the fair cost of care and social care reforms, where the government has pushed the introduction of a number of key measures to after the next general election. Funding for these has been diverted to provide additional resources for placements in the current year and 2024/25. The question remains, however, if and when the deferred reforms are reinstated, will the government funding be adequate? This is likely to present a substantial financial risk to the Council.
- 3.27. As the cost of living is rising, the demand for housing services can be expected to increase and the number of homeless applications to rise. The current economic climate could also have an impact on the rent collection rates and

result in increases in rent arrears. In addition, the service is reliant on the PRS for supply to prevent homelessness and end statutory homelessness duties. However, this market continues to contract. With more people placed in Temporary Accommodation, higher costs and less supply available to prevent homelessness, this could cause financial pressures on the budgets.

- 3.28. The Redefining Local Services (RLS) programme was initiated in May 2019 to develop and implement a commissioning strategy for environmental services. The existing contracts were synchronised so that the new service arrangements would come into place during 2023/24. The final delivery model will operate as a “specialist contracts delivery model with low to moderate levels of insourcing”. The procurement process is now underway for these specialist contracts.
- 3.29. Risks around the procurement process are being monitored and reviewed, however until the procurement processes are completed, there remains a financial risk around the affordability of the contracts. In particular, the rising rates of inflation and fuel costs, which could lead to increased contract prices.

Care, Health and Wellbeing

- 3.30. All of Adult Social Care’s activities are focused on the following areas in order to manage demand through demographic pressures:
- Diversion through prevention - continuing work with BCS and the Access service to develop this further
 - Eligibility – ensuring that only people who require ASC support access funded services, including ensuring appropriate referrals to the NHS for Continuing Health Care and appropriate reviews of aftercare provision under Section 117 of the Mental Health Act 1983
 - Maximising community and family support – giving people that use the service a voice and ensuring carers are supported to continue caring through the development of the carer strategy and coproduction
 - Strength-based practice to promote independence – ongoing work
 - Embedding practice that focuses on outcomes – recognising that social workers drive costs
- 3.31. The current position for CHW is:
- Adult Social Care has the lowest levels of placements in London and continues to look at ways of minimising this. Current activities include:
 - hospital to home trusted assessors (in-reach service to hospital which takes people home and supports them pending a full assessment),
 - night calls from hospital to reduce even further placements, and
 - occupational therapy intervention after a hospital discharge to reduce costs (this is the highest cost intervention).
 - Savings are fully focused on managing the increase in demand due to demographic changes. The following are currently in place:

- extra care: additional capacity (Honeypot Lane is a new extra care block coming on stream end of May 2023) and continuing to utilise fully the wider extra care stock,
 - stepping down Learning Disabilities support as appropriate from residential to supported living,
 - development of reablement,
 - reviewing low cost and very high-cost support packages,
 - reviewing double handed care,
 - Mental health reviews to ensure the most appropriate support is allocated.
- There are Quality Assurance Meetings (every package is signed off by a Head of Service) and monthly monitoring of budget and service activities takes place across ASC. The aim is to ensure the allocation of the right amount of the right resource – this underpins everything
 - ASC are working with Public Health to develop a Well-being service. This will be focused on prevention and will include social prescribing
 - Better management of transitions - earlier ASC intervention through the development of a tracking database that provides information on potential transitional cases by year. This will help planning earlier ASC intervention
 - Workforce - development of a workforce strategy to address the shortage of occupational therapists and social workers. Currently OTs are paid a market supplement which has helped to retain OTs in ASC. OTs have been strategically placed in the service to maximise independence and reduce the demand for care (access, hospital discharge, reablement) .
 - Digital solutions – currently exploring making better use of telecare as a preventative measure and including families and friends more in supporting loved ones

Children and Young People

- 3.32. The volatility of placement costs for Looked after Children (LAC) and Children with Disabilities (CWD) remains a risk. The challenge remains that there is a shortage of appropriate places for local authorities seeking to place children and high costs are often charged by providers to place them. An individual high cost residential or secure placement can cost over £0.3m per annum. The highest residential placement cost at a point in 2022/23 was £19k per week. However, there have been multiple successful step downs from expensive residential placements to semi-independent with an average weekly rate of £913 or independent foster placements, with an average cost of £900 per week. Brent was also successful in a DfE bid to build and run a residential children's home in 2024/25 and this was agreed at Cabinet in May 2023. The home will help to manage costs and improve placement sufficiency.
- 3.33. To manage these pressures, a CYP Placements Commissioning Board has been put in place to oversee the development of four workstreams which include:

- Growing Brent's in-house foster care provision by developing a new and competitive package for in-house carers and reducing the requirement to use more expensive Independent Fostering Agencies (IFAs).
 - Preventing escalating need to more expensive residential care placements by targeting mental health and wellbeing services for children with complex needs.
 - Developing new approaches to market management and engagement to build relationships with providers more effectively and to ensure the local market develops to meet Brent's needs
 - Promoting greater independence for care experienced young people thereby reducing placement spend and the number of care experienced young people in paid for accommodation through a system-wide approach that supports young people transitioning to independence (e.g., working with Housing for tenancy sustainment).
- 3.34. The recruitment and retention of skilled and experienced social workers remains a national challenge and leads to a reliance on agency staff that are more expensive than permanent staff. The challenge also remains that many of these cases held by social work staff are complex and there are high caseloads. At the end of 2022/23, caseloads in the Localities and LAC & Permanency service were 2,937 which was 17.5% above the budgeted levels of 2,500 cases. Attractive offers and manageable caseloads from other local authorities continue to prove a challenge with Brent's recruitment and retention. CYP management undertook a review of incentives in 2022/23 and it is anticipated that this will help in the drive to recruit to positions on a permanent basis.

Communities and Regeneration

- 3.35. Communities and Regeneration have identified the following risks:
- The economic challenges faced by the country have significantly slowed income generation for Communities and Regeneration, as it is heavily dependent on commercial planning income and related items, such as building control. If the economy rebounds in 2024 as forecast by the Office for Budget Responsibility it is likely that this income will rebound as well, however there is a risk that this income will take longer to recover. It would be challenging to find short term savings to address this within Communities and Regeneration that do not impact the long-term development of the borough.

Governance

- 3.36. Governance experience growth pressures as a result of increased demand for social care.
- The changes in demographic demand creating pressures on social care budgets in the Adult Social Care & Health and Children and Young Peoples services also lead to additional demand by these

services for legal advice and representation from Legal Services and from external barristers. The staffing and external costs create a pressure and if the internal team lacks capacity more expensive external support has to be procured. The service seeks to manage the demand for representation by expensive external barristers through recruitment of in-house advocates but recruitment and retention of advocates is very challenging.

Resident Services

- 3.37. As a result of the cost-of-living crisis, the demand for housing services is increasing and the number of homeless applications is rise rising. This trend can be expected to continue. The service is reliant on the private rented sector (PRS) for supply to prevent homelessness and end statutory homelessness duties. However, this market continues to contract. With more people placed in Temporary Accommodation, higher costs and less supply available to prevent homelessness, this could cause financial pressures on the budgets. The current economic climate is also likely to impact the rent collection rates, which would result in increases in rent arrears.
- 3.38. The Redefining Local Services (RLS) programme was initiated in May 2019 to develop and implement a commissioning strategy for environmental services. The existing contracts were synchronised so that the new service arrangements would come into place from 1st April 2023. With a number of new contractual arrangements for key services within the Environmental Services, there are some uncertainties that could materialise in financial pressures before the contracts are fully embedded. The contract costs are being closely monitored and remain in review against the budget available.
- 3.39. The Environmental and Leisure service also has a considerable income target of £33m and a small percentage change can have a large monetary impact. For example, an additional 1% reduction in income would be equivalent to around £0.3m. In the last few years income collected was significantly impacted due the pandemic and subsequent recovery and in the current year there also remains some concern around the impacts of the cost-of-living crisis on the level of income received. This will be closely monitored throughout the year.
- 3.40. As a need for care for children with EHCPs is increasing, and there is a risk that this trend will continue, costs within the Brent Transport Services are also rising. Increase in demand exacerbated by rising prices on taxi routes could put financial pressures on the budget. In addition, a review of the service is currently underway with savings linked to the anticipated outcomes, which could also be at risk.

4. Demographic and Demand-Led Service Pressures

- 4.1. Much of what the Council terms 'growth' is in fact the cost of standing still. Some of this is unavoidable (e.g. contract inflation, pay awards), whilst other parts result from growth pressures, such as demographic changes, that increase demand for services (e.g. adult social care, children's services, homelessness).

- 4.2. The MTFS recognises that there are demand pressures arising from demographic changes and cost pressures arising from price inflation. At the time of the February 2023 Budget Report, the growth built into the MTFS assumed that the demographic pressures would crystallise in line with the central case scenario forecast developed in June/July 2022. It is worth noting that this forecast was made before the full effects of the cost-of-living crisis were known and there is therefore a risk that the demographic pressures may be higher, particularly in children's social care.
- 4.3. Inflation on care contracts for both adults and children, and the main Residents Services' contracts, had been assumed to be 10% in 2023/24, falling to 6% in 2024/25 and 2% in 2025/26, which was in line with forecasts at the time by OBR and the Bank of England. However, inflation is volatile and subject to external factors beyond the control of governments or central banks. There is therefore a risk that inflation does not halve by the end of the year in line with the government's promise or revert to the Bank of England's target rate of 2% by 2025/26, heaping further pressure on a financial year already heavy with uncertainty.
- 4.4. The MTFS assumes that the pay award will require funding of £8.5m in 2023/24, £6.5m in 2024/25 with a substantial reduction to £3.5m by 2025/26. A 1% pay increase costs about £1.6m. This mirrors the forecast reduction in inflation. Since inflation is a key driver for the level of pay claims, that is not unreasonable, but it does mean that the inflation and pay award risks are coupled and it becomes critical that both reduce substantially by 2025/26 if they are to be contained within the current provision. For the pay award, there is also a risk if a further flat rate increase is agreed. Flat rate increases are more costly to Brent than percentage rate increases due to the profile of employee grades and the extra cost that London weighting imposes on London Boroughs when it is added on to the national flat rate increase. At present the 2023/24 has not been agreed; union requests for pay rises in 2024/25 are in the normal form of a percentage increase, while the employers are offering another flat rate increase. Which will prevail is unknown. The position for 2025/26 is a further unknown. This is therefore a risk.
- 4.5. As inflation is so volatile, as part of the budget setting process for 2023/24, part of the Future Funding Risks reserve was ear-marked to fund one-off spikes in inflation that do not require incorporation in the base budget.

5. Income Assumptions

Government Grants

- 5.1. At present the Council's core grant funding consists of generally usable Revenue Support Grant (RSG - £28.97m in 2023/24), and specific grants for items such as for Public Health (PHG), the Improved Better Care Fund (iBCF) and additional Social Care Grant (SCG). The MTFs assumes a small inflationary increase for RSG and PHG with a cash freeze for iBCF. The SCG increases in line with the government's projections. Any inflationary increase may be inadequate to cover actual price rises experienced in the service areas. There are a number of other lower value grants which are also expected to remain frozen in cash terms. Whilst most grants are expected to continue at current levels, the 2022/23 Services Grant is expected to cease.
- 5.2. Whilst the government does not intend to introduce wholesale changes to the local government finance system, such as via a Fair Funding Review; this does not mean that it will make no changes. The government remains committed to the "Levelling Up" agenda and this could see resources redistributed out of London. Also, many key public sector funding decisions have been deferred to after the next election. This means that the incoming government will face significant challenges to balance the books and some of the pain is likely to be shared with local government. The future funding position is therefore uncertain and most likely unfavourable.

Council Tax

- 5.3. Council Tax is one of the most significant sources of income for the Council, making up £140.1m (or 43%) of total core funding in 2022/23 rising to £150.8m (or 42%) in 2023/24. In 2023/24, the referendum threshold limit (excluding the GLA share) was set at from 5%, including 2% for the Adult Social Care Precept.
- 5.4. As set out when the 2022/23 budget was agreed, there was an implicit assumption from the Department for Levelling Up, Communities and Housing (DLUCH), built into future funding settlements, that all local authorities would increase council tax by up to the referendum limit. As the increase would permanently increase the council tax base income, it would also reduce the significant funding pressures in 2023/24, and beyond, and support the unprecedented pressures within social care. In addition, the GLA precept, which makes up around 20% of the overall Council Tax bill and is subject to their own decision making, was increased by 9.7% in 2023/24 to provide additional funding for the Metropolitan police and Transport for London.
- 5.5. Substantial rises in Council Tax causes difficulties for some households and for that reason the council continues to fund a Council Tax Support scheme support for households who are financially vulnerable. In 2022/23 £32m was provided to around 28,000 households. In addition, the Council's Resident Support Fund has made available £6m of additional funds for residents who are having difficulty as a result of the cost-of-living crisis.

- 5.6. The current budget assumptions for 2024/25 have taken a prudent view and assumed that government will maintain the current referendum limit of 5% (of which 2% is the Adult Social Care Levy). It should be noted that the additional income generated through the Adult Social Care precept alone does not cover the total growth requirement for Adult Social Care pressures. Although the government maintain that reforming social care remains a priority, it has deferred introduction of the cap on care fees and other social care reforms until after the next general election.
- 5.7. Other considerations that need to be taken into account when setting Council Tax, such as assumed tax base growth, the long-term collection rate and the cost of the Council Tax Support scheme will be set out for Cabinet when the draft budget proposals are published later this year.

Business Rates

- 5.8. The government allocate Business Rates back to Brent based on their assessment of need (the Baseline Funding Assessment) and the actual Business Rates collected. Brent receives a top up as need is in excess Business Rates collection. The MTFS assumes that business rates will be uprated by CPI inflation in line with the move away from RPI inflation introduced by the government in the 2023/24 local government finance settlement.
- 5.9. The Government has continued to allow Local Authorities with a geographic link to form a business rate pool. The settlement confirmed the Eight Authority Business Rates Pool (involving the City of London Corporation as well as Tower Hamlets, Hackney, Haringey, Waltham Forest, Brent, Barnet, and Enfield) will continue in 2023/24. In forming a pool, the group of authorities are seen as a single entity from a business rate perspective and in doing this, should retain more of the business rate income generated locally.
- 5.10. Based on the financial modelling undertaken to date, the benefit for Brent is estimated to be in the region of £2m. This is based on estimates using forecasts from participating boroughs and are therefore only illustrative and a lower set of figures is entirely possible. It is important to note that the final value of the pooling gain will not be known until the Statement of Accounts for the Pool Collection Fund, managed by The City of London Corporation, has been finalised and audited in the autumn of 2023. This position will be closely monitored during 2023/24 but even at this stage it is not deemed prudent to build this potential additional income into the base budget and to place reliance for funding on a future income stream that is in no way guaranteed.

6. Medium Term Financial Strategy

- 6.1. The aim of the MTFS is to ensure a long term, stable and sustainable financial position that will allow the Council to achieve its strategic objectives. It reflects the impact of central government funding decisions and the impacts of the national and local economic context. It also provides a robust financial framework to support achievement of the Council's overall objectives and delivery of services.

- 6.2. The MTFS will be refreshed as part of the draft 2024/25 budget that will be presented to Cabinet later this year, including extending out to 2025/26. Adopting a long-term and forward-looking approach should leave the Council in a sustainable financial position, with long term plans in place to give certainty to residents about future levels of service provision.
- 6.3. It is important that the refreshed MTFS closely aligns with the Borough Plan for which it is the funding statement. It should also be closely linked to individual service plans for which it provides the funding sources and the Capital Strategy, which is key to sustaining the Council's services and investment in future improvements.
- 6.4. This will produce a comprehensive suite of forward planning documents that allow the Council to ensure long term financial stability and a structured forecast of the future based on a 'no surprises' approach.

7. Overall Summary

- 7.1. Brent has delivered total cumulative savings of £196m since 2010. In February 2023, the Council agreed a further £18m of savings spread across 2023/24 and 2024/25. Looking forward further savings will be required in 2024/25 and 2025/26. The lack of clarity around the future level of local government funding and uncertainty about the economic environment, particularly inflationary pressures, make it hard to be precise about future financial targets. The current working assumption is that £8m of savings will be required between 2024/25 to 2025/26 to balance the budgets of those years. The exact gap is inherently uncertain, simply because of the number of variables to be estimated and the difficulty of doing so over longer periods of time. The accuracy of this is probably at best +/- 20%, and wider variations are entirely plausible.
- 7.2. These estimates, which will be refined over the summer, will be a major factor in the construction of 2024/25 budget. The Council will be looking to identify and deliver savings of c£8m in addition to the £4.5m of 2023/24 savings carried into 2024/25 to bridge the gap in 2024/25 and enable it to set a balanced budget as required by law. The budget gap for 2025/26 will be reviewed once the local government finance settlement for 2024/25 is known. The Council will need to take difficult decisions about which services to prioritise and protect and which to reduce in order to continue to deliver affordable and sustainable budgets.
- 7.3. It is within this overall financial context that the other financial reports on this agenda, specifically the Financial Outturn 2022/23 report and Q1 2023/24 Financial Forecast report, become particularly relevant. Firstly, the Financial Outturn 2022/23 report sets out the outturn for income and expenditure versus the revenue budget for 2021/22. A number of departments overspent with the CYP outturn showing significant structural problems caused by demographic pressures and inflation. Secondly, the Q1 Financial Forecast report for 2023/24 sets out that based on current assumptions and other budget pressures, such as inflation and demographic pressures, can be contained within the overall growth built in the 2023/24 budget.

- 7.4. However, it must be stressed that these forecasts and estimates are based on a number of assumptions which are subject to constant change. It is incredibly difficult to predict how businesses will weather the general economic downturn. In addition, the current inflationary pressures being experienced makes financial planning and management exceptionally challenging. This uncertainty runs alongside existing budget pressures including social care demand, reductions in various income streams, housing and homelessness.
- 7.5. Nevertheless, despite all of the uncertainties, risks and moving parts, all Local Authorities have to put together financial plans for 2024/25. For Brent, it is proposed to continue to base plans on an assessment on the range of possible scenarios rather than wait for the outcome of the Local Government Finance settlement in December 2023.

8. Proposed budget setting process for 2024/25

- 8.1. The proposed budget setting process following this Cabinet meeting is as follows:
- Draft budget for 2024/25 and 2025/26 presented to Cabinet in autumn 2023. The precise date is dependent on the Chancellor's autumn statement where announcements on the Spending Review and Local Government funding are expected;
 - The proposals, together with any changes made by Cabinet, will form the basis of consultation between October 2023 and February 2024 with residents, businesses and other key stakeholders;
 - The Budget Scrutiny Task Group will review the budget proposals and report accordingly;
 - The General Purposes Committee will review the calculation of the Council Tax base in December 2023; and
 - After the statutory processes of consultation, scrutiny and equalities have concluded, a draft budget will be presented to Cabinet to recommend a final budget and Council Tax to the February 2024 Council meeting.

9. Capital programme

- 9.1. In 2022/23 the Council spent £191.6m of the £232.6m approved budget outlined in Table 1.

