



# Brent

## Cabinet

**Monday 15 July 2024 at 10.00 am**

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

Please note this will be held as a physical meeting which all Cabinet 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:

#### Lead Member Councillors:

#### Portfolio

M Butt (Chair)	Leader of the Council & Cabinet Member for Housing
M Patel (Vice-Chair)	Deputy Leader and Cabinet Member for Finance & Resources
Donnelly-Jackson	Cabinet Member for Resident Support & Culture
Farah	Cabinet Member for Public Safety & Partnerships
Grahl	Cabinet Member for Children, Young People & Schools
Nerva	Cabinet Member for Community Health & Wellbeing
Rubin	Cabinet Member for Employment, Innovation and Climate Action
Krupa Sheth	Cabinet Member for Environment & Enforcement
Tatler	Cabinet Member for Regeneration, Planning & Growth

**For further information contact:** James Kinsella, Governance Manager, Tel: 020 8937 2063; Email: james.kinsella@brent.gov.uk

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## **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 of trade union).

(b) The interests 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**

**2 Declarations of Interest**

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 Minutes of the Previous Meeting** 1 - 8

To approve the minutes of the previous meeting held on Monday 17 June 2024 as a correct record.

**4 Matters Arising (if any)**

To consider any matters arising from the minutes of the previous meeting.

**5 Petitions (if any)**

To consider any petitions for which notice has been received, in accordance with Standing Order 66.

Members are asked to note that no petitions are due to be presented at this meeting.

**6 Reference of item considered by Scrutiny Committees (if any)**

To consider any items referred by either the Community & Wellbeing or Resources & Public Realm Scrutiny Committees.

## Finance & Resources reports

**7 Financial Year End Outturn 2023-24** 9 - 26

This report sets out the outturn for income and expenditure versus the revenue budget and capital programme for 2023-24 and other key financial data.

**Ward Affected:**  
All Wards

**Lead Member:** Deputy Leader and Cabinet Member for Finance & Resources (Councillor Mili Patel)

**Contact Officer:** Rav Jassar, Deputy Director of Finance  
Tel: 020 8937 1487  
[Ravinder.Jassar@brent.gov.uk](mailto:Ravinder.Jassar@brent.gov.uk)

## 8 Medium Term Financial Outlook

27 - 60

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 2025-26 and 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.

**Ward Affected:**  
All Wards

**Lead Member:** Deputy Leader and Cabinet Member for Finance & Resources (Councillor Mili Patel)

**Contact Officer:** Rav Jassar, Deputy Director of Finance  
Tel: 020 8937 1487  
[Ravinder.Jassar@brent.gov.uk](mailto:Ravinder.Jassar@brent.gov.uk)

## 9 Quarter 1 Financial Forecast 2024/25

61 - 116

This report sets out the financial forecast for the General Fund revenue budget, the Housing Revenue Account, the Dedicated Schools Grant and the Capital Programme, as at Quarter 1 2024-25.

**Ward Affected:**  
All Wards

**Lead Member:** Deputy Leader and Cabinet Member for Finance & Resources (Councillor Mili Patel)

**Contact Officer:** Rav Jassar, Deputy Director of Finance  
Tel: 020 8937 1487  
[Ravinder.Jassar@brent.gov.uk](mailto:Ravinder.Jassar@brent.gov.uk)

## Neighbourhoods & Regeneration reports

### 10 Brent Post-16 Skills Strategy

117 - 138

This report sets out the main contents and concepts of the draft Brent Post-16 Skills Strategy, including supporting evidence from research of stakeholders, outlining the high-level visions and expected impact.

**Ward Affected:**  
All Wards

**Lead Member:** Cabinet Member for Employment Innovation & Climate Action (Councillor Jake Rubin)

**Contact Officer:** Ala Uddin, Head of

**11 Authority to award contracts for the provision of Parking and Traffic CCTV Enforcement Services 139 - 152**

This report seeks approval for the award of a four year contract with two possible one year extensions for the provision of Parking CCTV camera, equipment and software maintenance services (for both existing and new) and the supply of new cameras & associated software. The award of the contract will facilitate the continued enforcement of Parking and Moving Traffic Contraventions, including; banned turns, one-way systems, yellow box junctions, bus clearways & bus lanes, school keep clears, weight restrictions and pedestrian only zones (school streets).