Table 1 - 2022/23 Final Outturn Position							
Portfolio / Programme	Budget as at Feb 2023	Budget Changes since Feb 2023	Final Budget 2022/23	Outturn	Over / (Under) Spend to Budget	Over / (Under) spend Breakdown	
						2022/23 Slippage /Spend Carried Forward	Underspend for Removal
	£m	£m	£m	£m	£m	£m	£m
Corporate Landlord	17.3	0.6	17.9	13.4	(4.5)	(4.3)	(0.2)
HCIB - GF	79.4	(0.6)	78.8	60.1	(18.8)	(18.8)	0.0
HCIB - HRA	59.4	0.0	59.4	44.6	(14.9)	(14.9)	0.0
PRS I4B	19.9	0.0	19.9	40.0	20.1	20.1	0.0
Public Realm	21.1	0.2	21.3	13.5	(7.8)	(7.8)	0.0
Regeneration	9.4	0.0	9.4	2.5	(6.9)	(6.6)	(0.3)
Schools	12.5	0.0	12.5	5.5	(7.0)	(7.0)	0.0
South Kilburn	11.5	0.0	11.5	11.2	(0.3)	(0.3)	0.0
St Raphael's	1.9	0.0	1.9	0.8	(1.1)	(1.1)	0.0
Grand Total	232.4	0.2	232.6	191.6	(41.1)	(40.6)	(0.5)

- 9.2. The 2022/23 outturn position was lower to the revised budget by £41.1m. Further details on the outturn position are contained within the Financial Outturn Report for 2022/23. It is proposed that the slippage of £40.6m is re-profiled into 2023/24 and future years, as set out in the table below.

Table 2 - Budget Adjustments Breakdown 2023/24 to 2027/28						
	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m
2022/23 Underspend	42.8	(1.7)	0.0	0.0	0.0	41.1
Cabinet Approved Budget						
Corporate Landlord - Kilburn Library and the Library Garden	0.0	0.8	0.0	0.0	0.0	0.8
Housing - DFG Allocation	1.9	7.6	2.3	0.0	0.0	11.8
Housing - Capital Repairs Allocation	3.1	0.0	0.0	0.0	0.0	3.1
Schools - Residential Children's Care Home	2.2	0.0	0.0	0.0	0.0	2.2
Additional New Budget						
Public Realm – additional TFL, NCIL & S106 Projects	2.4	0.0	0.0	0.0	0.0	2.4
Heather Park S106 Additional Amount	0.1	0.0	0.0	0.0	0.0	0.1
Housing - Learie Constantine adjustment to reflect prior approvals	2.7	0.4	0.0	0.0	0.0	3.1

Appendix 3

Corporate Landlord – Improving Customer Experience	0.1	0.0	0.0	0.0	0.0	0.1
Budget Re-profiling						
Schools – SEND and Youth Provision Programmes	(24.4)	24.4	0.0	0.0	0.0	0.0
Corporate Landlord – ICT Investment Fund	1.7	(1.7)	0.0	0.0	0.0	0.0
South Kilburn – William Dunbar	0.8	0.0	0.0	0.0	(0.8)	0.0
Housing – St Raphael’s	(32.0)	14.0	18.0	0.0	0.0	0.0
Housing – General Fund Schemes	(8.7)	2.0	6.8	(0.1)	0.0	0.0
Housing – HRA Schemes	(38.1)	36.4	3.7	(2.0)	0.0	0.0
Corporate Landlord – Digital Strategy Programme, Equipment for Flexible Working and Oracle Cloud Phase 2	(2.1)	1.1	1.0	0.0	0.0	0.0
Regeneration – Grand Union Bridge	(6.8)	6.8	0.0	0.0	0.0	0.0
Regeneration – Morland Gardens	(29.5)	9.3	15.2	4.0	1.0	0.0
Budget Removals						
Removal of School budgets for completed projects	(0.3)	0.0	0.0	0.0	0.0	(0.3)
Removal of completed GLA Right to Buy Back project	(1.5)	0.0	0.0	0.0	0.0	(1.5)
Removal of completed Public Sector Decarbonisation project	(0.2)	0.0	0.0	0.0	0.0	(0.2)
Total	(85.8)	99.4	47.0	1.9	0.2	62.7

The budget adjustments set out in Table 3 include:

- 9.3. £41.1m slippage/brought forward and underspend from 2022/23 set out in Table 1 above.
- 9.4. Budgets Approved by Cabinet since the 22/23 Budget Report:
- £0.8m approved for the upgrade of premises and facilities at Kilburn Library.
 - £11.8m approved in respect of the Disabled Facilities Grant allocation including £1.9m for 23/24.
 - £3.1m addition for the Housing HRA capital repairs budget
 - £2.2m approved for the development of a residential Children’s Care Home.
- 9.5. Additional New Budget
- £2.4m for additional grant and S106 allocations for several public realm projects including LIP and Green Streets funding from TFL and Heather Park.
 - £3.1 addition for Learie Constantine to reflect prior approvals.
 - £0.1m addition for the inclusion of Registrars to the improvements to the Customer Experience project.
- 9.6. Budget re-profiling

- Reprofiting of scheme of works for SEND programme, Youth Provision and relocation of Islamia Primary School.
- Reprofiting of the ICT Investment Fund after the project schedule allowed for a quicker rollout.
- Reprofiting following works brought forward on the William Dunbar site
- Reprofiting of the St Raphael's Estate wide improvement works to be in line with the proposed project plan.
- Reprofiting for updated schedule of works across various housing delivery programmes within the Housing General Fund and HRA
- Reprofiting of the Digital Strategy programme workplan, Oracle Cloud workplan, expected demand for the Flexible Working Equipment and CNWL loan negotiations.
- Reprofiting of the Pedestrian and Cycle Bridge across the Grand Union Canal
- Reprofiting of the Morland Gardens project following the public inquiry to the stopping up order.

9.7. Budget Removals

- Removal of remaining budget for completed schools projects that have completed, allowing repurposing of the grant funding within the Schools Board.
- Removal of the remaining budget for the Right to Buy Back budget following the conclusion of the grant programme.

The revised budget position for 2023/24 to 2027/28 is summarised in Table 3 below.

Table 3 - Capital Programme Revised Budget 2023/24 to 2027/28						
Board	2023/24 Revised Budget	2024/25 Approved Budget	2025/26 Approved Budget	2026/27 Approved Budget	2027/28 Approved Budget	Total 2022/23 to 2026/27
	£m	£m	£m	£m	£m	£m
Corporate Landlord	14.3	27.2	17.3	8.9	27.8	95.5
HCIB - GF	96.9	85.5	36.1	4.5	0.0	223.0
HCIB - HRA	135.5	149.8	40.7	20.8	0.0	346.8
PRS I4B	0.0	0.0	0.0	0.0	0.0	0.0
Public Realm	35.6	11.8	9.2	1.0	7.1	64.7
Regeneration	44.8	79.8	44.0	19.0	1.0	188.6
Schools	19.6	44.8	2.2	0.0	0.0	66.6
South Kilburn	28.1	13.6	2.2	11.4	6.3	61.6
St Raphael's	0.8	14.0	18.0	0.0	0.0	32.8
Total	375.6	426.5	169.7	65.6	42.2	1,079.6
Approved Feb 23	461.4	327.1	122.7	63.7	42.0	1,016.9
Budget Adjustments	(85.8)	99.4	47.0	1.9	0.2	62.7

Capital Pipeline

- 9.8. The programme agreed by Council in February 2023 included £531.6m of pipeline schemes. The capital pipeline is a list of potential future investment projects identified by each of the sub-boards. In evaluating the investment pipeline proposals several factors are considered. These include statutory requirements, demonstrable linkages to corporate priorities, with the ability for proposals to generate revenue savings and, to a slightly lesser extent, their potential to generate future capital receipts or other financial returns.
- 9.9. Schemes will be brought forward once further refined and subject to detailed business cases, they will be promoted to the main programme following Cabinet approval where necessary.
- 9.10. Since February the proposed Children's Care Home project has received Cabinet approval and is now part of the main programme reducing the pipeline to £529.4m.

10. Housing Revenue Account

- 10.1. The Housing Revenue Account (HRA) is a ring-fenced account which contains the income and expenditure relating to the Council's landlord duties in respect of approximately 12,000 dwellings including those held by leaseholders.
- 10.2. The HRA budget is set each year in the context of the 30-year business plan. The business plan is reviewed annually allowing for horizon scanning and the identification and mitigation of risks in the short, medium and long term. Early identification of risks enables planning and implementation of mitigations to ensure the HRA can continue to remain financially secure and deliver on its commitments:
- Expand and accelerate the development of new council homes;
 - Continue to maintain and improve existing council homes; and
 - Transformation and continuous improvement of front line services to tenants and leaseholders.
- 10.3. Since 2020/21, and originally for the following four years, the Council had the power to increase rents annually up to a maximum of CPI plus 1%. This had helped to provide some stability and certainty over planned investment in the current stock, service improvements and new developments, at least in the short to medium-term. For 2023/24, the government has introduced a rent rise limitation. The average rent currently sits at £133.42 per week, an increase of 7% when compared to the previous year as opposed to an 11.1% increase if the CPI plus 1% continued. This represented a £2m reduction in investment in the HRA. The HRA has to modify service delivery and achieve considerable savings in order to close the gap between the rental income raised and the increased cost of delivering the service as a result of inflation. A cap on rent rises does not only affect one financial year, but also has an impact on future rent levels. There is no provision in the current rent regulations to allow anything more than the maximum (CPI plus 1%) increases in future years. Therefore, a

lower rent increase in 2023/24 means that the base for a rent increase in 2024/25 is also going to be lower and so on for future years. It is currently anticipated that from 2024/25 onwards, the rent caps will increase by CPI (at September of the previous year) plus 1.5% annually.

- 10.4. HRA rent setting needs to be considered in the context of the ring-fence and the 30-year business plan. If the Council applies the CPI plus 1.5% rent policy for 2024/25, this would result in an average rent per week of £142.76 and give the potential to raise an additional £2.1m per annum for the next 2 years. A £3.8m increase in rent has the effect of an additional £114m investment in the HRA over a 30-year period.
- 10.5. Some costs such as repairs are rising significantly and are likely to remain at those levels without falling when the current economic pressures subside. Medium-term investment plans must be approached cautiously and allow for flexibility. High levels of uncertainty around the inflation and rising interest rates pose a financial risk to the HRA. This has an impact on the cost of materials and repairs, as well as the cost of new build contracts. Rising energy costs are to be passed on to tenants and leaseholders resulting in an increased risk of non-collection. In addition, rising cost-of-living is likely to impact rent collection rates and consequently result in increased rent arrears. Other pressures involve the capital programme as there is no new government funding having been made available to meet environmental priorities and requirements such as carbon reduction works to homes. In addition, an increase in service requests relating to damp and mould is likely to put additional pressures on budgets. The increased costs experienced by the HRA would have to be met by rent inflation and modifying service delivery, in addition to the annual saving targets which are incorporated into the medium-term financial plan.
- 10.6. The influences outlined above are continuously monitored and a reappraisal of HRA budget priorities will be considered if necessary. As part of the budget setting process, the HRA budget will be subject to a separate consultation process.

11. Schools and Dedicated Schools Grant

- 11.1. The 2022 Autumn Statement announced that the core schools' budget would increase by £2bn in the next two financial years 2023/24 and 2024/25, over and above totals announced at the Spending Review 2021. This additional funding against the Schools Block of the DSG will go towards supporting Brent schools, especially those experiencing financial difficulty and currently projecting an in-year deficit. Also, for the academic year 2023/24, the Mayor of London will fund Free School Meals for all primary aged children who are currently not eligible for the current Government offer.
- 11.2. Despite the increased funding, Brent schools are still faced with budget challenges as they manage rising costs due to wage increases and other inflationary increases such as rising energy costs. The impact of the cost-of-living crisis could also have an impact on schools.

- 11.3. Another challenge faced by some primary schools remains the impact of falling rolls in their reception and key stage 1-year groups and this directly affects the funding the schools receive as pupil numbers drive school funding. The affected schools will need to respond to the reduced funding when planning their budgets through restructures to prevent the school going into a deficit.
- 11.4. School balances decreased in 2022/23 mainly attributed to inflationary pressures and the impact of falling rolls. Seven schools ended the financial year 2022/23 in deficit an increase from the previous year of six schools. These schools will require licenced deficit agreements with recovery plans to return to a balanced position.
- 11.5. At the end of 2022/23, the overall DSG deficit in Brent which has arisen because of the increasing number of children with Education, Health and Care Plans (EHCP), funded through the High Needs Block, has reduced to £13.8 million following an in-year surplus of £1.3 million added to the brought forward balance from 2021/22 of £15.1m.
- 11.6. The trend shows that the number of children with EHCP's continue to grow based on published data.

Table 4

	January 2019	January 2020	January 2021	January 2022	January 2023
Financial Year	2019	2020	2021	2022	2023
Number of EHCP	2,173	2,426	2,784	2,938	3,251
Brent Year on Year % Increase	5%	12%	15%	6%	11%
National Year on Year % Increase	11%	10%	10%	10%	9%

- 11.7. The cumulative deficit of £15.1million will be carried forward to 2023/24 and Brent has a Deficit Recovery Management Plan in place with longer-term actions to recover the deficit with regular updates on progress presented at Schools Forum. A combination of longer-term recovery actions includes managing demand by applying a graduated approach to reduce the need for an EHCP, improving sufficiency of places by establishing more SEND provision in the borough, improved financial management and anticipated government funding increases will help to reduce the deficit. The risk also remains that the number of EHCPs will continue to rise.
- 11.8. As a result of DSG being in deficit, Brent as well as 54 other local authorities, are part of the DfE's programme to support local authorities manage their deficits i.e., Delivering Better Value (DBV) in Special Educational Needs and Disabilities (SEND) programme. The programme involved bidding for a £1 million grant to support reforms of the high needs system. Brent was part of the first tranche of 20 authorities to commence the programme and was awarded the £1 million grant in March 2023 to deliver on actions against the Management Plan.
- 11.9. A key finding from the 1st Tranche of 20 LAs on the DBV programme was that the highest impact objective to pursue to provide better support for children and young people and reduce the number that need an EHCP or a special school

placement, is increasing the ability of local systems to support children in a mainstream setting.

- 11.10. The financial year 2022/23 was the final year of the statutory override set out in the School and Early Years Finance Regulations 2021 which requires local authorities to either carry forward any cumulative DSG deficit to set against the DSG in the next funding period or carry forward some or all the deficit to the funding period after that. The government has now extended the arrangement for another three financial years from 2023/24 to 2025/26.

12. Financial Implications

- 12.1. The financial implications are set out throughout the report.

13. Legal Implications

- 13.1. Standing Order 24 sets out the process that applies within the Council for developing budget and capital proposals for 2024/25. There is a duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans before each annual budget under Section 65 of the Local Government Finance Act 1992. The council also has a general duty to consult representatives of council tax payers, service users and others under Section 3 (2) Local Government Act 1999.

14. Equality Implications

- 14.1. 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 unlawful discrimination, advance equality of opportunity and foster good relations between different protected groups when making decisions. The groups protected by law, also known as protected characteristics, are age, disability, gender, race, religion or belief, pregnancy and maternity, marriage and civil partnership, sexual orientation and gender reassignment. Although socio-economic status (people on low income, young and adult carers, people living in deprived areas, groups suffering multiple disadvantage, etc.) is not a characteristic protected by the Equality Act 2010, Brent Council is committed to considering the impact on socio-economic groups.
- 14.2. The PSED does not prevent decision makers from making difficult decisions in the context of the requirement to achieve a significant level of savings across all operations. It supports the Council to make robust decisions in a fair, transparent and accountable way that considers the diverse needs of all our local communities and workforce. Consideration of the duty should precede and inform decision making. It is important that decision makers have regard to the statutory grounds in the light of all available material, including relevant equality analyses and consultation findings. If there are significant negative equality impacts arising from a specific proposal, then decision makers may decide to amend, defer for further consideration or reject a proposal after balancing all of the information available to them.

15. Consultation with Ward Members and Stakeholders

15.1. The detailed approach to the statutory consultation process will be set out as part of the budget report to be presented to Cabinet in October 2023.

16. Human Resources


16.1. Not applicable.

Report sign off:

Minesh Patel

Corporate Director of Finance & Resources

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	<p>Resources and Public Realm Scrutiny Committee 19 July 2023</p>
	<p>Report from Corporate Directors for Finance and Resources & Resident Services</p>
<p>Shared Service Performance & Cyber Security</p>	

Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Three: Appendix A - Brent Cyber Security Strategy Appendix B - Brent Cyber Security Strategy 2022-2026: Implementation Plan Appendix C - STS Cyber Security Strategy (STSCSS)
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Fabio Negro Managing Director of Shared Technology Services Email: Fabio.Negro@sharedtechnology.services Sadie East, Director of Transformation Resident Services Tel: 0208 937 1507 Email: Sadie.East@brent.gov.uk

1.0 Purpose of the Report

1.1 This report provides an update on Shared Technology Services' (STS) operational performance and progress in implementing the Brent and STS cyber security strategies.

2.0 Shared Technology Services Operational Performance update

2.1 The ICT Shared Service was originally formed in partnership with Lewisham in April 2016 with Southwark joining the partnership a year later. The service provides the IT infrastructure (i.e. the datacentres, IT network & IT equipment) for the three Councils, on which the applications for council services and digital services can be developed and operated independently by each Council.

2.2 At the formation of the partnership, the three councils had differing IT infrastructures in various locations, and much of the early work of the shared service was to move these into the same datacentres (hosted in Brent and Croydon) and replace critical end-of-life IT hardware that often failed, resulting in IT service interruptions.

2.3 Since the appointment of a new Managing Director in January 2020, when the

Shared Service ICT Strategy was agreed, **STS** was ready to shift focus to building a solid & stable platform, delivering value and quality service to the partner Councils **and** forging a lasting partnership between the organisations.

- 2.4 Delivering this original strategy required a commitment from Brent and the other partner Councils to a capital investment programme, replacing a variety of very old systems & hardware with fit-for-purpose, scalable and secure solutions, and the STS Technical Roadmap 2021-2026 was approved by Brent Cabinet in early 2021.
- 2.5 This investment programme is ongoing, but the progress made has benefited in significant improvements to the availability and stability of this underpinning infrastructure, resulting in far fewer issues experienced with the critical council applications that rely on a stable platform. For example, in January 2020 Brent Council was experiencing application interruptions (and therefore council service disruptions) more than 30 times on average. In the month June 2023, Brent experienced just 3 interruptions.
- 2.6 STS recognise that there is still more to do, including a replacement of the IT equipment issued to Brent council employees which is planned to commence later this financial year. This replacement will further improve the IT experience, stability and security by implementing modern technology.
- 2.7 The strong partnership with the three Councils remains, though has inevitably experienced the challenge of differing opinions. However, the model of what the shared IT service set out to provide - the foundational IT platform on which the councils can independently build on – has proven to be a lasting success, where other shared council service models have failed previously.
- 2.8 A new STS Strategy is being drafted in consultation with the partner Councils, which will reflect on the achievements we have made and recognise the work still to be completed. The strategy will also address our commitment to sustainability and the environment, as well as the well-being of the team.

3.0 Brent Cyber Security Strategy

- 3.0 A Cyber Security Strategy was first agreed by Cabinet in 2019 in response to high profile cyber-attacks on public and private organisations. The Brent Cyber Security Strategy 2022-2026 (BCSS) builds on this strategy and incorporates learning from cyber-attacks experienced by other local authorities (please see Appendix A & B). The central aim of this strategy is to significantly fortify the council's services against cyber-attacks, in line with the government's Cyber Security Strategy 2022-2030.
- 3.1 The threat of a Cyberattack on Brent Council is constant and ever-adapting, and we see attempts on a daily basis; for example, email attacks are still a primary source of concern but STS, in conjunction with our mail filtering partner, continues to be vigilant against potential malicious activity. In the period of the 90 days up to 8th of June for Brent and Lewisham councils, there were a total of 14.4 million inbound emails, of which only 5.3 million were allowed through. This work goes largely unseen, but it is critical to the protection of the Councils.
- 3.2 In recent months, Brent has experienced four more serious attacks, notably on the Brent website starting in December 2022 for a period of 5-6 weeks; we identified a coordinated effort to find weaknesses in the website that could have then been exploited. During this period we were able to monitor and take action to close down the threat.

- 3.3 So, our Cyber Security Strategy needs to be continually reviewed considering this evolving threat. For example, in 2023 we have seen a trend of attacking 3rd party suppliers to councils; four suppliers, including Capita and our IT Service system, Hornbill, have reported security breaches resulting in potential loss of data. These types of attacks potentially allow the attacker to access data pertaining to several organisations and potentially routes into our own IT systems.
- 3.4 In response to this new method of attack, Brent Council has instigated an internal cyber security Audit, originally scheduled for Q1 2024 but brought forward to start immediately. This audit will focus on our exposure to risk from 3rd party partners and suppliers, with the objective of evaluating the design of the Council's security controls developed to prevent and detect security and data incidents in our supply chain, and not just on our own IT network.
- 3.5 A Cyber Security Work Programme was developed as the key framework for delivering on the BCSS. The Work Programme aims to comply with the principles of the government backed scheme - Cyber Essentials - and to follow the "10 Steps to Cyber Security" framework as published by the National Cyber Security Centre in 2021.
- 3.6 Cyber Essentials accreditation was achieved in March 2022. The Council is working towards renewing this accreditation, with its more stringent requirements, in 2024.
- 3.7 Brent along with STS was selected by The Department for Leveling Up Housing and Communities (DLUHC) as a key authority to undertake a pilot for the Cyber Assessment Framework (CAF) in partnership with DLUHC and The National Cyber Security Centre (NCSC). The CAF is widely expected to become the national standard by which all public organisations are assessed.
- 3.8 Brent participated in the LGA's Cyber 360 peer review, an initiative aimed at assessing and enhancing cybersecurity practices within local authorities. The council's involvement in this comprehensive review demonstrates its commitment to safeguarding sensitive data and protecting against cyber threats. The initial feedback received regarding Brent Council's cybersecurity measures has been overwhelmingly positive. The review highlighted the council's robust security protocols, proactive approach to risk management, and effective incident response procedures.
- 3.9 The BCSS was refreshed to align with Brent's updated Digital Strategy 2022-2026 (the strategy was presented for Cabinet agreement on 6 December 2021), to reflect an ever-changing cyber threat landscape.
- 3.10 The BCSS will be refreshed in 2023 to ensure that it aligns with the Government's new Cyber Security Strategy and will incorporate the Government's Cyber Assessment Framework (CAF) once developed. The CAF (developed by the National Cyber Security Centre) describes 14 principles and KPI's that organisations are expected to achieve during 2025-2030.
- 3.11 The refreshed BCSS will continue to build upon the progress made on the Cyber Security Work Programme, enabling Brent to comply with the latest security standards and successfully re-apply for Cyber Essentials certification by early 2024.

- 3.12 The STS Cyber Security Strategy (STSCSS) (Appendix C) is aligned to Brent's CSS. The recommendations in the strategy are embedded in all areas of new and emerging technologies which STS implement for Brent and the other boroughs in the partnership.
- 3.13 This report provides update on the work which STS is doing to support the implementation of the Brent and STS Cyber Security Strategies, which includes investment in infrastructure and cyber security included in the STS Technology Roadmap. STS are currently updating the Cyber Security Strategy to reference changes in the technical systems used by the STS Security team to identify and protect Brent from cyber-attack.
- 3.14 STS continues to assess our Cyber Security capabilities and posture, using a RAG status, as shown below:

Network (Internet links, links between buildings, Firewalls, Wi-Fi etc)	Infrastructure (Servers, Operating Systems, Storage devices etc)	Endpoints (Laptops, PC's, etc)
Applications (Line of business applications and Databases)	Information Policies (Organisational policies such as IT code of conduct and best practices)	Email Hygiene (SPAM, phishing, email spoofing, etc)
Mobile devices (iPhones, iPads, Androids and slate devices)	Cloud Management (Applications and Infrastructure hosted in the cloud)	User management (User accounts, service accounts, 3 rd Party integrations, Asset management, SLAM Processes)
3rd Party Compliance (PSN, PCI and DSP)	Incident Management (Processes controls, resources and associated support contracts)	Cyber security team (In house staffing to manage potential security risks and put mitigating controls in place)
Organisational education (Organisational awareness around spotting cyber attacks)	Cyber Incident recovery (DR exercises and ability to recover from an incident)	National Cyber Security Centre Status

- 3.15 For User management, we regard this as an area we still need to improve on, and we are: The Starters, Movers and Leavers process is critical to robust user account management, and we are in the final stages of integrating HR data directly to the IT service management system, which is due to go live in August. This will ensure that we are notified of any new starters, or leavers so that accounts can be administered accordingly, and council IT assets recovered for redistribution.
- 3.16 In addition, we are fully enabling our hardware asset management module to record IT assets assigned to users and through the asset lifecycle.
- 3.17 We're also commencing a proof of value demonstration of 'just-in-time' privilege access management, whereby admin rights are only provided for a period, for the specific need. This greatly reduces the risk to the council from hacked administrator accounts.
- 3.18 As software exploits are discovered, suppliers release patches that need to be implemented across the applications, server and end-user device estate as quickly as possible. STS are creating a new, dedicated 'vulnerability management team who will implement these patches more rapidly, further increasing our resilience to attack.
- 3.19 Within the STS Cyber Security team, we have membership with LOTI's Information Governance Group for London (IGfL) and one of the team is the chair of Information Security for London (ISfL), which is London's first WARP (Warning, Advice and Reporting Point) designed to broker secure information sharing between the London boroughs.
- 3.20 The STS Joint Management Board will be participating in regular "table-top exercises" to run through some potential cyber incidents and our response to them, to ensure that we are prepared for this eventuality. These exercises, being coordinated with the councils' Emergency Planning teams are aimed to raise

awareness and to test & learn from our ability to respond and recover from this type of event, running through the Cyber playbooks and Business Continuity plans.

4.0 Risk management and audit

Risk management:

- 4.1 The risk of cyber-attack is monitored as a key risk on Brent Council's strategic risk register. The risk is owned by the Managing Director of the Shared Technology Service and mitigations include the adoption of tools within Brent's recently procured Microsoft E5 licensing which includes endpoint protection and alert & event monitoring.
- 4.2 There are several other activities which mitigate the risk which include:
 - 4.2.1. Brent has migrated to Microsoft 365 to embrace the security foundations of the product. M365 is a secure environment with robust security measures in place, like threat detection and anti-malware tools which mean security threats are identified and stopped immediately.
 - 4.2.2. Anti-Virus is in use across STS estate and pattern files are updated regularly. Endpoint Protection on the Server estate has been recently upgraded to WithSecure's XDR (Extended Detection and Response) solution, providing a more comprehensive view of security issues on our estate.
 - 4.2.3. Both web filtering and mail filtering are in place for all staff.
 - 4.2.4. As well as the annual PSN/PSI scans, Brent took part in a three-month exercise with LOTI- London Office of Technology and Innovation and JumpSec to monitor and test our external attack service on the internet. This exercise highlighted issues with third parties who supply services to the council and assisted us in managing these risks.
 - 4.2.5. Annual training is mandated for all staff and phishing simulations to both staff and elected members. To ensure transparency and informed decision-making, we present training performance updates to the corporate management team on a quarterly basis. Currently, we are in the final stages of preparing an options paper for a new Learning Management System (LMS) that will replace our existing IG training platform. This new LMS aims to enhance the learning experience for our employees, streamline training processes, improve the completion rate of all training modules and align with the evolving needs of our organisation.
 - 4.2.6. Replacement of all end-of-life mobile phones to ensure that they continue to be in support of the vendor, thus receiving security updates.
 - 4.2.7. Continual work is being conducted to reduce the vulnerabilities on our estate and we have been deploying tools to provide greater visibility into areas covering identity risk, data loss and phishing protection. Tools have been deployed to protect our external facing services such as Brent Website and other customer-facing services.
 - 4.2.8. Over £330k of investment has so far been made in purchasing cyber monitoring and protection tools needed to keep our systems safe and a forward plan for the remaining three years has been built to ensure that we

are able to respond to the ever-changing threat landscape.

- 4.2.9. We continue to learn from incidents impacting other organisations, such as Hackney Council's experience in 2020, which was subject to a ransomware attack. Brent Council, via the shared service, was one of the first London councils to invest in the implementation of an immutable backup solution which has now been in place for 2 years. This has significantly reduced the potential impact and improved our ability to recover from any similar attack.
- 4.2.10. Brent and the partnering councils in STS have a 24x7 third-party Security Operations Centre monitoring any unusual activity and will disable and remove any detected threats.
- 4.2.11. STS monitors guidance released from the National Cyber Security Centre and implements those recommendations where applicable, such as a new password policy due to be communicated later in 2023.
- 4.2.12. A range of internal communications campaigns have taken place to raise awareness of the threat of phishing and other risks. This included a presentation at Brent Tech Week. The Councils Information Governance Team along with the STS Security team, rolled out a phishing simulator tool across the organisation. The use of automated training has enabled us to raise awareness and vigilance across the council.
- 4.2.13. Brent's Data Ethics board plays a vital role in protecting the privacy of individuals. It ensures that service areas apply the key ethical principles of fairness, privacy, transparency and accountability to Artificial Intelligence models and output can retain trust in how we as a council use data.
- 4.2.14. Brent Technical Design Authority governance and process is aimed at enabling early discussion with service areas to ensure that any new system requirement is secure by design. This includes the requirement for early DPIA assessments before any solution is designed.
- 4.2.15. Completion of a Risk flow analysis template is a prerequisite for all robotics automation processes before going live.
- 4.2.16. Regular yearly Penetration tests and audit checks of front-facing systems such as My Account Portal.
- 4.2.17. We have taken action to block some AI apps, such as ChatGPT, until such time as their security can be validated. However, Microsoft is embedding AI, branded as 'co-pilot', into Microsoft 365, which may provide real business benefits, and we will seek assurances on data security once this option has become available.
- 4.2.18. A refresh of the asset owner register is underway within Brent. On completion of this task all asset owners will attend mandatory training on roles and responsibilities. Brent aims to complete this action by December 2023.
- 4.3 Another mitigation that is being investigated is applying for Cyber Liability Insurance. Brent is now working towards obtaining a quote from insurers for this, if indeed they will quote, as the willingness of insurers to provide this type of protection has been reducing.
- 4.4 Brent is currently in the process of setting up a supplier security assurance framework. The framework aims to Conduct thorough due diligence with all third-

party suppliers and conduct a comprehensive assessment of their security practices. Evaluate their security policies, procedures, and infrastructure. Request documentation, such as security certifications, audit reports, and vulnerability assessments, to validate their security claims.

4.5 The council conducts bespoke training sessions following data incidents to ensure that officers are well-informed about the risks and their individual responsibilities in safeguarding sensitive information. The aim of this training is to enhance officers' awareness of data security best practices, reinforce the importance of adhering to policies and procedures, and provide them with the necessary knowledge and tools to prevent future incidents. By prioritising ongoing training, the Information Governance Team are able to promote a culture of data protection awareness and accountability, ultimately reducing the likelihood of data incidents across the organisation.

4.6 The number of improvements made in the past twelve months has seen a reduction in cyber investigations. Progress is monitored in the quarterly Shared Service Joint Committee.

5.0 Financial Implications

5.1 The STS Technology Roadmap was agreed by Cabinet in June 2021. This included £10M+ infrastructure investment over 4 years for Brent including activities to support cyber security. Cyber Protection is one of five key themes of the roadmap. To date, £330k has been invested in enhancing our cyber security protection and monitoring systems, with a further investment of ~£580k of investment in cyber security earmarked over the next 2-3 years.

6.0 Legal Implications

6.1 None.

7.0 Equality Implications

7.1 None.

8.0 Consultation with Ward Members and Stakeholders

8.1 The Lead Cabinet member with responsibility for ICT (the Leader) has been informed and consulted during the development of the current and refreshed Cyber Security Strategies.

Report sign off:

PETER GADSDON

Corporate Director, Resident Services

MINESH PATEL

Corporate Director, Finance and Resources

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Brent Cyber Security Strategy

2022
to
2026

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Foreword

With an increasing reliance on information and digital solutions, Brent Council, like other public organisations, faces a higher risk from potential cyber threats. The council's Cyber Security Strategy works alongside its Digital Strategy 2022-26, to support the council, meet the borough's objectives and safeguard our residents' and stakeholders' information.

This Cyber Security Strategy 2022-26 demonstrates Brent's commitment to continually develop, improve and strengthen our digital technology and services.

Our reputation for security has become even more significant in this growing digital age. With the increasing use of our online services during the pandemic and a sharp increase in remote working and use of devices, we have continued

to plan, adapt and support our service users accordingly. As demand for digital services increases, we need to ensure that Brent continues to transform and adapt its services into ever more efficient, digital ways of working. This is a key aim of our new Digital Strategy.

This strategy sets out how Brent will mitigate against, and respond to, online risks including phishing, malware and ransomware. We know that cyber attacks will continue to evolve, which is why the public and private sectors must continue to work at pace to deliver real-world innovations and outcomes to reduce the threat to Brent's critical services and to deter would-be attackers.

We must ensure that our digital services to businesses and the public are as safe, secure and reliable as possible, and this strategy will help Brent to achieve this.



Councillor Margaret McLennan,
Deputy Leader of the Council and Lead
Member for Resources and interim
lead for Children's Safeguarding, Early
Help and Social Care



Introduction

This document sets out the council's strategy for cyber security, to significantly strengthen our services against cyber attack, in line with the Government Cyber Security Strategy 2022-2030.

Cyber security is the practice of ensuring the confidentiality, integrity and availability (CIA) of information.

Attacks on confidentiality: stealing, or rather copying personal information.

Attacks on integrity: seeks to corrupt, damage or destroy information or systems and the people who rely on them.

Attacks on availability: denial of services, seen in the form of ransomware.

Cyber security refers to the body of technologies, processes, and practices designed to protect networks, devices, programs, and data from attack, damage, or unauthorized access. Cyber security may also be referred to as information technology security.

Cyber security is important because Brent Council collects, processes, and stores significant amounts of data on computers and other devices. A significant portion of that data can be sensitive information, whether that be intellectual property, financial data, personal information, or other types of data for which unauthorised access or exposure could have negative consequences.

Brent Council transmits sensitive data

across networks and to other devices in the course of doing businesses. This Cyber Security Strategy describes the discipline dedicated to protecting that information and the systems used to process or store it.

A robust cyber security strategy is crucial for ensuring services are kept up and running, and also for maintaining public trust in the council's ability to safeguard their information and provide them with the confidence to transact with the council online. A cyber attack could have very serious consequences for the council. This could include disruption to vital services (many of which serve the most vulnerable), and a significant financial impact, as well as damaging the council's reputation.

Brent Council's overarching vision in the Brent Borough Plan – Building a Better Brent 2019-2023 "is to make Brent a borough of culture, empathy, and shared prosperity." Achieving our vision will therefore require innovation, continued and deeper partnership, and careful planning based on sound evidence. This strategy complements this, as we are at the forefront of a digital revolution, which is transforming how people interact and their expectations for accessing information and services. With the increasing volumes of personal data being processed, there is a greater need to protect it. Therefore, this Cyber Security Strategy is key to the efficient and productive running of Brent Council.

Purpose

The council seeks to deliver its Digital Strategy through transforming Brent into a digital place and a digital council. The scale of transformation set out in the Digital Strategy represents an unprecedented culture shift for the council, residents, partners and businesses.

The new Cyber Security Strategy builds upon the work of the previous 2019-23 strategy and also incorporates lessons learnt from high profile cyber incidents experienced by other local authorities. The purpose of the updated strategy is to give assurance to residents, and other stakeholders, that the council is committed in delivering robust information security measures to protect residents' and stakeholders' data from misuse and cyber threats and to safeguard their privacy through increasingly secure and innovative information governance and data sharing arrangements both internally and with partners.

The Cyber Security Strategy sits alongside the Digital Strategy 2022-26, Shared Technology Services (STS) Roadmap, STS Cyber Security Strategy and Data Management Strategy, supported by a suite of operational policies (Information Security Policy, Information Risk Policy and Access to Information Rule Book).

Since the launch of the previous Cyber Security Strategy, the council has been working towards achieving compliance with the principles of the government backed scheme - Cyber Essentials. We achieved Cyber Essentials accreditation in February 2022.

It is the council's intention to follow the "10 Steps to Cyber Security" as published by the National Cyber Security Centre in 2012 and most recently updated in 2021 (set out within this document – see Appendix 2 - 10 Steps to Cyber Security). Brent's Cyber Security Strategy 2022-2026 is aligned with the Government's new Cyber Security Strategy and will incorporate the Government's Cyber Assessment Framework (CAF) once developed. The CAF (developed by the National Cyber Security Centre) describes 14 principles and KPI's that organisations are expected to achieve during 2025-2030. The CAF is an assessment framework that provides a systematic and comprehensive approach to assessing the extent to which risks to essential functions are being managed by organisations. Aligning with this framework will enable the council to establish and maintain appropriate and proportionate cyber security, and embed security by design.

Scope of the strategy

In order to protect council systems and information from internet based (cyber) threats, and crime.



The challenge we face as a council

Brent Council employs a wide range of technological and digital solutions, which have also been developed to incorporate learning from high-profile cyber attacks experienced by other local authorities, and taking into consideration potential cyber risks given the current globally

challenging political landscape. As the number of applications and cloud based services used across the organisation increases, the potential vulnerabilities and risks also increase. These need to be managed effectively to mitigate and prevent potential cyber threats.



Threats

A threat if left unchecked, could disrupt the day-to-day operations of the council, the delivery of local public services and ultimately has the potential to compromise national security.

TYPES OF THREATS

• Zero day threats

A zero day exploit is a cyber attack that occurs on the same day a weakness is discovered in software. At that point, it is exploited before a fix becomes available from its creator. It is an attack that exploits a previously unknown security vulnerability.

This poses a risk to any computer or system that has not had the relevant patch applied, or updated its antivirus software.

• Cybercriminals and cybercrime

Cybercriminals are generally working for financial gain. Most commonly, for the purposes of fraud: either selling illegally gained information to a third party, or using directly for criminal means.