In addition, this report sets out the proposal to continue to improve the parking and on road CCTV infrastructure in the Borough to enable the Council to deliver its objectives within its Long-Term Transport Strategy (LTTS).

**Ward Affected:** All Wards  
**Lead Member:** Cabinet Member for Environment & Enforcement (Councillor Krupa Sheth)  
**Contact Officer:** Sandor Fazekas, Head of Healthy Streets and Parking  
020 8937 5113  
[sandor.fazekas@brent.gov.uk](mailto:sandor.fazekas@brent.gov.uk)

**Partnerships, Housing & Resident Services reports**

**12 Community Grants Fund (NCIL) 2023-24 - Projects over £100,000 153 - 162**

This report seeks approval for projects recommended to receive a Community Grants Fund (NCIL) award over £100,000.00 in value which, in accordance with the constitution, require Cabinet approval.

**Ward Affected:** All Wards  
**Lead Member:** Cabinet Member for Public Safety & Partnerships (Councillor Harbi Farah)  
**Contact Officer:** Janet Latinwo, Head of Strategy and Partnership  
020 8937 4104  
[Janet.Latinwo@brent.gov.uk](mailto:Janet.Latinwo@brent.gov.uk)

**13 Uncollectable Debt Write-Offs 163 - 168**

The purpose of the report is to inform Cabinet of the debts written off between 1 October 2023 and 31 March 2024 that exceed £20,000.00 in relation to council tax, sundry debts, adult social care client contributions, and housing benefit overpayments.

**Ward Affected:**  
All Wards

**Lead Member:** Cabinet Member for Resident Support & Culture (Councillor Fleur Donnelly-Jackson)

**Contact Officer:** Peter Cosgrove, Head of Revenue and Debt  
020 8937 3453

[Peter.Cosgrove@brent.gov.uk](mailto:Peter.Cosgrove@brent.gov.uk)

## 14 Exclusion of Press and Public

The following items are not for publication as they relate to the category of exempt information set out below, as specified under Part 1, Schedule 12A of the Local Government Act 1972:

Agenda Item 11: Award of a Contract for the provision of Parking & Traffic CCTV Enforcement Services using a Framework Agreement - Appendix 1 (List of Tenderers).

This appendix has been classified as exempt under Paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

Agenda Item 13: Uncollectable Debt for Write Off – Appendix 1 (Individual Debt Write Off between 1 October 2023 to 31 March 2024)

This appendix has been classified as exempt under Paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

## 15 Any other urgent business

Notice of items to be raised under this heading must be given in writing to the Deputy Director Democratic Services or their representative before the meeting in accordance with Standing Order 60.

**Date of the next meeting: Monday 12 August 2024**



- 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](#)



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## LONDON BOROUGH OF BRENT

### MINUTES OF THE CABINET

Held in the Conference Hall, Brent Civic Centre on Monday 17 June 2024 at 10.00 am

PRESENT: Councillor M Butt (Chair), Councillor M Patel (Vice-Chair) and Councillors Farah, Grahl, Knight, Nerva and Rubin.

#### 1. **Apologies for Absence**

Apologies for absence were received from Councillor Donnelly-Jackson (Cabinet Member for Resident Support & Culture), Councillor Krupa Sheth (Cabinet Member for Environment & Enforcement) and Councillor Tatler (Cabinet Member for Regeneration, Planning & Growth).

#### 2. **Declarations of Interest**

The following personal interests were declared by members in relation to Agenda Item 9 (Tenant & Leaseholder Engagement Strategy):

- Councillor Grahl and Councillor Nerva – as leaseholders within the borough.
- Councillor Farah – as a member of his family was a tenant within the borough.

No other declarations of interest were made during the meeting.