Key tools and methods used by cybercriminals include:

- **malware** – malicious software that includes viruses, Trojans, worms or any code or content that could have an adverse impact on organisations or individuals
- **ransomware** – a kind of malware that locks victims out of their data or systems and only allows access once money is paid

- **phishing** – emails purporting to come from a public agency to extract sensitive information from members of the public.

• Hactivism

Hactivists will generally take over public websites or social media accounts to raise the profile of a particular cause.

When targeted against local government websites and networks, these attacks can cause reputational damage locally. If online services are regularly disrupted by cyber-attacks this could lead to the erosion of public confidence in using such services.

Hactivist groups have successfully used distributed denial of service (DDoS – when a system, service or network is burdened to such an extent by an electronic attack that it becomes unavailable) attacks to disrupt the websites of a number of councils already.

• Insiders

Staff may intentionally or unintentionally release sensitive information or data into the public domain. This may be for the purpose of sabotage or to sell to another party, but more often than not is due to simple human error or a lack of awareness about the particular risks involved.

• Other threats include:

- **Physical threats**
The increasing reliance on digital services brings with it an increased

vulnerability in the event of a fire, flood, power cut or other disaster natural or otherwise that impact upon the council's IT systems.

○ Terrorists

Some terrorist groups demonstrate intent to conduct cyber attacks, but fortunately have limited technical capability. Terrorist groups could obtain improved capability in a number of ways, namely through the sharing of expertise in online forums providing a significant opportunity for terrorists to escalate their capability.

○ Espionage

Several of the most sophisticated and hostile foreign intelligence agencies target UK government and public sector networks to steal sensitive information. This could ultimately disadvantage the UK in diplomatic or trade negotiations, or militarily.



Vulnerabilities



Vulnerabilities are weaknesses or other conditions in an organisation that a threat actor, such as a hacker, nation-state, disgruntled employee, or other attacker, can exploit to adversely affect data security.

Cyber vulnerabilities typically include a subset of those weaknesses and focus on issues in the IT software, hardware, and systems an organisation uses.

- **System Maintenance**

IT systems should be updated and checked regularly and effectively. It is essential that the systems are fully updated and appropriate fixes are applied. Poor setup, mismanagement,

or other issues in the way an organisation installs and maintains its IT hardware and software components is a threat.

- **Legacy Software**

To ensure that legacy systems have sufficient user and system authentication, data authenticity verification, or data integrity checking features that prevent uncontrolled access to systems.

- **Training and Skills**

It is fundamental that all employees have a fundamental awareness of cyber security and to support this.



Data

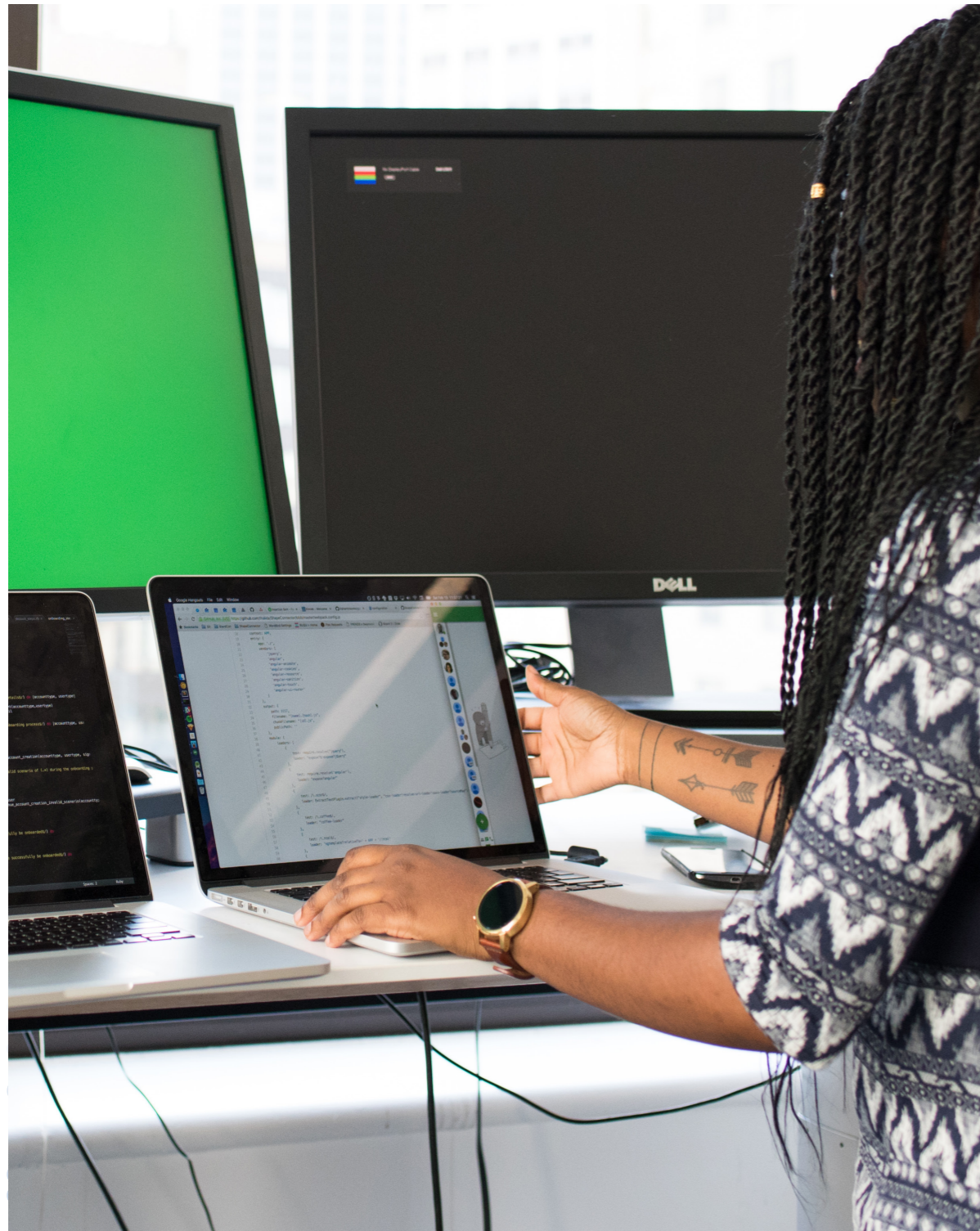
Data is a business's most valuable and most risky asset, but to secure it you must know what you have got, so it is imperative to be able to find and reveal both structured and unstructured data across the organisation's assets.

Once a business knows its data, it can protect and power the organisation and the people it serves by both mitigating the risks in the data and using it in positive and proactive ways to drive the business forward.



Risks

Cyber risk management is a fundamental part of the broader risk management to ensure cyber security challenges are fully identified across the council and appropriate action is carried out to mitigate the risk.



Our principles, goals and objectives

To mitigate the multiple threats, we face and safeguard our interests in cyberspace, we need a strategic approach that underpins all our collective and individual actions in the digital domain over the next four years.

This section sets out our vision, high level objectives, principles and priorities that will guide Brent Council in addressing cyber security.

A council wide risk management framework is necessary for building a risk aware culture within the council, ensuring staff understand how to identify and manage risks.

The council is working towards achieving compliance with the Cyber Essentials standards by April 2022. The Cyber

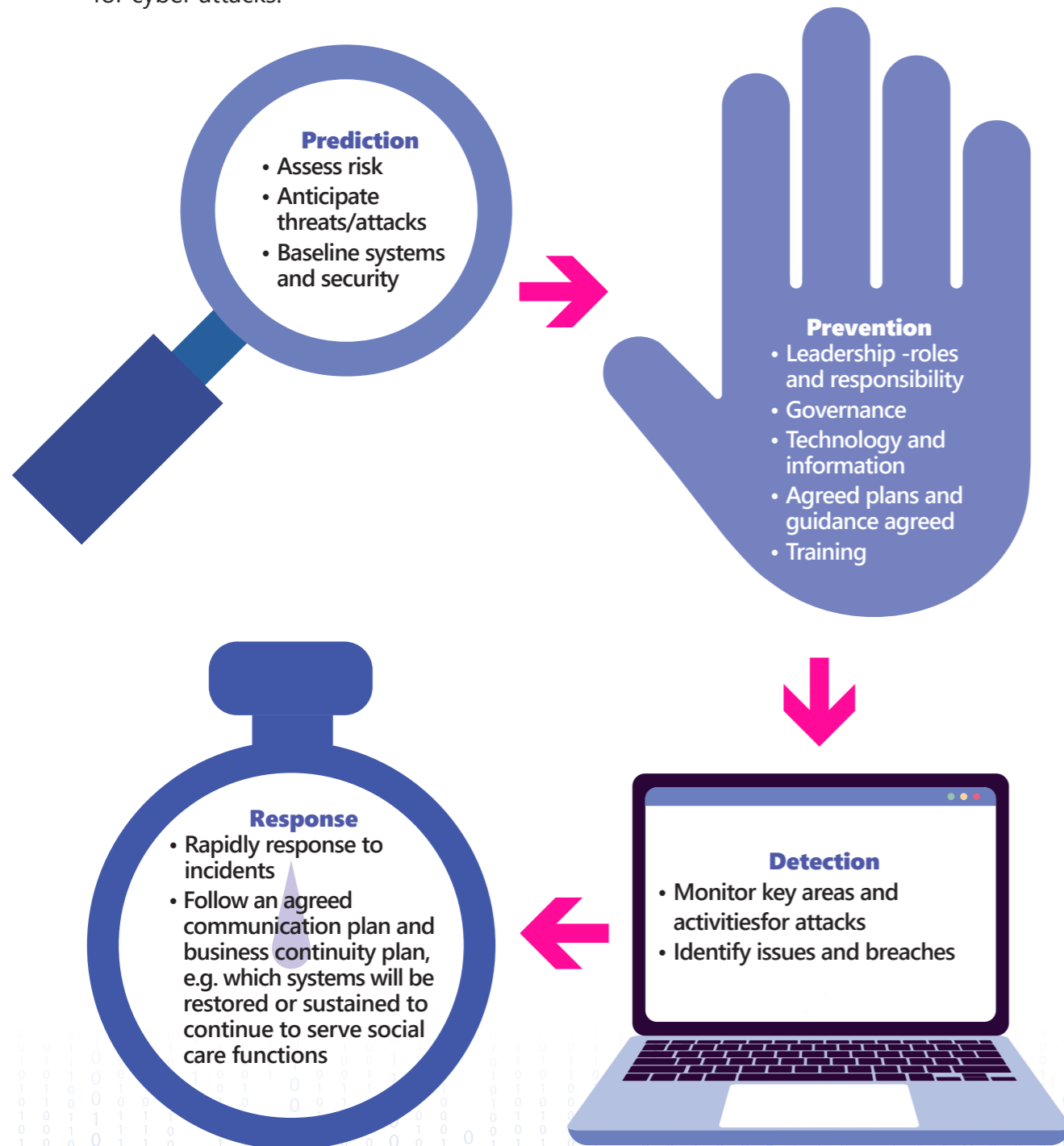
Essentials standards were developed by the UK Government in partnership with information security industry experts to assist organisations to mitigate and reduce the risks of common cyber threats. The council will also align itself with other standards including the Government Cyber Security Strategy 2022-2030, common assessment framework and other standards including ISO 27001. This will enable the council to continue to predict, prevent, detect and respond to information security risks.

Cyber awareness training is vital, from mitigating against an insider threat, understanding the supply chain risks or ensuring executive management understand the issues and responsibilities.



High level approach

The diagram below shows the roadmap for preparing the council and its contractors for cyber attacks.



Implementation plan

To deal with the changing landscape and to achieve our vision we will align with the National Cyber Security Strategy's (NCSC's) approach to **defend** Brent Council and our residents' cyberspace, to **deter** our adversaries and to **develop** our capabilities.

1. Defend

To have the means to defend the council against evolving cyber threats, to respond effectively to incidents, to ensure networks, data and systems are protected and resilient. Citizens and businesses have the knowledge and ability to defend themselves.

Actions:

- Implementing firewalls and scanning services.
- Carrying out health checks, penetration test and cyber resilience exercises to test their systems and processes, e.g. Web Check – a website configuration and vulnerability scanning service, developed with a number of public sector organisations including councils. This is free to use and available to all public sector organisations.
- Meet compliance regimes, Code of Connection (CoCo) which require good cyber hygiene, to connect to government private networks, e.g. Public Services Network (PSN) and the Health and Social Care Network.
- Work with partners across the public sector through participation in

Cyber Security Information Sharing Partnership (CiSP), Warning, Advice and Reporting.

2. Deter

The council will be a hard target for all forms of aggression in cyberspace. This will involve detecting, understanding, investigating and disrupting hostile action.

Actions:

- Apply government's cyber security guidance, e.g. 10 Steps to Cyber Security and Cyber Essentials and when developed the Government's common assessment framework
- Use multi - factor authentication where technically possible, such as where administrative consoles provide access to manage cloud based infrastructure, platforms or services. Multi - factor authentication shall be used for access to enterprise level social media accounts
- Establish an incident response and disaster recovery capability. Test incident management plans
- Develop a monitoring strategy and produce supporting policies. Continuously monitor all systems and networks
- Apply security patches and ensure the secure configuration of all systems is maintained. Create a system inventory and define a baseline build for all devices



f) Train and or educate users to help detect, deter and defend against the cyber threats.

3. Develop

To have an innovative cyber security strategy to address the risks faced by residents, businesses and those in the voluntary sectors.

To develop a co-ordinated and tailored approach to risks and threats that we may encounter and mitigate potential vulnerabilities.

Actions:

- a) Continue to develop and maintain risk management framework, internal control and governance for the prevention and detection of irregularities and fraud
- b) Establish and implement process, procedures and controls to manage changes in cyber threat level and vulnerabilities
- c) Operate the council’s penetration testing programme; and cyber incident response

d) Ensure continued training for staff and elected members

e) Develop an incident response and management plan, with clearly defined actions, roles and responsibilities. Develop an approach towards effective information security that puts data at the heart of the strategy by following five key steps:

- 1) Documented data policies and processes: set out the intentions for how the organisation will deal with its data to lay the bedrock for successful data security and governance
- 2) Employee awareness, training and culture: support data security and governance being so ingrained in people’s thinking that it sits front and centre in their minds every day
- 3) Information discovery and classification: identify what data lies within the estate so appropriate actions can be taken

to secure it, extract value from it and manage its complexity

4) Adding enforcement technologies: document encryption, data loss prevention, access control, data remediation, content management – taking a blended approach to enforcement means opening up APIs and integrating systems

5) Operational process and record keeping: use KPIs to enable the business to monitor and better understand its data to identify areas for continuous improvement.

f) Develop a communication plan in the event of an incident which includes notifying (for example) the relevant supervisory body, senior accountable individuals, the National Cyber Security Centre (NCSC), Government Security Group (Cabinet Office), the Information Commissioner’s Office (ICO) or law enforcement as applicable (not exhaustive).

Critical success factors

Throughout the period of challenging transformation, the council will deliver robust information security measures to protect residents and stakeholder data from misuse and cyber threats, and to safeguard their privacy through increasingly secure and modern information governance and data sharing arrangements both internally and with partners.

To continue to provide assurance on the effectiveness and robustness of the council's arrangements for IT security, the council will aim to:

- Explore Active Cyber Defence tools and new technologies to ensure Brent has the best solutions to match to threats
- Continue to apply government's cyber security guidance – 10 Steps to Cyber Security
- Align with the Government's Cyber Assessment Framework once developed
- Provide relevant cyber security training for staff and elected members
- A regular schedule of cyber exercises, within the wider cycle of multi-agency incident response and recovery exercises
- Comply with the Government's Public Sector Network (PSN) Code of Connection and Payment Card Industry (PCI) standards; a minimum requirement for all systems used, audit trails, deletion of data etc
- Protect enterprise technology by working with specialist partners to develop model architecture and review audit logs to reduce chances of threats.
- Build appropriate cyber security governance processes
- Maintain a council wide Cyber Risk Management Framework
- Maintain policies/procedures to review accesses on a regular basis.
- Create a cyber specific Business Continuity Management Plan and/or review Brent's Incident Plan to include emergency planning for cyber attacks
- Reconcile current systems in place and last times these were reviewed (build into Enterprise Architecture)
- Review vendor management – process of assessments of third parties

Cyber security governance / roles and responsibilities



An overview of the stakeholders tasked with improving cyber security and their respective roles and responsibilities.

Senior Information Risk Owner (SIRO)

The council's nominated Senior Information Risk Owner (SIRO) is the Director of Legal HR Audit and Investigations for Brent Council and who holds responsibility for the governance of cyber security and information risk within the council.

The SIRO is ultimately responsible for managing the risk to information and for ensuring that responsibility for information governance has been sufficiently organised to manage the risks,

in accordance with the Data Protection Act 2018.

However, whilst the SIRO is the nominated officer, responsibility for safeguarding information and information systems is shared across the organisation with all staff having a role to play.

The Cabinet

The Cabinet is made up of the Leader of the Council and other senior councillors (Cabinet members). Cabinet will agree and receive updates on implementation of the Cyber Security Strategy.

Council Management Team (CMT)

CMT sponsors the Cyber Security Strategy



and will oversee the strategic framework through which the council governs its information resources.

Information Governance Group (IGG)
CMT sponsors the Cyber Security Strategy and will oversee the strategic framework through which the council governs its information resources.

Information Governance Team (IGT)
The Information Governance Team will oversee the council's compliance with The Data Protection Act 2018 and promote information governance (IG) best practice, including cyber security, across the organisation. The Information Governance Lead will work closely with the Senior Information Risk Owner (SIRO) and the Data Protection Officer to provide effective advice and oversight of information compliance across the council.

Technical Design Authority (TDA)
The Technical Design Authority (TDA) will make decisions regarding technical implementations for projects. This will include ensuring that cyber security considerations are properly considered.

Customer & Digital Board

The Customer and Digital Board oversees implementation of the council's Digital Strategy. The board will ensure that risks, issues and dependencies are proactively managed and make decisions in relation to any risks and issues that have been escalated in relation to the digital programme.

Shared Technology Services (STS)

Shared Technology Services oversees the delivery of the Shared IT Service for Brent, Lewisham and Southwark.

Information Asset Owners (IAO)

Information Asset Owners are responsible for all processing of personal data within their business area.

It is the responsibility of all staff to comply with the Standard.

Appendix 1-Standards

Information Security Management within Brent Council will comply with the British Standard: BS ISO/IEC 27001:2013

This standard specifies requirements for establishing, implementing, operating, monitoring, reviewing, maintaining and improving a documented information security management system (ISMS) within the context of the council's overall

business risks. It specifies requirements for the implementation of security controls customised to the needs of the council. ISO27032 and The Government's Cyber Essentials provide security standards for the Internet (referred to as "Cyberspace" or "Cyber").

Currently, Brent has PSN, DSP toolkit and follows PCI.

Appendix 2 - Ten steps to cyber security

Risk management regime

Embed an appropriate risk management regime following the ISO27k standards, across the organisation. This should be supported by an empowered governance structure, which is actively supported by the board and senior managers. Clearly communicate your approach to risk management with the development of applicable policies and practices. These should aim to ensure that all employees, contractors and suppliers are aware of the approach, how decisions are made, and any applicable risk boundaries.

Secure configuration

Having an approach to identify baseline technology builds and processes for ensuring configuration management can greatly improve the security of systems. You should develop a strategy to remove or disable unnecessary functionality from systems, and to quickly fix known vulnerabilities, usually via patching. Failure to do so is likely to result in increased risk of compromise of systems and information.

Network security

The connections from your networks to the Internet, and other partner networks, expose your systems and technologies to attack. By creating and implementing some simple policies and appropriate architectural and technical responses, you can reduce the chances of these attacks succeeding (or causing harm to your organisation). Your organisation's networks almost certainly span many sites and the use of mobile or remote working, and cloud services, makes defining a fixed

network boundary difficult. Rather than focusing purely on physical connections, think about where your data is stored and processed, and where an attacker would have the opportunity to interfere with it.

Managing user privileges

If users are provided with unnecessary system privileges or data access rights, then the impact of misuse or compromise of that users account will be more severe than it need be. All users should be provided with a reasonable (but minimal) level of system privileges and rights needed for their role. The granting of highly elevated system privileges should be carefully controlled and managed. This principle is sometimes referred to as 'least privilege'.

User education and awareness

Users have a critical role to play in their organisation's security and so it's important that security rules and the technology provided enable users to do their job as well as help keep the organisation secure. This can be supported by a systematic delivery of awareness programmes and training that deliver security expertise as well as helping to establish a security-conscious culture.

Incident management

All organisations will experience security incidents at some point. Investment in establishing effective incident management policies and processes will help to improve resilience, support business continuity, improve customer and stakeholder confidence and

potentially reduce any impact. You should identify recognised sources (internal or external) of specialist incident management expertise.

Malware prevention

Malicious software, or malware is an umbrella term to cover any code or content that could have a malicious, undesirable impact on systems. Any exchange of information carries with it a degree of risk that malware might be exchanged, which could seriously impact your systems and services. The risk may be reduced by developing and implementing appropriate anti-malware policies as part of an overall 'defence in depth' approach.

Monitoring

System monitoring provides a capability that aims to detect actual or attempted attacks on systems and business services. Good monitoring is essential in order to effectively respond to attacks. In addition, monitoring allows you to ensure that

systems are being used appropriately in accordance with organisational policies. Monitoring is often a key capability needed to comply with legal or regulatory requirements.

Removable media controls

Removable media provide a common route for the introduction of malware and the accidental or deliberate export of sensitive data. You should be clear about the business need to use removable media and apply appropriate security controls to its use.

Home and mobile working

Mobile working and remote system access offers great benefits, but exposes new risks that need to be managed. You should establish risk based policies and procedures that support mobile working or remote access to systems that are applicable to users, as well as service providers. Train users on the secure use of their mobile devices in the environments they are likely to be working in.

Appendix 3 - Brent's cyber security work program

Ref#	Priority	Action	Owner	Details	Due Date
1-a	DEFEND	Implementing firewalls and scanning services	Chief Security Officer	Firewalls are in place both externally and between zones. Work is on-going as part of Cyber Essentials to ensure all rules have a business case and are documented.	Apr-22
1-b	DEFEND	Carrying out health checks, penetration test and cyber resilience exercises to test their systems and processes	Chief Security Officer/ Information Governance Lead	Health checks are carried out annually as part of the submission for Public Sector Network (PSN) code of connection. Web check from the National Cyber Security Centre (NCSC) is configured and in use. We further use early warning from the NCSC, which allows us to receive notifications of malicious activity and help investigate attacks on network quickly.	Annually
1-c	DEFEND	Meeting compliance regimes, e.g. PSN, PSI and the Health and Social Care Network	Chief Security Officer/ Information Governance Lead	<ul style="list-style-type: none"> • PSN next submission due June 2022 • NHS Data Security Protection Toolkit (DSPT) next submission due June 2022 • Payment Card Industry (PCI) Compliance next quarterly scan due March 2022 	Annually (June 2022)
1-d	DEFEND	Working with partners across the public sector through participation in Cyber Security Information Sharing Partnership (CiSP), Warning, Advice and Reporting	Chief Security Officer	<p>STS is an active member of the local warning advice and reporting (WARP), Information security for London (ISfL) and Information Governance for London (IGFL).</p> <p>STS is currently engaging with the London Office of Technology and Innovation (LOTI) about the viability of a central security operations centre (SOC) that can be useful to all London councils, and is one of the first tranche of organisations to be involved in this initiative</p>	Nov-22
2-a	DETER	Network Security - Protect the networks from attack, Defend the network perimeter, filter out unauthorised access and malicious content. Monitor and test security controls.	Chief Security Officer/ Information Governance Lead	<ul style="list-style-type: none"> • Applying Government's Cyber Security Guidance • 10 Steps to Cyber Security • Cyber Essentials 	Apr-22
2-b	DETER	Multi - factor authentication shall be used where technically possible, such as where administrative consoles provide access to manage cloud based infrastructure, platforms or services. Multi - factor authentication shall be used for access to enterprise level social media accounts.	STS	Where VPN and Remote Desktop Proxy (RDP) are in use, Multi Factor Authentication (MFA) is also used. The majority of staff working from home do so from securely configured Windows 10 laptops using direct access technology. The windows image used is checked as part of the annual IT health check. Data A Protection Impact Assessment (DPIA) to be carried out on all new systems/tools.	Sep-22

Appendix 3 - Brent's cyber security work program continued

Ref#	Priority	Action	Owner	Details	Due Date
2-c	DETER	Incident management - Establish an incident response and disaster recovery capability. Test your incident management plans.	Chief Security Officer/ Information Governance Lead	Run books have been developed with more to be created to address cyber incidents. Cases are managed through the current ITSM system.	Sep-22
2-d	DETER	Monitoring - Establish a monitoring strategy and produce supporting policies. Continuously monitor all systems and networks.	Chief Security Officer	Various monitoring is used across the estate, STS are also engaging with LOTI which is in the initial stages of developing a centralised security operations centre (SOC) for all London councils similar to that in use by the NHS.	Sep-22
2-e	DETER	Secure configuration - Apply security patches and ensure the secure configuration of all systems is maintained. Create a system inventory and define a baseline build for all devices.	Chief Security Officer	Currently all server and end user compute builds are created using a standard format. Tools and techniques to ensure that configurations are maintained over time are being investigated. This could be a 3rd party tool or using Microsoft features to ensure secure configuration and minimising the attack surface.	Oct-22
2-f	DETER	User education and awareness - Produce user security policies covering acceptable and secure use of your systems. Include in staff training.	Chief Security Officer/ Information Governance Lead	User education has been enhanced by the use of phishing simulations. Guidance has been published on the intranet to not only guide staff at work, but also provide advice on technology at home - such as the NCSC guidance on smart devices, SMS and email fraud.	Annually
3-a	DEVELOP	Develop and maintain risk management framework, internal control and governance for the prevention and detection of irregularities and fraud	STS/Brent IG	Current STS digital risks fed through to Brent's corporate risk register	Annually
3-b	DEVELOP	Process, procedures and controls to manage changes in cyber threat level and vulnerabilities	Chief Security Officer	Vigilance is maintained by reading the weekly NCSC cyber threat reports, further evidence and advice is sought from NHS cyber alerts and through engagement with the local WARP.	Annually
3-c	DEVELOP	Operation of the council's penetration testing programme; and Cyber-incident response	Chief Security Officer/ Information Governance Lead	IT health checks are carried out every year as part of the PSN submission. This year a more in depth penetration test was carried out by Dionach with funding from the Local Government Association (LGA).	Annually
3-d	DEVELOP	Introducing training for staff and elected members	Chief Security Officer/ Information Governance Lead	As well as the yearly training mandated for staff, more work has taken place this year on providing phishing simulations to both staff and elected members. The phishing exercises and enhanced training were provided with funding through the LGA. Working with the Information Governance team, STS will extend the use of the phishing simulation and enhanced cyber training.	Annually

Appendix 3 - Brent's cyber security work program continued

Ref#	Priority	Action	Owner	Details	Due Date
3-e	DEVELOP	Develop an incident response and management plan, with clearly defined actions, roles and responsibilities	Chief Security Officer/ Information Governance Lead	Incident response playbooks have been developed and held for specific cyber events including unauthorised access, data breach, malicious code and Distributed Denial of Service (DDOS).	Sep-22
3-f	DEVELOP	Develop a communication plan in the event of an incident	Chief Security Officer/ Information Governance Lead	Relevant Internal roles and responsibilities have been identified. The Information Governance team are working with STS to develop the plan within the incident response playbook excercises.	Sep-22

BRENT CYBER SECURITY STRATEGY 2022-2026:
IMPLEMENTATION PLAN

Ref#	Priority	Action	Owner	Details	Due Date
1-a	DEFEND	Implementing firewalls and scanning services	Chief Security Officer	Firewalls are in place both externally and between zones. Work is on-going to ensure all rules have a business case and are documented.	Apr-24
1-b	DEFEND	Carrying out health checks, penetration test and cyber resilience exercises to test their systems and processes	Chief Security Officer/Information Governance Lead	Health checks are carried out annually as part of the submission for Public Sector Network (PSN) code of connection. Web check from the National Cyber Security Centre (NCSC) is configured and in use. We further use early warning from the NCSC, which allows us to receive notifications of malicious activity and help investigate attacks on network quickly.	Apr-24
1-c	DEFEND	Meeting compliance regimes, e.g. PSN, PSI and the Health and Social Care Network	Chief Security Officer/Information Governance Lead	<ul style="list-style-type: none"> • PSN next submission due May 2024 • NHS Data Security Protection Toolkit (DSPT) next submission due June 2024 • Payment Card Industry (PCI) Compliance next quarterly scan due August 2023 	Aug-22
1-d	DEFEND	Working with partners across the public sector through participation in Cyber Security Information Sharing Partnership (CiSP), Warning, Advice and Reporting	Chief Security Officer	<p>STS is an active member of the local warning advice and reporting (WARP), Information security for London (ISfL) and Information Governance for London (IGFL).</p> <p>STS is currently considering options for improving the shared Service Security Operation Centre (SOC) to monitor, prevent, detect, investigate, and respond to cyber threats around the clock.</p>	Nov-23
2-a	DETER	Network Security - Protect the networks from attack, Defend the network perimeter, filter out unauthorised access and malicious content.	Chief Security Officer/Information Governance Lead	<ul style="list-style-type: none"> • Applying Government's Cyber Security Guidance • 10 Steps to Cyber Security • Cyber Essentials 	Apr-24

		Monitor and test security controls.			
2-b	DETER	Multi - factor authentication shall be used where technically possible, such as where administrative consoles provide access to manage cloud based infrastructure, platforms or services. Multi - factor authentication shall be used for access to enterprise level social media accounts.	STS	Where VPN and Remote Desktop Proxy (RDP) are in use, Single Sign-on (SSO) or Multi Factor Authentication (MFA) is to be used. The majority of staff working from home do so from securely configured Windows 10 laptops using direct access technology. The windows image used is checked as part of the annual IT health check. A Data Protection Impact Assessment (DPIA) to be carried out on all new systems/tools.	Apr-24
2-c	DETER	Incident management - Establish an incident response and disaster recovery capability. Test your incident management plans.	Chief Security Officer/Information Governance Lead	Run books have been developed with more to be created to address cyber incidents. Cases are managed through the current ITSM system.	Dec-23
2-d	DETER	Monitoring - Establish a monitoring strategy and produce supporting policies. Continuously monitor all systems and networks.	Chief Security Officer	Various monitoring is used across the estate, STS have an external Security Operations Centre (SOC). STS are continuously assessing opportunities for improvement.	Apr-24
2-e	DETER	Secure configuration - Apply security patches and ensure the secure configuration of all systems is maintained. Create a system inventory and define a baseline build for all devices.	Chief Security Officer	Currently all server and end user compute builds are created using a standard format. Tools and techniques to ensure that configurations are maintained over time are being investigated. This will be done via a 3rd party tool and using Microsoft features to ensure secure configuration to minimise the attack surface.	Apr-24
2-f	DETER	User education and awareness - Produce user security policies covering acceptable and secure use of your	Chief Security Officer/Information Governance Lead	User education has been enhanced by the use of phishing simulations. Guidance has been published on the intranet to not only guide staff at work, but also provide advice on technology at home - such as the NCSC	Monthly

		systems. Include in staff training.		guidance on smart devices, SMS and email fraud.	
3-a	DEVELOP	Develop and maintain risk management framework, internal control and governance for the prevention and detection of irregularities and fraud	STS/Brent IG	Current STS digital risks fed through to Brent's corporate risk register.	Annually
3-b	DEVELOP	Process, procedures and controls to manage changes in cyber threat level and vulnerabilities	Chief Security Officer	Vigilance is maintained by reading the weekly NCSC cyber threat reports, further evidence and advice is sought from NHS cyber alerts and through engagement with the local WARP.	Weekly
3-c	DEVELOP	Operation of the council's penetration testing programme; and Cyber-incident response	Chief Security Officer/Information Governance Lead	IT health checks are carried out every year as part of the PSN submission.	May-24
3-d	DEVELOP	Introducing training for staff and elected members	Chief Security Officer/Information Governance Lead	As well as the yearly training mandated for staff, more work has taken place this year on providing phishing simulations to both staff and elected members.	Monthly
3-e	DEVELOP	Develop an incident response and management plan, with clearly defined actions, roles and responsibilities	Chief Security Officer/Information Governance Lead	Incident response playbooks have been developed and held for specific cyber events including unauthorised access, data breach, malicious code and Distributed Denial of Service (DDOS). Excercises to be carried out with nominated services Within the plans there are details of external parties and partners who can be contacted for help and advice. Including LGA, NCSC,	Apr-24

				Information Commissioners Office (ICO) and providers of cyber security tools.	
3-f	DEVELOP	Develop a communication plan in the event of an incident	Chief Security Officer/Information Governance Lead	Relevant Internal roles and responsibilities have been identified. The Information Governance team are working with STS to develop the plan within the incident response playbook excercises.	Dec-23

Shared Technology Services Cyber Security Strategy 2021-2024

THE CHALLENGE

In a world of electronic information, the protection of our data is becoming ever more important. The amalgamation of data stored in smart watches to the far stretched 'misunderstood' cloud means we don't understand the footprint and trail our data leaves behind.

We exist in a culture powered by interconnecting data, constantly evolving and allowing us to make better decisions. We experience the benefits of this in public sector but due to our need and want to share, we create a weakening around our control of the data. Once it has left our environment and spreads out into other infrastructure the legislation, we use to govern our data may no longer have application.

This makes it even more critical for us to put in controls around how we use, store and process our data. It makes it critical for us to follow the guidance from the experts and to ensure that our systems are appropriately hardened and locked down to keep the attackers out and our systems continuously working well.

The real challenge comes when there is a need to encourage more collaboration, more access to information and to encourage transformation within an organisation. Very often, the rules around responsible data management stifles the ability to share. One of the most difficult jobs in this area is to effectively balance and enable transformation but also to continue the responsible use of data that we are accountable for.

Cyber incidents are on the rise, especially within public sector. We know that the ramifications are serious and widespread, from personal to economic. Protection and remediation are service disrupting and of significant financial expense. The impact on people affected by their stolen information can be disturbing and life altering in some cases.

This Cyber Security strategy outlines the focus we shall be adopting for our councils and customers. It is imperative that we put the right controls in place to protect and react to cyber threats going forward. We have a strong relationship with National Cyber Security Centre and other private cyber agencies which we will harness to help us to protect the data of our citizens and our customers.

We want to continue to use the benefits of technology to improve the lives of local people. This strategy will safeguard us all. It will build confidence in the way we operate and deliver our services and keep us at the forefront of the digital revolution.

INTRODUCTION

The Shared Technology Services (STS) is an IT shared service for the councils of Brent, Lewisham and Southwark. Brent council is the host borough for the service. STS is governed by a Inter Authority Agreement, a Joint Committee of two elected members from each council and the executive directors.

This document sets out the STS application of information and cyber security standards to protect our systems, the data held on them, and the services we provide from unauthorised access, harm or misuse. It is our cyber security commitment to the people we represent and is of national interest. It emphasises the importance of cyber security in the role of all staff.

WHY IS CYBER SECURITY IMPORTANT?

Cyber security is the practice of ensuring the confidentiality, integrity and availability (CIA) of information.

- Attacks on Confidentiality – stealing, or rather copying personal information.
- Attacks on Integrity – seeks to corrupt, damage or destroy information or systems and the people who rely on them.
- Attacks on Availability – denial of services, seen in the form of ransomware.



Cyber security refers to the body of technologies, processes, and practices designed to protect networks, devices, programs, and data from attack, damage, or unauthorised access. Cyber security may also be referred to as information technology security.

Cyber security is important because, in order to effectively deliver services, we all process and store large amounts of data on computers and other devices. A significant portion of this data is sensitive information. It includes financial data, personal information and other types of data for which unauthorised access or exposure could have negative consequences.

We transmit sensitive data across networks and to other devices in the course of providing services or even just using your mobile to look at social media. Cyber security is the discipline dedicated to protecting this information and the systems used to process or store it. It is everyone's responsibility to ensure that we manage our data appropriately.

Cyber security is crucial in ensuring our services are kept up and running. It is also vital in ensuring in building and keeping our public's trust. A cyber-attack would have very serious

consequences both in terms of a disruption to our services (many of which serve some of our most vulnerable residents), council’s reputation and impact to our fiscal position.

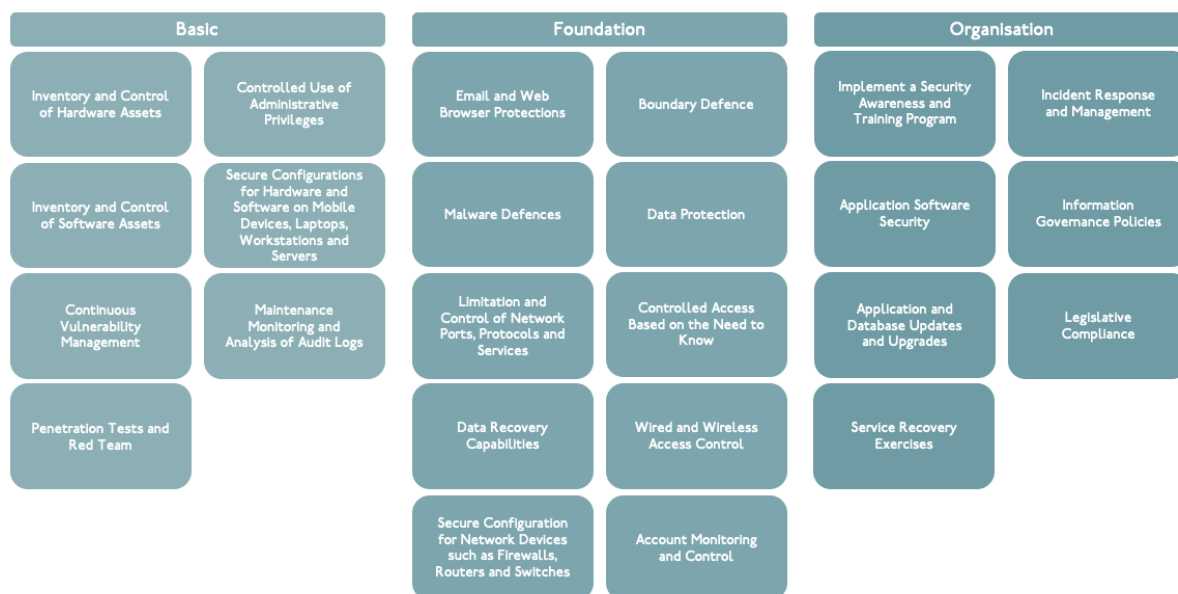
PURPOSE AND SCOPE

STS seeks to enable its partners to deliver its corporate and digital strategies, it is required that we allow our organisations to navigate cyber obstacles. The scale of transformation represents an unprecedented culture shift for staff, residents, partners and businesses. This in turn creates risk.