#### 3. **Minutes of the Previous Meeting**

Cabinet **RESOLVED** that the minutes of the previous meeting held on Tuesday 28 May 2024, be approved as a correct record.

#### 4. **Matters Arising (if any)**

None.

#### 5. **Petitions (if any)**

No petitions were submitted for consideration at the meeting.

#### 6. **Reference of item considered by Scrutiny Committees (if any)**

There were no references from the Community & Wellbeing or Resources & Public Realm Scrutiny Committees submitted for consideration at the meeting.

#### 7. **Appointment of Cabinet Sub Committee**

Cabinet **RESOLVED** to confirm the following appointments to the Barham Park Trust Committee for the 2024-25 Municipal Year:

Councillors M.Butt (Chair), Mili Patel (Vice-Chair), Donnelly-Jackson, Farah and Krupa Sheth.

## 8. **Vale Farm Leisure Centre Procurement Options**

Councillor Nerva (Cabinet Member for Community Health & Wellbeing) introduced a report presenting the outcome of an options appraisal exercise undertaken in relation to the procurement of future leisure service provision and operation of Vale Farm Leisure Centre from September 2025 onwards.

In introducing the report, Councillor Nerva began by outlining the current operational arrangements for the three Leisure Centres managed by the Council which involved in-house delivery at Bridge Park Community Leisure Centre (CLC) and was due to form part of the wider planned redevelopment of the area, the management of Willesden Leisure Centre through a PFI contract running until 2031 and delivery of provision at Vale Farm Leisure Centre through a Tri-borough contract with Harrow and Ealing Councils operated by Sports and Leisure Management Ltd (Everyone Active).

Members were advised that neither the contract, PFI end date or timeline for the redevelopment of Bridge Park CLC currently aligned in terms of seeking a combined management arrangement so, following a decision to vary and extend the existing Tri-borough Leisure contract for Vale Farm Sports Centre to August 2025, a full options appraisal process had been undertaken to consider the different management options available for that specific Centre. This had included the potential for in-house provision, creation of a LATCO (Local Authority Trading Company), procurement by Brent alone and continuation of a Tri-borough procurement with Ealing and Harrow, details of which had been outlined in Appendix 3 of the report. It was noted the appraisal had identified a Tri-borough procurement as the favoured option in terms of not only affordability but also market testing and service offer.

In considering the outcome of the appraisal process, Members noted not only the financial benefits which had been delivered through the current Tri-borough approach in terms of wider economies of scale and market appeal beyond offering Vale Farm as a standalone management contract but also (from a non-financial perspective) in relation to the shared contract management and knowledge sharing arrangements across the three boroughs. The proposed arrangements would also be expected to deliver increased opportunities for career development for leisure staff, with London living wage compliance also a requirement, alongside the potential to explore the development of an employment charter. Members also noted the inclusion within the proposed specification for the new service of a requirement on the provider to respond to the diversity of resident needs in support of development of the Council's wider vision for active leisure as a means to improve health and address health inequalities. This included the aspiration to provide a more equitable and inclusive offer for all residents and all parts of the borough working in partnership with the Council, community and voluntary organisations, sports clubs, and other bodies. In concluding the introduction members were advised that whilst the Council's other two leisure facilities fell

outside of the scope of the current contract the ambition still remained to align the management of the three facilities in the future, with officers continuing to explore options that the Council may be able exercise alongside the potential to introduce a break clause in any new contractual arrangement in order to facilitate such an alignment.

Whilst supportive of the approach outlined, recognising the extensive nature of the options appraisal process undertaken, Cabinet advised they remained keen, whilst noting the challenges identified, to explore the potential to align management of all three Leisure Centres including the option for in-house provision. In the meantime, however, members welcomed the benefits identified through the proposed tri-borough procurement option given the ability to continue supporting the delivery of more holistic leisure provision as part of the wider Health & Wellbeing Strategy across the borough.

Cabinet thanked all those involved in the option appraisal process and development of the proposals outlined in the report and, having noted the information contained within the exempt appendices included as part of the report, **RESOLVED:**

- (1) Note that the Council's current Tri-borough contract in respect of Vale Farm Leisure Centre with Sport & Leisure Management Limited (SLM) ended in August 2025.
- (2) Approve the undertaking of a Tri-borough procurement with the London Boroughs of Ealing and Harrow to deliver leisure service provision at Vale Farm Leisure Centre, such procurement to be led by the London Borough of Harrow.
- (3) Approve the use of the London Borough of Harrow's Contract Standing Orders and Financial Regulations in the procurement of the contract referred to in (2) above.
- (4) Delegate authority to the Corporate Director, Community Health and Wellbeing in consultation with the Cabinet Member for Community Health and Wellbeing to approve steps in the procurement of the contract referred to in (2) above as are necessary and consistent with the content of this report.
- (5) Note that following the procurement of the Contract referred to in (2) above officers will report back to Cabinet to seek approval to award the Contract.

## 9. **Tenant and Leaseholder Engagement Strategy 2024-2028**

Councillor Knight (Cabinet Member for Housing) introduced a report presenting the Tenant & Leaseholder Engagement Strategy and supporting Building Safety Engagement Strategy both of which it was reported were required in order to fulfil the Council's obligation as a social housing landlord under the Regulator for Social Housing Consumer Standards & Building Safety Act 2022.

In presenting the report, Councillor Knight outlined the six promises contained within the Engagement Strategy which had been developed to set out how the Council would seek to listen to, and meaningfully engage with its tenants and leaseholders in order to assist in shaping the delivery of services and ensure those

living in social housing within Brent were protected and able to have their say as part of recognised good practice for social housing landlords. The promises contained within the Strategy (as detailed within Appendix 1 of the report) were all underpinned by a series of actions to support their delivery with members advised that these had been developed following an extensive process of engagement with a wide range of stakeholders, as detailed within section 6 of the report. This process had included a range of activities including roadshows, a tenant and leaseholder open day and engagement event with the Housing Ombudsman, with an analysis of the consultation outcomes included in Appendix 2 of the report and the new standards developed in response designed to provide greater emphasis on treating tenants with respect, acknowledging diversity, and adapting communication styles in order to be able to work more proactively with tenants to promote social, environmental, and economic wellbeing within their communities and neighbourhoods.

In addition, Cabinet noted the new requirements also outlined within the report on building owners to demonstrate their ability to identify and manage safety risks in high rise buildings. This included the need for landlords to establish an engagement strategy on how it was proposed to communicate with tenants and leaseholders in those buildings and identify their needs regarding building safety, with the resulting Building Safety Strategy detailed in Appendix 3 of the report.

In commending development of both strategies and wide ranging and extensive nature of the engagement and consultation undertaken to support the process, members were keen to recognise the importance and value in ensuring that meaningful engagement with the Council's social housing tenants and leaseholders continued. This was not only as a means of empowering them to influence the way services were provided but also, given the current housing crisis and pressures on social housing, as part of a more fundamental restructure of the way housing provision overall was being delivered.

In welcoming the commitments outlined within both strategies Cabinet **RESOLVED** to:

- (1) Approve the Tenant and Leaseholder Engagement Strategy, as presented in Appendix 1 of the report.
- (2) Note the feedback from formal consultation on the engagement strategy and how that feedback would be used, as detailed in Appendix 2 of the report.
- (3) Approve the Building Safety Engagement Strategy, as detailed in Appendix 3 of the report.

#### 10. **Private Sector Housing Strategy 2024-2029**

Councillor Knight (Cabinet Member for Housing) introduced a report providing an update on development of the new Private Sector Housing Strategy (as detailed within Appendix 1 of the report) including a summary of the responses to the consultation undertaken as part of its development.