The Cyber Security Strategy is a new strategy introduced in response to several successful and high-profile cyber-attacks on public and private organisations. The purpose of the strategy is to give assurance to our councils and customers and to explain our commitment in delivering robust information security measures.

Through delivery of this strategy, we will comply with and embed the principles of ‘Cyber Essentials’; a government-backed, industry-supported scheme to help organisations protect themselves against common online threats.

This strategy is intended to cover all partners and customers, the data on the systems we are responsible for, and the services they help provide. The recommendations in this strategy will be embedded in all areas of new and emerging technologies which we implement. It will also set out the best practices that will be rooted in our business as usual.



ASSETS

STS will regularly review the value of all assets across the partnership, ensure that political, social and economic values are considered to place the appropriate levels of protection around those digital and physical assets. Our assets:

- Data
- Services

- Infrastructure

VULNERABILITIES

Vulnerabilities are weaknesses or other conditions in an organisation that a threat actor; such as a hacker, nation-state, disgruntled employee, or other attacker, can exploit to adversely affect data security.

Cyber vulnerabilities typically include a subset of those weaknesses and focus on issues in the IT software, hardware, and systems an organisation uses.

- System Maintenance – IT systems should be updated and checked regularly and effectively. It is essential that the systems are fully updated and appropriate fixes are applied. Poor setup, mismanagement or other issues in the way an organisation installs and maintains its IT hardware and software components is a threat.
- Legacy Software – To ensure that legacy systems have sufficient user and system authentication, data authenticity verification, or data integrity checking features that prevent uncontrolled access to systems.
- Trend Analysis - The monitoring of organisational working patterns to identify unusual behaviour and respond accordingly.
- Training and Skills – It is of paramount importance that all employees have a fundamental awareness of cyber security to support this.

THREATS

If left unchecked, a threat could disrupt the day-to-day operations, the delivery of local public services and ultimately has the potential to compromise national security.

Generally, there are two types of threats. Insider Threats or Outsider Threats they are explained in detail below.

Insider threats

Outsider threats

WHO			
Employees	Contractors	Cybercriminals	National state-sponsored attackers
Business Partners and 3 rd Parties	Compromised internal accounts	Competition-sponsored attackers	Hacktivists
MOTIVE			
Financial gain	Personal advantage	Economic gain	Corporate or nation state-sponsored espionage
Professional revenge	Outsider influence	Political advantage	Political or social change
TARGET			
Intellectual property	Business plans and corporate information	Intellectual property	Business plans and corporate information
Personal Information	Financial Information	Personal Information	Financial Information
METHODS			
Social Engineering	Physical theft	Social engineering	Hacking
Privilege abuse	Copying or offloading sensitive data to personal accounts/drives	Malware	Denial of Service Attacks
Unintentional data leaks or loss of company property		Malicious USB drops	Physical theft

-CYBERCRIMINALS

Generally, cybercriminals are working for financial gain. Most commonly, for the purposes of fraud either by selling illegally gained information to a third party or using directly for criminal means.

Key tools and methods used by cybercriminals include:

- Malware – malicious software that includes viruses, Trojans, worms or any code or content that could have an adverse impact on organisations or individuals

- Ransomware – a kind of malware that locks victims out of their data or systems and only allows access once money is paid
- Phishing – emails purporting to come from a public agency to extract sensitive information from members of the public.

-HACKTIVISM

Hactivists will generally take over public websites or social media accounts to raise the profile of a particular cause.

When targeted against local government websites and networks, these attacks can cause local reputational damage. If online services are regularly disrupted by cyber-attacks this could lead to the erosion of public confidence in such services.

Hactivist groups have successfully used distributed denial of service attacks to disrupt the websites of a number of councils already. (DDoS attacks are when a system, service or network is burdened to such an extent by an electronic attack that it becomes unavailable).

-INSIDERS

Staff may intentionally or unintentionally release sensitive information or data into the public domain. This could be for the purpose of sabotage or in order to sell to another party, but more often than not it is due to simple human error or a lack of awareness about the particular risks involved.

Malicious insider threats may include privileged administrative groups.

-ZERO DAY THREATS

A zero-day exploit is a cyber-attack that occurs on the same day or before a weakness has been discovered in software. At that point, it's exploited before a fix becomes available from its creator. It is an attack that exploits a previously unknown security vulnerability.

This poses a risk to any computer or system that has not had the relevant patch applied or the relevant updates to its antivirus software.

-PHYSICAL THREATS

The increasing reliance on digital services brings with it an increased vulnerability in the event of a fire, flood, power failure or other disaster (natural or otherwise).

-TERRORISTS

Some terrorist groups demonstrate intent to conduct cyber-attacks, but fortunately have limited technical capability. Terrorist groups could obtain improved capability in a number of ways, namely through the sharing of expertise in online forums providing a significant opportunity for terrorists to escalate their capability.

-ESPIONAGE

Several of the most sophisticated and hostile foreign intelligence agencies target UK government and public sector networks to steal sensitive information. This could ultimately disadvantage the UK in diplomatic, trade or military negotiations.

RISKS

Cyber Risk Management is a fundamental part of the broader risk management to ensure cyber security challenges are fully identified across the councils and appropriate action is carried out to mitigate the risk but also develop effective recovery and containment procedures in the event of an incident.

A risk consists of a threat and a vulnerability of an asset.

OUR APPROACH

To mitigate the multiple threats, we face and safeguard our interests, we need a strategic approach that underpins our collective and individual actions in the digital domain over the next three years. This will include:

- Foster a culture of empowerment, accountability and continuous improvement.
- Prioritising information assets and processes with our councils and customers, maintaining a register and conducting regular reviews including data retention policies.
- Ensuring adequate plans are in place to recover and quickly identify exposure.
- A council wide risk management framework to help build a risk aware culture within each of the councils, ensuring staff understand how to identify and manage risks.
- Cyber Awareness training and principles to help mitigate insider threats, understand supply chain risks and ensure all staff understand the issues and their responsibilities.

The diagram below shows the continual cycle for protecting the councils and its customers for cyber-attacks:



To further enhance the maturity and capability of the service we will be building a Cyber Security team within the Shared Service, this will focus on the delivering the technical controls and guidance to the councils and customers of the Shared Service. This will be led by a new role the Chief Information Security Officer. April 2021 will see a new Target Operating Model start which will ensure that focus is given to the maturity and capacity of the

council's defences.

IMPLEMENTATION PLAN

To adapt to the changing landscape and achieve our vision we will align with the National Cyber Security Strategy's approach to defend our, residents, councils and customers and deter our adversaries and to develop our capabilities.

It is recognised that each partner and council will be at different levels of maturity and capacity therefore STS has developed a 5-year (2021-2026) Technology Roadmap in which it will invest a significant number in cyber protections, look for opportunities where we can share, build and grow together but also react to different levels of risk appetite.

DEFEND

STS will have the means to defend against evolving cyber threats, to respond effectively to incidents, and to ensure networks, data and systems are protected and resilient. It includes helping our residents, businesses and partners in gaining the knowledge and ability to defend themselves.

Actions:

- Implementing daily firewalls and scanning services.
- Continue to email hygiene for all partners and enable Attack Targeted Prevention.
- Improve threat correlation and reporting services.
- Ensure vulnerability and patch management is kept up to date.
- Ensuring that Cyber Security is considered in any procurement of solutions.
- Work with councils and customers to ensure websites and line of business systems are kept secure.
- Continue with a 3rd party Security Operations Centre partner to give us the assurance and protection of our systems, using dynamic and Artificial Intelligence (AI) from across the global to identify immediate threats.
- Carrying out health checks, penetration test and cyber resilience exercises to test their systems and processes, e.g. Web Check – a website configuration and vulnerability scanning service, developed with a number of public sector organisations including councils. This is free to use and available to all public sector organisations.
- Identify an STS Red team to be able to respond to incidents and have relationships in place with government agencies and cyber specialists.
- Ensuring that we carryout regular backups and recovery exercises
- Meeting compliance regimes, Code of Connection (CoCo) which require good cyber hygiene, to connect to government private networks, e.g. Public Sector Network (PSN) and the Health and Social Care Network.
- Working with partners across the public sector through participation in Cyber Security Information Sharing Partnership (CiSP), Warning, Advice and Reporting.
- Comply with The Minimum Cyber Security Standard
- Comply with Data Protection Act 2018 (including the Applied General Data Protection Regulation EU679/2016) and the Freedom of Information Act 2000
- Comply with Section 224 of Local Government Act 1972

-
- Work towards ISO27001.
 - Comply with Access to Health Record Act 1990 and Access to Personal Files Act 1987
 - Comply with PCI-DSS requirements for taking electronic payments.

DETER

Our councils and customers will be a desirable target for all forms of aggression in cyberspace. This will involve detecting, understanding, investigating and disrupting hostile action against us.

Actions:

- Applying government's cyber security guidance, e.g. 10 Steps to Cyber Security or Cyber Essentials.
- Users with wide ranging or extensive system privilege shall not use their highly privileged accounts for high-risk functions, in particular reading email and web browsing.
- Multi-factor authentication shall be used where technically possible, such as where administrative consoles provide access to manage cloud based infrastructure, platforms or services. Multi - factor authentication shall be used for access to enterprise level social media accounts.
- Passwords for highly privileged system accounts, social media accounts and infrastructure components shall be changed from default values and shall not be easy to guess. Passwords which would on their own grant extensive system access, should have high complexity and introduce multi-factor authentication.
- Use of Malware prevention and ensure air gaps or immutable storage.
- Ensure removable media is encrypted to the last levels controls.
- Improve micro segmentation of the network to avoid attackers crossing the network.
- Secure configuration to avoid access to critical information and enabling attackers.
- Introduce cyber awareness and training for users to help detect, deter and defend against the cyber threats.

DEVELOP

This includes developing a co-ordinated and tailored approach to risks and threats that we may encounter and mitigate potential vulnerabilities.

Actions:

- Develop and maintain risk management framework, internal control and governance for the prevention and detection of irregularities and fraud
- Process, procedures and controls to manage changes in cyber threat level and vulnerabilities
- Managing vulnerabilities that may allow an attacker to gain access to critical systems
- Operation of the council's penetration testing programme; and Cyber-incident response
- Introducing training for staff and elected members

- Develop an incident response and management plan, with clearly defined actions, roles and responsibilities
- Develop a communication plan in the event of an incident which includes notifying (for example) the relevant supervisory body, senior accountable individuals, the Departmental press office, the National Cyber Security Centre (NCSC), Government Security Group (Cabinet Office), the Information Commissioner's Office (ICO) or law enforcement as applicable (not exhaustive)
- Develop a network of sharing with other councils and customers, collaborate and learn from each other, harness networks such as London Office of Technology and Innovation, London CIO council, WARP, IGfL and ISfL.

REACT

STS will ensure that we have the sufficient controls in place to respond to an attack and furthermore have the organisational channels and processes to make efficient decisions further protecting our data and limiting any scope of an attacker.

We have third parties proactively monitoring our environment disabling any potential threats and locking down resources which are identified as a risk.

SUCCESS FACTORS

Throughout this period of challenging transformation, the councils have committed to delivering robust information security measures to protect our data from misuse and cyber threats, and to safeguard their privacy through increasingly secure and modern information governance and data sharing arrangements both internally and with partners.

To continue to provide assurance on the effectiveness and robustness of STS's arrangements for IT security, we will:

- Develop appropriate cyber security governance processes
- Develop a Cyber Risk Management Framework
- Develop policies/procedures to review access on a regular basis
- Create a cyber-specific Business Continuity Management Plan and/or Incident Plan to include emergency planning for cyber attack
- Develop an incident response and management plan, with clearly defined actions, roles and responsibilities. A copy of all incidents shall be recorded regardless of the need to report them
- Set up a Playbook to have test incidents on a regular basis; to ensure reaction to incidents where an incident is triggered
- Create standard test plans with security testing as a standard
- Reconcile current systems in place and last times these were reviewed (build into Enterprise Architecture)
- Review vendor management – process of assessments of third parties
- Explore Active Cyber Defence tools and new technologies to ensure partners have the best solutions to match to threats
- Apply the governments cyber security guidance – 10 Steps to Cyber Security
- Provide relevant cyber security training for staff and elected members
- Apply a regular schedule of cyber exercises, within the wider cycle of multi-agency incident response and recovery exercises

- Comply with the Governments Public Sector Network (PSN) Code of Connection and Payment Card Industry (PCI) standards; a minimum requirement for all systems used, audit trails, deletion of data etc.
- Protect enterprise technology by working with specialist partners to develop model architecture and review audit logs to reduce chances of threats

ROLES AND RESPONSIBILITIES

Information Governance and Policy will remain the responsibility of the councils and customers and the Shared Service will work with those teams to ensure that shared understanding and collaboration is met.

Effective cyber security governance in STS is delivered through the following roles and functions.

Senior Information Risk Owner (SIRO)

A nominated Senior Information Risk Owner (SIRO) is responsible for the governance of cyber security and information risk within the Council. This includes ensuring that information governance risk is managed in accordance with GDPR.

However, whilst the SIRO is the nominated officer, responsibility for safeguarding information and information systems is shared across the organisation with all staff having a role to play.

Joint Committee (JC)

The Joint Committee is made up of the lead councillors for IT. The Joint Committee will sponsor the Cyber Security Strategy and oversee the strategic framework through which the council governs its information resources and in turn agree and receive updates on implementation of the Cyber Security Strategy.

Joint Management Board (JMB)

The Joint Management Board is responsible for the strategic direction of the shared service and is made up of the executive directors from each council and the Managing Director of the shared service. This board is responsible for holding the shared service to account on the delivery of its obligations in turn the protection of its data and systems.

Operational Management Board (OMB)

The Operational Management Board is responsible for the day-to-day tracking of tasks and deliverables, this board will allocate resources and funds necessary to deliver the protection to the councils and its customers. The board is made up of Heads of IT from each council and the Senior Leadership Team of the shared service.

Information Governance Group (IGG)

The IGG is comprised of senior representatives from each council area. The group are responsible for overseeing the delivery of the Cyber Security Strategy and monitoring its effectiveness.

Technical Design Authority (TDA)


The Technical Design Authority (TDA) make decisions regarding technical implementations for projects. This includes ensuring that cyber security implications are properly considered.

Information Asset Owners (IAO)

Information Asset Owners are responsible for all processing of personal data within their business area.

All council officers

It is the responsibility of all officers to comply with the standards set out in this Cyber Security Strategy

 Brent	Resources and Public Realm Scrutiny Committee 19 July 2023
	Report from the Director of Communities
Scrutiny Recommendations Tracker	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	One Appendix A – Recommendations Scrutiny Tracker
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Jason Sigba, Strategy Lead – Scrutiny, Strategy and Partnerships Jason.Sigba@brent.gov.uk Janet Latinwo, Head of Strategy & Partnerships Janet.Latinwo@brent.gov.uk Lorna Hughes, Director of Communities Lorna.Hughes@brent.gov.uk

1.0 Purpose of the Report

1.1 The purpose of this report is to present the Scrutiny Recommendations Tracker to the Resources and Public Realm Scrutiny Committee.

2.0 Recommendation

2.1 That the progress of the previous recommendations, suggestions for improvement, and information requests of the Committee be noted (Appendix A).

3.0 Detail

3.1 The Recommendations Tracker tabled at the 19 July 2023 meeting relates to the previous 2022 – 2023 municipal year. It also contains one update from the

18 January 2022 meeting on the item relating to Budget Scrutiny (2021-2022 municipal year).

- 3.2 In accordance with Part 4 of the Brent Council Constitution (Standing Orders of Committees), Brent Council scrutiny committees may make recommendations to the Full Council or the Cabinet with respect to any functions which are the responsibility of the Executive, or of any functions which are not the responsibility of the Executive, or on matters which affect the borough or its inhabitants.
- 3.3 The Resources and Public Realm Scrutiny Committee may not make executive decisions. Scrutiny recommendations therefore require consideration and decision by the appropriate decision maker; the Cabinet or Full Council for policy and budgetary decisions.
- 3.4 The Scrutiny Recommendations Tracker (attached in Appendix A) provides a summary of scrutiny recommendations made in order to track executive decisions and any implementation progress. It also includes suggestions for improvement and information requests, as captured in the minutes of the committee meetings.
- 3.5 Recommendations are removed from the tracker when they have been rejected or when implemented successfully and the review date has passed. This is the same for suggestions of improvement and information requests.

4.0 Procedure for Recommendations from Scrutiny Committees

- 4.1 Where scrutiny committees make recommendations to the Cabinet, these will be referred to the Cabinet requesting an Executive Response and the issue will be published on the Council's Forward Plan. This will instigate the preparation of a report to Cabinet and the necessary consideration of the response.
- 4.2 Where scrutiny committees develop reports or recommendations to Full Council (e.g. in the case of policy and budgetary decisions), the same process will be followed, with a report to Cabinet to agree an Executive Response, and thereafter, a report to Full Council for consideration of the scrutiny report and recommendations along with the Cabinet's response.
- 4.3 Where scrutiny committees have powers under their terms of reference to make reports or recommendations to external decision makers (e.g. NHS bodies), the relevant external decision maker shall be notified in writing, providing them with a copy of the Committee's report and recommendations, and requesting a response.
- 4.4 Once the Executive Response has been agreed, the scrutiny committee shall receive a report to receive the response and the Committee may review implementation of the Executive's decisions after such a period as these may reasonably be implemented (review date).

5.0 Financial Implications

- 5.1 There are no financial implications for the purposes of this report.

6.0 Legal Implications

- 6.1 Section 9F, Part 1A of the Local Government Act 2000, *Overview and scrutiny committees: functions*, requires that Executive arrangements by a local authority must ensure that its overview and scrutiny committees have the power to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are or are not the responsibility of the executive, or on matters which affect the Authority's area or the inhabitants of that area.
- 6.2 Section 9FE, *Duty of authority or executive to respond to overview and scrutiny committee*, requires that the authority or executive;-
- (a) consider the report or recommendations,
 - (b) respond to the overview and scrutiny committee indicating what (if any) action the authority, or the executive, proposes to take,
 - (c) if the overview and scrutiny committee has published the report or recommendations, publish the response, within two months beginning with the date on which the authority or executive received the report or recommendations.