In introducing the report, Councillor Knight began by outlining the Council's commitment to ensuring that everyone in the borough had a safe, good quality and

stable place in which to live, including those within the Private Rented Sector which it was noted currently accounted for 46% of all housing stock (approximately 58,000 properties) within the borough. Given the size of the sector, the role it played in supporting the delivery of good quality and secure housing was therefore regarded as key in terms of not only the impact on individual health and wellbeing, quality of life and life opportunities but also in supporting the wider approach in seeking to prevent and address the ongoing pressures around homelessness, tackle poverty and mitigate against climate change. Recognising these issues, members were advised that the Strategy had been designed to focus on three core commitments (as detailed within section 5 of the report) which sought to not only address poor property conditions and instability within the private rented sector but also support private rented sector tenants in understanding their rights and gaining access to relevant advice and guidance backed up with a strong inspection and enforcement regime through the landlord licensing scheme.

Members were advised that development of the strategy had been based on an extensive public consultation process which had included a wide variety of stakeholders including Crisis, Advice for Renters and the London Renters Union. The commitments within the Strategy included a number of detailed actions designed to support their delivery, the implementation of which would continue to be monitored through an action plan during the lifetime of the strategy.

In welcoming the Strategy, Cabinet thanked all those involved in its development, which it was felt represented an important commitment towards delivering the Council's vision for the private sector housing sector in Brent as a safe, stable and accessible housing option for residents. Support was also expressed for the approach adopted as part of the Strategy in seeking to disincentivise landlords in holding properties as empty and to bring empty properties back into use alongside introduction of the landlord licensing scheme as a means of maintaining high standards and property conditions across the sector. In expressing concern at what was felt to be the lack of government commitment towards the same approach, Cabinet ended (having recognised the challenging nature of the process) by commending the extensive nature of engagement undertaken on the Strategy, including the involvement of key stakeholders such as London Renters Union & Advise for Renters.

Having welcomed development of the Strategy Cabinet **RESOLVED** to:

- (1) Note the consultation response and subsequent changes to the drafted strategy.
- (2) Approve, having considered the update provided, the Private Sector Housing Strategy for sign-off and final publication.

## 11. **Travel Assistance Policy**

Councillor Grahl (Cabinet Member for Children, Young People & Schools) introduced a report, which provided an update on the development of the new Travel Assistance Policy and included details of the feedback received from the recent public consultation and stakeholder engagement exercise on the plan, prior to seeking approval for adoption and publication.

In introducing the report Cabinet noted that the Policy covered the provision of home to school travel assistance to support children and young people with Special Educational Needs and/or disabilities (SEND) and played an essential role in enabling their ongoing access to education. In recognising the value of independent and active travel and changes in the cohort of young people requiring assistance, members noted that the Policy had been developed around two key principles that underpinned the culture of providing travel assistance. The first of these had been focused around promoting independence, including supporting young people to travel independently and the second focussed around maintaining quality of life, with the Policy also designed to ensure access to education remained fair and equal for children and young people with SEND as well as continuing to support opportunities for Post 16 skills development for young people with SEND.

Members were advised that development of the strategy had also been based on a comprehensive public consultation process which had included a wide variety of stakeholders with the process and outcome having been detailed in section 4 and Appendix 2 of the report.

In commending the approach outlined within the Policy, Members noted the feedback provided on the current service and were keen to support the efforts being made to encourage the use of more active forms of travel given the wider climate, environmental and health impacts as well as the focus on the options being developed to promote independent travel as a means of developing independence skills and self-confidence. Whilst recognising that these options may not be appropriate in all cases and welcoming the assurance provided in acknowledging this point, support was expressed for the proposed development of an Independent Travel Training Programme and work being undertaken with Transport for London on this, seeking to utilise all available sources of funding and as part of the wider package of support already available through the Local Offer for children and young people with SEND.

In supporting and welcoming development of the Policy as a means of seeking to further enhance the support available to children and young people with SEND Cabinet **RESOLVED** to:

- (1) Approve the minor amendments to the Policy, as detailed within section 3.4 of the report which had been designed to strengthen the Plan following consultation feedback.
- (2) Note the feedback received and suggestions made by the public and various stakeholders as part of the recent public consultation and stakeholder engagement exercises on the draft plan, as set out in the Community Consultation Report attached at Appendix B to the report.
- (3) Approve adoption of the final version of the Active Travel Implementation Plan incorporating the amendments agreed under (1) above, as detailed within Appendix A of the report.