7.0 Equality Implications

- 7.1 There are no equality implications for the purposes of this report.

8.0 Consultation with Ward Members and Stakeholders

- 8.1 None for the purposes of this report.

Report sign off:

Lorna Hughes
Director of Communities

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Appendix A

Resources and Public Realm Scrutiny Committee (RPRSC) Scrutiny Tracker 2023-24

These tables are to track the progress of scrutiny recommendations to Cabinet, suggestions for improvement, and information requests made by the Resources and Public Realm Scrutiny Committee, with details provided by the relevant lead departments. It is a standing item on the Committee's agendas, so that the Committee can keep track of the recommendations, suggestions for improvement and information requests it has made, alongside the related decisions made and implementation status. The tracker lists the recommendations, suggestions for improvement and information requests made by the Committee throughout a municipal year and any recommendations not fully implemented from previous years.

The tracker documents the scrutiny recommendations made to Cabinet, the dates when they were made, the decision maker who can make each decision in respect of the recommendations, the date the decision was made and the actual decision taken. The executive decision taken may be the same as the scrutiny recommendation (e.g. the recommendation was "agreed") or it may be a different decision, which should be clarified here. The tracker also asks if the respective executive decisions have been implemented and this should be updated accordingly throughout the year.

Scrutiny Task Group report recommendations should be included here but referenced collectively (e.g. the name of the scrutiny inquiry and date of the agreement of the scrutiny report and recommendations by the scrutiny committee, along with the respective dates when the decision maker(s) considered and responded to the report and recommendations. The Committee should generally review the implementation of scrutiny task group report recommendations separately with stand-alone agenda items at relevant junctures – e.g. the Executive Response to a scrutiny report and after six months or a year, or upon expected implementation of the agreed recommendation of report. The "Expected Implementation Date" should provide an indication of a suitable time for review.

Key:

Date of scrutiny committee meeting - For each table, the date of the scrutiny committee meeting when the recommendation was made is provided in the subtitle header.

Subject – this is the item title on the Committee's agenda; the subject being considered.

Scrutiny Recommendation – This is the text of the scrutiny recommendation as it appears on the minutes – **in bold**.

Decision Maker – the decision maker for the recommendation, (**in bold**), e.g. the Cabinet (for Council executive decisions), Full Council (for Council policy and budgetary decisions), or an NHS executive body for recommendations to the NHS. In brackets, (date), the date on which the Executive Response was made.

Executive Response – The response of the decision maker (e.g. Cabinet decision) for the recommendation. This should be the executive decision as recorded in the minutes. The Executive Response should provide details of what, if anything, the executive will do in response to the scrutiny recommendation. Ideally, the Executive Response will include a decision to either agree/reject/or amend the scrutiny recommendation and where the scrutiny recommendation is rejected, provide an explanation of why. In brackets, provide the date of Cabinet/executive meeting that considered the scrutiny recommendation and made the decision.

Department – the Council directorate (and/or external agencies) that are responsible for implementation of the agreed executive decision/response. Also provided, for reference only, the relevant Cabinet Member and Corporate Director.

Implementation Status – This is the progress of any implementation of the agreed Executive Response against key milestones. This may cross reference to any specific actions and deadlines that may be provided in the Executive Response. This should be as specific and quantifiable as possible. This should also provide, as far as possible, any evidenced outcomes or improvements resulting from implementation.

Review Date - This is the expected date when the agreed Executive Response should be fully implemented and when the scrutiny committee may usefully review the implementation and any evidenced outcomes (e.g. service improvements). (Note: this is the implementation of the agreed Executive Response, which may not be the same as the scrutiny recommendation).

Recorded Recommendations to Cabinet from RPRSC

Subject	Scrutiny Recommendation	Cabinet Member, Lead Officer, and Department	Executive Response	Review date
<p>24 Jan 2022 – Budget Scrutiny Task Group Findings 2022/23</p>	<p>The task group heard evidence on the sobering situation the council will find itself in as it sets budgets for 2023/24 onwards. Balancing increasing demands and pressures against diminished resources within the budget process will be critical. To mitigate potential impacts on communities the task group recommends that:</p> <ul style="list-style-type: none"> • Community involvement and conversation is at the heart of the budget priority setting process for 2023/24, informing what the council does and who it does it for. There is an opportunity to link this into the new Borough Plan consultation process. • The Cabinet prioritises those in greatest need, and activity to reduce reliance on council services. • Schemes in place to support people (e.g. the Resident Support Fund) are bolstered. • The Cabinet increases meaningful employment for people with a mental health concern or disability across all age groups. • The task group supports the sustainability agenda and retrofitting, and recommends the Cabinet gives consideration to needs of leaseholders and tenants in respect of support provision. 	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>	<p>These recommendations are accepted. As in previous years engagement with residents, businesses and other stakeholders forms a key part of budget consultation. In addition, the budget report highlights how the Medium Term Financial Strategy needs to ensure it provides a framework to enable and support the delivery of the Borough Plan. Finally, the Council recognises the positive impact schemes such as the Resident Support Fund and the Council Tax Support scheme have on those residents in greatest need. The 2023/24 budget continues to support the Council Tax Support scheme with over £32m in funding supporting around 28,000 residents and has extended the Resident Support Fund with a further £3m.</p> <p>The Brent Employment and Mental Health Task Group, led and chaired by us, comprises organisations who provide support for people with Mental Health challenges with a focus on employment. Membership comprises the Council, DWP, NHS, Shaw Trust, Twinings Enterprise, Ingeus and Brent Mencap. The overall goal is to support residents faced with mental health struggles to easily access the services and provision available to enable better access to employment. The group also has a key priority set by the Wellbeing Board to work with DWP and employers to increase Disability Confidence accreditation for employers/businesses across the borough.</p>	<p>N/A</p>

			<p>The Mental Health and Employment Pathway overseen by this partnership provides clear pathways for practitioners, link workers and social prescribers across Brent to refer clients to Shaw Trust and Twinings Enterprise to access the existing nationally-contracted delivery for those with mental health issues seeking employment, smoothing and facilitating referrals and access for Brent residents to the right support.</p> <p>When undertaking any major works, sustainability and energy efficiency is at the forefront of our minds. The planned tower block refurbishments will include substantial energy efficiency works and be a benefit to tenants and leaseholders alike. Through the website we are promoting the Energy Company Obligation (ECO) funding which allows vulnerable households to have energy measures funded by ECO installed on their properties. Leaseholders may also be able to benefit from ECO Flex if they are unable to meet the ECO criteria. This applies to owner occupiers and private tenants only.</p>	
	<p>The task group heard evidence of the need to develop and deliver a number of lobbying strategies, as outlined below:</p> <ul style="list-style-type: none"> • The Cabinet should lobby for increases in the Dedicated Schools Grant (DSG) notably the High Needs Block of the DSG which is currently in deficit. The task group was pleased with the activity undertaken to manage the deficit, but noted this will not be enough to remove the deficit 	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>	<p>As part of the DfE’s response to the Local Authorities in deficit, the DfE set up a number of programmes to tackle the pressures in the high needs system and for it to be placed on a sustainable footing.</p> <p>One of the programmes is the Delivering Better Value (DBV) in SEND programme which involves working with 55 Local Authorities in deficit of which Brent is one and</p>	<p>N/A</p>

	<p>and meet rising demand without increased funding.</p> <ul style="list-style-type: none"> • Brent Council and Integrated Care Partnership should lobby the North West London Integrated Care System to ensure Brent gets a fair share of funding. • The task group noted the plans to conduct investigations into the true costs of retrofitting in eight high rise buildings scheduled for major works in order to support future lobbying activity. The task group recommends that this investigation should also cover the costs of retrofitting street properties. 		<p>has received a grant of £1m to support the delivery of the deficit Management Plan in place. The DBV programme aims to ensure that improved delivery is achieved within budget and will also provide information on national trends and shared learning to the DfE, the Department for Levelling Up, Housing and Communities (DLUHC) and the NHS.</p> <p>The Brent's High Needs Block saw a 13% increase in funding in 2022/23 and for 2023/24 a 5% increase was announced in July 2022 however the Autumn 2022 statement announced an additional £400m increase nationally, which means that Brent is receiving a 10% increase in 2023/24 compared to the previous year.</p> <p>Brent ASC accepts the scrutiny recommendation. ASC will work with the ICP to ensure entitled funds are allocated to the service and that these funds are allocated and spent towards service delivery within the allocated criteria</p> <p>We will ensure the investigation also includes the cost of retrofitting street properties. Both schemes are in their early stages but on completion of the first high rise and the street property retrofits we will have a greater understanding of the potential costs.</p>	
	<p>The task group was pleased to observe a very healthy relationship between the council and Brent schools. The task group noted areas where joint activity could be further progressed:</p>	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p>	<p>The Local Authority is working with schools to share SEND best practice. The two local special school multi-academy trusts, Compass Learning Trust and the Rise Partnership Trust, are being commissioned to provide training on SEND in mainstream schools to SENCOs and to staff in newly</p>	<p>N/A</p>

		<ul style="list-style-type: none"> The development of plans to coordinate and share special educational needs training, knowledge and expertise across the system. Work to increase the number of children in the south of the borough choosing to be educated within Brent. The task group recommends that the Cabinet takes forward these opportunities. 	Minesh Patel – Corporate Director, Finance & Resources	<p>established Additionally Resourced Provision. The SENCO forum is being used effectively to increase the knowledge and understanding of SENCOs and provides the opportunity for them to raise areas where further information would be helpful. A fund of £0.5m has been delegated to the five geographically based school clusters to support initiatives in schools for children on SEN support (less severe additional needs). The impact and learning from how this has been used will be incorporated into the Delivering Better Value Programme.</p> <p>Local preferences for primary schools remain strong and they are improving for secondary schools. While Brent is generally a net exporter of children to other boroughs at secondary transfer point, this number reduced for the first time in many years for those children starting school in September 2023. This trend is anticipated to continue as all secondary schools in Brent that are rated as good or outstanding by Ofsted (98.5% of all schools (primary, secondary, special and PRUs are rated as good or outstanding)).</p>	
24 Jan 2023 – Budget Scrutiny Task Group Findings 2023/24	Borough Plan Alignment:	The Council more clearly demonstrates how public money is being spent in line with the democratically agreed strategic priorities for the borough.	Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform Minesh Patel – Corporate Director, Finance & Resources		07/11/23
	Proposal Categorations:	Each budget proposal is categorised as one of: Cut; Income generation; Service transformation; Efficiency; or Investment for transparency	Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform		07/11/23

	<p>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.</p>	<p>Minesh Patel – Corporate Director, Finance & Resources</p>		
	<p>Income Generation:</p> <ul style="list-style-type: none"> • Increase parking fees/charges to a more comparable rate charged by surrounding boroughs to secure safe movement of traffic and adequate parking and; • Utilise our parks to generate additional income – as part of this process, the Council should draw comparisons with other local authorities to learn from good practice. 	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>		07/11/23
	<p>Additional Financial Support for Residents:</p> <ul style="list-style-type: none"> • Increase funding and review the eligibility criteria for both the Council Tax Support scheme and the Resident Support Fund, should the financial modelling process allow and; • Explore options to provide additional support to children to tackle food poverty, such as extending universal free school meals provision. 	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>		07/11/23
	<p>Additional Advice & Support for our Voluntary Sector partners:</p> <p>To assist in building voluntary sector resilience, develop:</p> <ul style="list-style-type: none"> • An approach to increase the value of the commissioned contracts offered to the VCS to help them navigate the current volatile economic environment. The Council could also use this as an opportunity to tighten and improve its contract monitoring process to ensure further robustness and transparency in achieving outcomes. 	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>		07/11/23

	<ul style="list-style-type: none"> • A collaborative strategy with the VCS to enable these organisations to identify and secure new income streams. This should also include scope for increased opportunities to make joint bids for grant funding. • A transparent policy for distributing Council community assets to our voluntary partners in need of space. Specifically, offering capped peppercorn rents to the sector to expand their operations. 			
	<p>Equal Access for All Residents:</p> <ul style="list-style-type: none"> • The proposed automated services (e.g. chat bots) are tested by residents ahead of implementation, especially by those who have accessibility needs to ensure that all residents have equal access to services and; • Additional advice and support is provided to disabled residents and those cohorts of residents with other access needs (e.g. literacy needs/English not a first language etc.) to navigate digital-form filling so they can maximise the benefits/grants they are eligible for and entitled to. 	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>		07/11/23
	<p>Improving Equality Impact Assessments (EIAs):</p> <ul style="list-style-type: none"> • Include an evidence base/rationale section in the EIA for each proposal where it has been deemed that there are no potential or likely impact on service users and employees with protected characteristics (e.g. how the Council arrived at such decisions) and; • Undertake a cumulative equality impact assessment of the budget decisions since 2018 	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>		07/11/23


	<p>to understand fully the medium and long-term impacts of its financial decisions. It is recommended a cumulative EqIA is completed during financial year 2023/24 and is included in the final budget report 2024/25.</p>			
	<p>Increased Collaboration: To ensure a holistic approach to residents' care, specifically 'those with complex needs':</p> <ul style="list-style-type: none"> • Establish a collaborative mechanism between the Council, NHS, and other relevant stakeholders to agree discharges/step down plans. If possible, this should be considered as part of the review process currently taking place with Central and North West London NHS Foundation Trust (CNWL) in the Integrated Care Partnership and; • Leverage sufficient financial contributions from the NHS (and other relevant anchor institutions) to improve the Health & Social Care function in Brent. 	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>		07/11/23
	<p>Lobbying: Work closely with neighbouring local authorities, London Councils, and the Local Government Association (LGA) to seek:</p> <ul style="list-style-type: none"> • Additional funding in the Dedicated Schools Grant (DSG), notably the High Needs Block of the DSG which is currently in deficit. Although the Task Group is pleased with the activity 5 undertaken to manage the deficit and despite the fact that the Council will see increased funding from central government, there is still a need for additional financial support to meet rising demand. 	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>		07/11/23

	<ul style="list-style-type: none"> • Powers to levy proportionate charges on parked motorcycles/mopeds. If successful, this would enable the Council to expand the parking permit system in the borough to include other forms of vehicles. • Local Government funding reform, including reform of regressive taxes such as Council Tax. • Changes to gambling legislation and regulations that enable local authorities to generate additional income from gambling licensing fees. This money could then be used to reinvest in vital Council services. • The introduction of 'Short Term Letting' legislation that will allow local authorities to establish licensing schemes for 'Air B&B' accommodation in their respective boroughs. This would enable the Council to generate additional income from 'Air B&B' businesses in Brent that could then be reinvested back into services for the benefit of residents. 			
	<p>Phased Reduction to Care Packages Provision:</p> <p>Utilise a proportion of the additional funding from the Local Government Finance Settlement to enable the Council to defer a proportion of the savings in proposal CYP03 to financial year 24/25. This is to ensure changes in provision are implemented in a phased way.</p>	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>		07/11/23
	<p>Review Areas of Focus for Town Centre Management Function:</p> <p>The Task Group recommend reviewing the areas of focus for the town centre management function, whereby resource can be balanced against need; and work duplication prevented.</p>	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p>		07/11/23

		Minesh Patel – Corporate Director, Finance & Resources		
	<p>Mitigate the impact of reducing the library stock budget:</p> <p>Explore external options to leverage additional resources for our most vulnerable residents, such as the promotion of schemes (e.g. Letterbox Club run by BookTrust) offering free books to vulnerable and disadvantaged children. This could help offset the impact of the proposal on disadvantaged residents and children; and could assist with ensuring children in Brent have equal access to a broad range of reading material.</p>	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>		07/11/23
	<p>Mitigate the impact of reducing the Corporate Learning and Training budget:</p> <p>Be guided by staff satisfaction surveys when deciding what training courses to discontinue as part of the reduction to the Corporate Learning and Training budget (proposal GOV03).</p>	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>		07/11/23
25 Apr 2023 –	Continue to lobby central government and the Greater London Authority (GLA) for additional funding to strengthen our efforts to achieve carbon neutrality by 2030.	<p>Cllr Krupa Sheth - Cabinet Member for Environment, Infrastructure and Climate Action</p> <p>Peter Gadsdon – Corporate Director, Resident Services</p>	<p>Brent Council has a clear ambition to reach carbon neutrality in the borough by 2030 but to do so will require a wholesale shift in the financial support available to councils, to hasten the societal transition to carbon-free technologies.</p> <p>One significant environmental (and financial) barrier to overcome is domestic emissions, a national issue facing aging inefficient housing stock. At time of writing, the financial support available from government does not align with the ambitions of councils across the United Kingdom.</p>	N/A
Climate & Ecological Strategy Update: 2022-2024 Delivery Plan & Green Neighbourhoods				

			<p>London's housing stock is responsible for around a third of all carbon emissions in the capital, while around 80% of all homes expected to exist in 2050 have already been built. Home retrofitting, involving fabric improvements, renewable energy generation and low carbon heat sources, is essential for making London's homes greener, warmer and more affordable to live in.</p> <p>For these reasons, as part of our lobbying role via London Councils, we have achieved widespread support across councils for carbon reductions from home retrofits.</p> <p>Data analysis undertaken for the Retrofit London Action Plan highlighted the costs involved in delivering retrofit across all of London, there are two scenarios that were modelled as part of this work:</p> <ul style="list-style-type: none">• Scenario 1: c.56% carbon reduction and near average EPC B: Total cost (labour & materials) of £49bn (average cost of £13,000 per residential property affected).• Scenario 2: Net Zero and average EPC B: Total cost (labour & materials) of £98bn (average cost of £26,000 per residential property affected). <p>Brent's portion of this potential £98bn to retrofit at EPC B is estimated in the hundreds and hundreds of millions; and will require a significant injection of public and private funding.</p> <p>Working with London Councils we continue to press the government at each fiscal event for the need for additional funding which in turn</p>	
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			<p>could nationally support 200,000 jobs linked to insulating and retrofitting.</p> <p>In Brent we also have put in place dedicated officer support for the task of identifying and bidding for funding to support our climate action programme.</p> <p>To that end, we continue to explore every available source of funding that would support our mission for carbon neutrality.</p> <p>I am very pleased that at time of writing, following this approach we have already been awarded £8.2m in grant funding for a variety of projects, with the council match-funding a further £14.6m if further additional applications are successful.</p> <p>We will keep the committee updated on this work over the coming municipal year as requested.</p>	
<p>25 Apr 2023 – In Year Monitoring Update: Financial Forecast Q3 2022/23</p>	<p>Continue to lobby central government for the long-awaited local government finance reforms.</p>	<p>Cllr Mili Patel - Deputy Leader and Cabinet Member for Finance, Resources & Reform</p> <p>Minesh Patel – Corporate Director, Finance & Resources</p>	<p>As part of my advocacy role in London Councils, on behalf of Brent Council I work closely with other finance Lead Members to build London-wide consensus on policy and strategy.</p> <p>Through London Councils, we work as a collective voice for all of the capital, while we attempt to extrapolate the best deal for London from our government.</p> <p>One of these priorities is Local Government Finance – and the associated lobbying work takes place at strategically important times, for example in the run up to fiscal events.</p>	<p>N/A</p>