## 12. **Corporate Performance Update - Quarter 4 2023-24**

Councillor Rubin (Cabinet Member for Employment, Innovation & Climate Action) introduced a report, which provided Cabinet with an overview of corporate performance in the fourth quarter of 2023-24.

In presenting the report, Cabinet noted that the performance monitoring update provided a detailed assessment against the full suite of Key Performance Indicators developed to monitor delivery of the desired outcomes and corporate priorities within the new Borough Plan 2023-2027.

In recognising the efforts being made to ensure the continued delivery of services and work being undertaken jointly by Cabinet Members with their relevant Corporate Directors, in seeking to manage and mitigate against the financial challenges and strategic risks identified as part of the overall wider approach towards supporting local residents and in support of the priorities within the Borough Plan, Cabinet **RESOLVED**:

- (1) To note the Borough Plan 2023-24 performance reporting for Q4 as set out in section 3 and Appendix A of the report.
- (2) To note the current and future strategic risks associated with the information provided and agree the remedial actions on strategic risks identified as appropriate alongside the challenge on progress being provided with responsible officers as necessary.

**13. Exclusion of Press and Public**

There were no items that required the exclusion of the press or public.

**14. Any other urgent business**

There were no items of urgent business.

Prior to ending proceedings, Councillor Muhammed Butt (as Leader of the Council) took the opportunity to wish Councillor Knight and her family well as she commenced a period of maternity leave.

The meeting ended at 10.33 am

COUNCILLOR MUHAMMED BUTT  
Chair

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 <p><b>Brent</b></p>	<p><b>Cabinet</b> 15 July 2024</p>
	<p><b>Report from the Corporate Director of Finance and Resources</b></p>
	<p><b>Lead Member - Deputy Leader, Cabinet Member for Finance &amp; Resources (Councillor Mili Patel)</b></p>
<p><b>Financial Outturn 2023-24</b></p>	
<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	None
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Minesh Patel Corporate Director of Finance and Resources Email: <a href="mailto:Minesh.Patel@brent.gov.uk">Minesh.Patel@brent.gov.uk</a> Tel: 020 8937 4043

## 1.0 Executive Summary

- 1.1 This report sets out the outturn for income and expenditure versus the revenue budget and capital programme for 2023/24 and other key financial data. The Council's General Fund outturned at break even. The Housing Revenue Account (HRA) had an underspend of £2m and the Dedicated Schools Grant (DSG) broke even. In 2023/24 the Council's capital programme spent £213m which equates to 95% of the approved budget.
- 1.2 Whilst the General fund as a whole broke even, there was a service overspend of £11.2m in the Resident Services department, primarily as a result of extremely high levels of demand for homelessness services. Care, Health & Wellbeing overspent by £1.9m and the Children & Young People service overspent by £1.1m, while other General Fund services outturned with modest underspends. The use of earmarked reserves set aside to manage unexpected pressures of £13.5m has resulted in an overall breakeven position for the General Fund.
- 1.3 Given the seriousness of the financial position that had been forecast throughout the year, a number of spending controls were introduced in 2023 in order to reduce the in-year overspend. These controls are estimated to have saved c£4m overall and therefore have reduced the required use of reserves. However, as reserves can only be used once this reduces the scope to address such pressures in the future. Further details of the impact of spending controls are set out in the paragraphs below.

## Revenue Outturn

- 14 The table below analyses the various under and overspends at the end of the 2023/24 financial year across the service areas of the Council.