			<p>I have attached the most recent set of priorities that London Councils submitted to the Chancellor, lobbying on behalf of Brent Council.</p> <p> London Councils - Spring Budget 2023</p> <p>Additionally, the Leader of the Council wrote directly to the Minister for London, highlighting the unique set of pressures on Brent Council. The Minister for London has since resigned.</p> <p>When the opportunity occurs later this year I will work with my counterparts to ensure that we (again) make clear that reform of Local Government Finance, is severely overdue.</p>	
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Recorded suggestions for improvement from RPRSC to Council departments/partners

Meeting date and agenda item	Suggestions for improvement	Council Department/External Partner	Response / Status
22 Feb 2023 – Multi Agency Flood Planning	Thames Water and Brent Council to work together on a (Thames Water funded) pilot scheme of collaborative gully cleaning alongside a reactive leaf clearing programme that would readily respond at peak periods of heavy foliage debris during the Autumn.	Michael Benke, Thames Water	<p>We are keen to develop and deliver a trial where we clean our sewers in parallel to a local authority cleaning their gully pots to determine whether this leads to an improved service to our customers.</p> <p>We have been approached by a number of highway authorities to take part in the trial so we will co-ordinate with the London Technical Advisers Group (LoTAG), which represents all borough highway teams, on where the trials will take place.</p> <p>We are currently looking at where we have suitable sewers and sufficient sewer depth monitors to be able to measure any benefits from the trial. Once we have</p>

			identified these opportunity areas, we will work with LoTAG to agree the pilot area/s.
25 Apr 2023 – Climate & Ecological Strategy Update: 2022-2024 Delivery Plan & Green Neighbourhoods	Introduce a 'climate implications' section into all cabinet reports to ensure that all key decisions are aligned with our net zero targets.	Kim Wright – Chief Executive	The Cabinet report template is in the process of being updated to include a section related to climate change: 'Climate change and environmental implications'. This is still subject to formal agreement with the intention of implementation from September.
	Develop an accountability framework (such as a dashboard) for the Climate & Ecological Emergency Strategy 2021-2030 that is accessible on the Council's website to demonstrate to residents how Brent is performing on its climate ambitions for 2030. This framework should also benchmark our activities/efforts with other local authorities for context.	Chris Whyte – Director of Environment & Leisure, Resident Services	<p>We are in the process of developing a data dashboard to enable us to demonstrate performance on some of the key indicators for climate action.</p> <p>We are also feeding into the data benchmarking work for West London, being led by the London Borough of Hounslow, will be seeking to influence the pan-London climate work being led by London Councils to include benchmarking for London boroughs as a whole.</p> <p>We aim to provide an update on both our new data dashboard and our efforts to promote West London and London-wide benchmarking in our climate emergency strategy update which is scheduled to be provided to the Scrutiny Committee this coming winter.</p> <p>The committee should note that Brent's ambitions are to do all in our gift to achieve carbon neutrality in the borough by 2030, in line with the London Councils and Mayor of London target.</p>
	Explore opportunities to use strategic CIL (SCIL) monies to fund additional infrastructure projects that are directly aligned with our climate commitments (set out in the Climate & Ecological Emergency Strategy 2021-2030).	Alice Lester – Director of Regeneration, Growth, & Employment, Communities & Regeneration	A Feasibility Study is currently underway looking at Green Corridors as part of the council's Church End and Roundwood Green Neighbourhood Action Plan which is expected to be completed in Q3/Q4. Following the receipt of this, officers will meet to understand what elements could be SCIL eligible. There is certain legal criteria attached to how SCIL can be spent; it needs to relate to infrastructure to support the growth and development of an area. This will also be looked at in conjunction with the Active Travel Plans to ensure they can work in tandem where possible.

	Engage with Brent Friends of the Earth and other relevant community partners to support and improve the delivery of the Council's Climate Action agenda.	Chris Whyte – Director of Environment & Leisure, Resident Services	We have met with Brent Friends of the Earth and several their members actively take part in the current Community Climate Action groups which are operating in the council's Green Neighbourhood areas. We continue to actively engage with key stakeholders across different sectors of Brent's communities as part of the overarching delivery of Brent's 2022-24 Delivery Plan and Green Neighbourhoods Action Plans.
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Information requests from RPRSC to Council departments/partners


Meeting date and agenda item	Information requests	Council Department/External Partner	Responses / Status
15 Dec 2022 – Redefining Local Services: Update on the Integrated Street Cleansing, Waste Collections and Winter Maintenance Services Contract Procurement Programme	Provide information to local councillors on the new zone classifications outlined in the report once these have been finalised by March 2023.	Chris Whyte – Director of Environment & Leisure, Resident Services	<p>Work is still ongoing on finalising the streets in the new zone classifications. We expect to be able to share this information with councillors before the end of April 2023. This will therefore be provided two months ahead of the new street cleansing service going live on 1 July 2023.</p> <p>Updated response received on 11/07/23:</p> <p>The new intelligence-led street cleansing regime went live as planned on 3 July, supported by new operational arrangements which are being managed and monitored jointly by Veolia and our Neighbourhood Management team on a daily basis as the new service beds in, and as part of the regular weekly Contract Management Board going forward.</p> <p>These new operational arrangements are based on prescribed land use categories matched with an historical understanding of operational need. These operational arrangements will be reviewed on an ongoing basis and will be open to revision when it's clear that might be needed to sort a sustained problem at any location, and if the overall level of resource can accommodate that revision.</p> <p>Members can support this overall process by encouraging the public to report any cleanliness issues that might arise. That will help our overall awareness and help build the data underpinning our intelligence-led approach.</p>

			<p>Further information will be provided to the Scrutiny Committee in September when we will be able to provide a full update on how the new arrangements have been working. We would welcome Scrutiny providing strategic challenge, supporting development by reviewing performance over time and by validating the overall approach to 'intelligent cleansing'.</p>
	<p>Provide additional information on the small percentage of residents who will be impacted by the proposed changes to the eligibility criteria in the bulky waste free collection policy from April 2024.</p> <p><i>**this additional request was made at a later Committee meeting on 22 February 2023.</i></p>	<p>Chris Whyte – Director of Environment & Leisure, Resident Services</p>	<p>Response to be provided by 01/09/2023.</p>

<p>22 Feb 2023 – Multi Agency Flood Planning</p>	<p>With regards to recommendation 3 in the London Flood Review (LFR), provide further information on how many planning applications Thames Water had commented on/objected/challenged/made a recommendation for additional mitigation to avoid flooding over the last 5 years.</p>	<p>Michael Benke, Thames Water</p>	<p>We do challenge planning applications, especially where they fail to meet London Plan / Local Plan policy requirements, although we can only object where there is clear evidence of not meeting existing planning policy requirements.</p> <p>Planning applications reviewed in Brent over the last 5 years:</p> <ul style="list-style-type: none"> i. 214 sites reviewed ii. 321 planning applications relating to those 214 sites iii. Of those 321 planning applications, we received 213 applications direct from the Council, the other 108 we identified ourselves. iv. Of the 241 sites, 42 sites had planning conditions requested v. 63 specific conditions sought on those 42 sites vi. Of the 27 sites where we sought conditions and planning has been granted, 20 sites have had them attached but on 7 occasions the council chose to approve without our requested conditions. <p>Updated response received on 15/05/23:</p> <p>Thames Water is not a statutory consultee but is obliged, under our regulatory framework, not to stand in the way of development. Therefore, we will not object to or challenge planning applications on grounds of flood risk but will ask for conditions to be attached on those where a potential flood risk is identified.</p> <p>Over the last five years in Brent, Thames Water has:</p> <ul style="list-style-type: none"> - Examined 321 planning applications to see if additional mitigation to avoid flooding was needed. These covered 214 different sites. - Of these, 213 were passed to us for investigation by the Council while we identified 108 - In total, we requested 63 conditions across 42 applications - Of these 42 applications, 27 were given planning permission. In 20 cases, the conditions we requested were granted but in 7 cases permission was given without the conditions we requested.
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	<p>Provide a detailed breakdown on the amount the organisation has invested financially in the borough of Brent over the last 3, 5, and 10 years; and specifically, what these investments have been made for.</p>	<p>Alex Nickson, Thames Water</p>	<p>Because our water and wastewater networks cross local authority boundaries and the water treatment and sewage treatment works that serve a local authority may lie outside of its boundaries, it is difficult to apportion investment at the local authority level (investment in one local authority may benefit other local authorities in the same system).</p> <p>For example, Brent is served by Mogden Sewage Treatment Works, which serves 2.1 million people. In recent years, we have spent almost £100 million on the site to deal with London's growing population and reduce storm discharges. While this is technically money spent in Hounslow, customers in Brent will benefit.</p> <p>As a result, we are unable to answer this question in the detail requested. We will consider how we can better apportion our future investment so we can answer your question.</p> <p>We would note that over the last decade we have invested around £1bn a year across a water and waste networks. However, in our interim financial report published in November, we announced a record £808 million investment in the first six months of the last financial year. On top of this, our shareholders, who have not taken a dividend for that last six years, announced they were investing an extra £2 billion into the business which will be spent on our networks.</p> <p>In the coming years, we will also be spending £1.6bn on upgrading our sewage works and sewers, while a further £700mil will be spent upgrading Victorian mains.</p>
	<p>Provide timescales on Byron Park Recreation Scheme delivery.</p>	<p>Alex Nickson, Thames Water</p>	<p>LB Harrow proposes to utilise Byron Recreation Ground for flood storage as part of Wealdstone Brook Flood Alleviation Scheme. We continue to work with Harrow Council to progress this scheme into delivery. Harrow Council are getting close to having a final design for the scheme which once agreed will be open for public engagement.</p>
	<p>Provide action plan detailing the delivery of the recommendations identified in the London Flood Review report alongside a progress update.</p>	<p>Alex Nickson, Thames Water</p>	<p>The London Flood Review ('LFR') made 28 recommendations. We believe that three of these recommendations were for Thames Water to lead on and the remainder required the collaborative action of a number of partners, some involving Thames. We are currently supporting the London Surface Water Strategic Group ('LSWSG') to collate and analyse the recommendations from the LFR and other reviews to produce a master list of recommendations. It will then determine how to track their delivery. We anticipate that the LSWSG will want to publish a report detailing this in the summer.</p>

	Provide a timescale of when Thames Water could return to the Committee to share an update of their 2025-2030 business plan and the London Level Strategy.	Alex Nickson, Thames Water	<p>The water sector operates in five-year funding cycles. We have to submit a draft plan, known as a 'Price Review' to Ofwat, who then review our plan and then decide how much money we can raise from customers through their bills. The plan is due to be submitted to Ofwat on 02 October 2023 and Ofwat will make its decision on our plan in Dec 2024 (hence the term Price Review 2024, or 'PR24' for short).</p> <p>Given the protracted timescales of this process, it would seem logical that we present our plan based on our submission to Ofwat, so some date after 02 October. We request that you recognise that the actual content of a plan may change subject to Ofwat's final determination.</p>
22 Feb 2023 – Spaces for Community Use	Provide provisional dates of when the revised draft Property Strategy (inclusive of the section that explicitly deals with community use) and the Asset Review findings report will be ready for scrutiny consideration.	Tanveer Ghani, Operational Director of Property & Assets, Finance & Resources	<p>We are currently shortlisting suitable consultants with a view to a mini-tender competition for appointment as Brent's property strategy lead. Once appointment is confirmed, it will take about 6 – 9 months before any outputs such as the draft Property Strategy/Asset Review findings can be shared for scrutiny consideration (Dec 23/Jan 24 would be a realistic target date).</p> <p>Supplementary response received on 25/04/23:</p> <p>The Council is appointing external support for the collection of varied data and to provide additional expert advice that would not normally be available within our current resources. The Council remains the lead in constructing the Property Strategy/Asset review.</p>

	<p align="center">Resources and Public Realm Scrutiny Committee 19 July 2023</p>
	<p align="center">Report from the Corporate Director of Communities and Regeneration</p>
<p align="center">Resources and Public Realm Scrutiny Committee Work Programme 2023/24</p>	

Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	One Appendix A – 2023/24 Committee Work Programme (Draft)
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Jason Sigba, Strategy Lead – Scrutiny, Strategy and Partnerships Jason.Sigba@brent.gov.uk</p> <p>Tom Pickup, Policy Partnerships and Scrutiny Manager, Strategy and Partnerships Tom.Pickup@brent.gov.uk</p> <p>Janet Latinwo, Head of Strategy and Partnerships, Strategy and Partnerships Janet.Latinwo@brent.gov.uk</p>

1.0 Purpose of the Report

1.1 To present the Committee’s work programme for 2023/24.

2.0 Recommendation(s)

2.1 That the Committee’s work programme (set out in Appendix A) be agreed.

3.0 Detail

- 3.1 The work programme outlines the items which the Resources and Public Realm Scrutiny Committee will consider during the municipal year.
- 3.2 The programme is in line with the remit of the Committee which is set out in the Council Constitution (under the Terms of Reference for scrutiny committees¹):

Corporate policy, partnerships and resources; Budget; Customer services; Commercial services; Planning policy; Environmental policy; Public realm; Employment and skills; IT; Recycling; Regeneration; Transport and highways; Community safety; Property; Emergency planning and business continuity.

The Committee is also the Council's "crime and disorder committee" for the purposes of Section 19 of the Police & Justice Act 2006 and as such may review or scrutinise decisions made, or other action taken, in connection with the discharge of the crime and disorder functions by the responsible authorities (as defined by section 5 of the Crime and Disorder Act 1998) who make up the Safer Brent Partnership, in order to make reports or recommendations to Full Council.

- 3.3 To ensure that scrutiny is effective, committee members prioritised items for inclusion in its work programme at its annual work planning meeting. This process ensured that items selected aligned with:
- The strategic priorities set out in the Borough Plan 2023-27
 - Areas of local community concern
 - Significant issues affecting a significant number of residents/wards
 - Emerging policies, strategies, or key decisions where there is strong interest for scrutiny input.

Nonetheless, this method of prioritisation is in line with best practice².

- 3.4 The work programme of a scrutiny committee is intended to be a flexible, living document that can adapt and change according to the needs of a committee. The 2023/24 work programme will therefore be regularly reviewed throughout the municipal year by the Committee and updated accordingly where necessary.
- 3.5 The Committee will also lead a task group in Autumn 2023 scrutinising the Council's draft budget proposals for 2024/25. The findings of the Budget Task Group will be reported to the Resources and Public Realm Committee at its meeting on 24 January 2024.

¹ Brent Council Constitution Part 4.

<https://democracy.brent.gov.uk/documents/s132905/Part%204%20June%202023%20Terms%20of%20Reference%20.pdf>

² The Good Scrutiny Guide (Centre for Public Scrutiny).

<https://www.cfqs.org.uk/wp-content/uploads/CfPS-Good-Scrutiny-Guide-v4-WEB-SINGLE-PAGES.pdf>

4.0 Financial Implications

4.1 There are no financial implications arising from this report. However, budget and financial issues are addressed in the 'Financial Implications' section of any reports to the Committee, requested as part of its work programme.

5.0 Legal Implications

5.1 There are no legal implications arising from this report.

6.0 Equality Implications

6.1 There are no equality implications arising from this report.

7.0 Climate Implications

7.1 There are no climate implications arising from this report.

8.0 Human Resources/Property Implications

8.1 There are no human resources/property implications arising from this report.

9.0 Consultation with Ward Members and Stakeholders

9.1 Non-executive members were involved in developing the work programme as part of their membership of the Committee.

9.2 In developing its work programme, the Committee held sessions with stakeholders, cabinet members, corporate directors, and the Audit and Standards Advisory Committee to temperature check key priority areas, avoid work duplication, and most importantly confirm the work programme reflects matters of local community concern.

Report sign off:

Zahur Khan
Director of Communities and
Regeneration

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Appendix A

Resources and Public Realm Scrutiny Committee Work Plan 2023-2024 (DRAFT)

19 July 2023

Agenda Item	Cabinet Member/Non-Executive Member	Chief Executive/Corporate Director	External Organisations
Committee Work Programme 2023/24	Cllr Muhammed Butt, Leader of the Council	Kim Wright, Chief Executive Zahur Khan, Corporate Director – Communities and Regeneration	
Budget 2023/24 Update	Cllr Mili Patel, Deputy Leader and Cabinet Member for Finance, Resources and Reform	Minesh Patel, Corporate Director – Finance and Resources	
IT Shared Services and Cyber Security	Cllr Mili Patel, Deputy Leader and Cabinet Member for Finance, Resources and Reform	Minesh Patel, Corporate Director – Finance and Resources	

6 September 2023

Agenda Item	Cabinet Member/Non-Executive Member	Chief Executive/Corporate Director	External Organisations
Establishment of Budget Scrutiny Task Group	Cllr Rita Conneely, Chair of Resources and Public Realm Committee	Zahur Khan, Corporate Director – Communities and Regeneration	
Planning Enforcement	Cllr Shama Tatler, Cabinet Member for Regeneration, Planning, and Growth	Zahur Khan, Corporate Director – Communities and Regeneration	
Community Engagement Framework	Cllr Fleur Donnelly-Jackson, Cabinet Member for Customers, Communities, and Culture	Zahur Khan, Corporate Director – Communities and Regeneration	

7 November 2023

Agenda Item	Cabinet Member/Non-Executive Member	Chief Executive/Corporate Director	External Organisations
Safer Brent Partnership Annual Report 2022-23	Cllr Harbi Farah, Cabinet Member for Safer Communities and Public Protection	Zahur Khan, Corporate Director – Communities and Regeneration	
Complaints Annual Report 2022-23	Cllr Mili Patel, Deputy Leader and Cabinet Member for Finance, Resources and Reform	Debra Norman, Corporate Director – Governance	

24 January 2024

Agenda Item	Cabinet Member/Non-Executive Member	Chief Executive/Corporate Director	External Organisations
Budget Scrutiny Task Group Findings	Cllr Rita Conneely, Chair of Resources and Public Realm Committee	Zahur Khan, Corporate Director – Communities and Regeneration	
Draft Property Strategy/Asset Review Findings	Cllr Mili Patel, Deputy Leader and Cabinet Member for Finance, Resources and Reform	Minesh Patel, Corporate Director – Finance and Resources	

27 February 2024

Agenda Item	Cabinet Member/Non-Executive Member	Chief Executive/Corporate Director	External Organisations
Climate Action	Cllr Krupa Sheth, Cabinet Member for Environment, Infrastructure and Climate Action	Peter Gadsdon, Corporate Director – Resident Services	
Regeneration in Brent	Cllr Shama Tatler, Cabinet Member for Regeneration, Planning, and Growth	Zahur Khan, Corporate Director – Communities and Regeneration	

23 April 2024

Agenda Item	Cabinet Member/Non-Executive Member	Chief Executive/Corporate Director	External Organisations
Budget 2023/24 Update	Cllr Mili Patel, Deputy Leader and Cabinet Member for Finance, Resources and Reform	Minesh Patel, Corporate Director – Finance and Resources	
Contracts Mobilisation	Cllr Krupa Sheth, Cabinet Member for Environment, Infrastructure and Climate Action	Peter Gadsdon, Corporate Director – Resident Services	

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