Table 1 – Revenue Outturn 2023/24

Service Area	Revised Budget	Actual Transactions	Over/(Under) Spend
	£m	£m	£m
Care, Health & Wellbeing	134.0	135.9	1.9
Children and Young People	72.5	73.6	1.1
Communities and Regeneration	7.9	7.7	(0.2)
Finance and Resources	13.1	13.0	(0.1)
Governance	14.6	14.2	(0.4)
Resident Services	84.8	96.0	11.2
Total Service Expenditure	326.9	340.4	13.5
Central Items / Transfer from reserves	(326.9)	(340.4)	(13.5)
<b>General Fund (GF) Budgets / Outturn</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
DSG Funded Activity	0.0	0.0	0.0
Housing Revenue Account (HRA)	0.0	(2.0)	(2.0)
<b>Total (GF, HRA, DSG)</b>	<b>0.0</b>	<b>(2.0)</b>	<b>(2.0)</b>

## Capital Outturn

- 15 For 2023/24 the Council spent £213m which equates to 95% of the approved capital programme budget, representing an underspend compared to budget by £11.2m as shown in Table 2 below.

Table 2 – Capital Expenditure

Capital Programme Item	Budget as at Feb 2024	Budget Changes since Feb 2024	Final Budget 2023/24	Outturn	Variance to Budget	Over / (Under) spend split	
						2023/24 Accelerated spend / (Slippage C/FWD)	(Underspend) / Overspend
	£m	£m	£m	£m	£m	£m	£m
Corporate Landlord	10.1	0.0	10.1	10.0	(0.1)	0.1	(0.2)
Housing, Care and Investment Board - GF	92.6	3.0	95.6	93.6	(2.1)	(2.1)	0.1
Housing, Care and Investment Board - HRA	49.9	(9.0)	40.9	42.8	1.9	1.8	0.1
PRS I4B	5.8	0.0	5.8	5.8	0.0	0.0	0.0
Public Realm	26.6	0.3	26.9	25.1	(1.8)	0.5	(2.3)
Regeneration	9.0	0.0	9.0	4.5	(4.5)	(4.1)	(0.4)
Schools	12.4	0.0	12.4	11.7	(0.7)	(0.4)	(0.3)
South Kilburn	13.6	9.0	22.6	18.9	(3.7)	(4.1)	0.4
St Raphael's	0.8	0.0	0.8	0.6	(0.2)	(0.2)	0.0
<b>Grand Total</b>	<b>220.8</b>	<b>3.3</b>	<b>224.1</b>	<b>213.0</b>	<b>(11.2)</b>	<b>(8.6)</b>	<b>(2.6)</b>

## 2.0 Recommendation

21 To note the overall financial position for 2023/24.

## 3.0 Cabinet Member Foreword

31 This report sets out the Financial Outturn for 2023/24. This report should be considered alongside the accompanying Q1 Forecast 2024/25 and Medium Term Financial Outlook reports respectively. Taken together these three papers give the most comprehensive picture of where we were financially, where we are today and where we might be heading.

32 These reports are the aggregate of thousands of hours of officer time, with careful input from service areas across the council; and are part of our longstanding commitment for transparency around our budget: joining our externally audited accounts, the budget scrutiny process, public consultation, and the ongoing work of the Members of the Audit & Standards Committee.

33 While our financial monitoring is robust and an area of pride to this council, the picture that these reports paint is much more sobering. If central government is the body entrusted to preserve the health and condition of the nation, it is local government that is left to deliver it. Since 2010, Brent Council has made at least £210m of cuts and the impact continues to be felt by everyone that lives and works in this borough. In the same period, our core funding from central government has decreased by 78%.

34 We have made it clear at each Council Tax setting budget meeting, this has meant that the funding burden for Brent Council has been derived principally from Council Tax, Business Rates and Fees and Charges. In other words – local Brent residents.

- 35 In this period, the number of council employees has also reduced by at least 50%, shifting more work onto fewer people. As a council, we have innovated, we have identified efficiencies and we've continued to generate more income than ever before. These measures alone are not enough in the long-term though, but for now they are enough to keep this council on borrowed time.
- 36 In this financial year (25/26) officers and members will be asked to identify a staggering £16m in cuts if this council is to continue standing still as we are today. There is no doubt, these cuts will be challenging for residents and for officers and members alike.
- 37 It is therefore unconscionable to consider that things could still get worse. If things remain the same, the best estimate for 27/28 is that we will need to find in the region of £30m in savings.
- 38 Without intervention, we will enter freefall, heading towards the ground, with no easy way to pull back. Plainly, this will mean the functions that this council will be able to perform will be changed irreversibly, allowing for only the most vital services to remain.
- 39 Sadly, we are not alone in this position. There were more section 114 notices in 2023 than in the 30 years before 2018, with a survey from the Local Government Association showing that almost one in five councils "think it is very or fairly likely they will need to issue a section 114 notice this year or next due to a lack of funding.
- 310 Local authorities like Brent have become the government's emergency provider of last resort, delivering more services than ever, patching over political paralysis; from adult social care reform to the housing crisis; it is local government left picking up the price.
- 311 Residents are rightly angry – as the compact between council and citizen creaks more with every year. Residents rightly expect that by paying into the system that they should see a positive dividend. It is far harder to explain to residents that they are paying not just for their bins; but for looked after children, for whom the council is morally and legally obliged to support.
- 312 Under the Homelessness Reduction Act, we are also compelled to support those at threat of losing their home. The common thread between the MTFs, our Q1 report and the Financial Outturn is the enormous pressure our Housing teams are under.
- 313 Over 150 families per week are presenting at the Civic Centre as homeless, and this report sets out a further £10m overspend on Temporary Accommodation. The housing crisis did not begin in the council – and until there is fundamental change; things will only get worse before they get better.
- 314 We have many housing schemes that remain shovel ready, but without an increase in subsidy, the borrowing required means the numbers simply don't stack up, even over the multiplier of decades. In the meantime, i4B and our New Council Homes Programme remain our only shot, but with over 30k households registered on the housing wait list, it will take a generation to put right.
- 315 We also continue to be subjected to macro-economic factors outside of our control. The challenges facing any incoming government will be stark – from a public sector in managed decline; to the ongoing conflicts in the Middle East and Ukraine, and the climate crisis which will continue to alter our way of life forever.
- 316 Compared to our European counterparts, councils in the UK have significantly fewer powers over local spending and taxation. It can perhaps be of little surprise that over the past 15 years the average British household has become £8,800 poorer than its equivalent in five comparable countries, according to research prepared by the Resolution Foundation. Sluggish growth and a "toxic combination" of poor productivity and a failure to narrow the divide between rich and poor has resulted in a widening prosperity gap with France, Germany, Australia, Canada and the Netherlands, leaving

us struggling to compete internationally.

3.17 Without a wholesale reset, our hands remain tied, and the status-quo will prevail. We should never forget, Council Tax is based on values that are now more than thirty years out of date, and the rate structure is so heavily regressive that Buckingham Palace pays less council tax than a 3-bed semi-detached home in Blackpool. That is the reality we exist within in.

3.18 At time of dispatch, we will not know who will form the next government. If we are to avoid more reports like the following, something has to give. Given the opportunity, Brent Council stands ready to rebuild and renew our public services. Until then, we will use our voice wherever we can to fight for the reform's we desperately need. For now, officers and members will continue working hand in hand to protect our residents – breathing life into the services we offer and the change we can make today.

3.19 The Borough Plan includes a specific priority to support residents affected by the cost-of-living crisis.

## 4.0 Revenue Detail

### 4.1. Care, Health and Wellbeing

#### Summary

Table 3 – Care, Health and Wellbeing Outturn 2023/24

Care, Health and Wellbeing	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Adult Social Care & Integrated Health Partnerships	110.4	112.3	1.9
Public Health	23.6	23.6	0.0
<b>Total</b>	<b>134.0</b>	<b>135.9</b>	<b>1.9</b>

4.1.1. The Care, Health and Wellbeing department overspent by £1.9m, as a result of pressures against the Adult Social Care budgets. In Quarter 3 the department was forecasting a break-even position.

#### Detailed Narrative

4.1.2. The £1.9m overspend against the Adult Social Care budgets have mainly arisen as a result of assumed income from health contributions of £1.5m for a number of clients, where the Q3 forecast had assumed income of £3m. However, following reviews in the last quarter of the year it transpired that several providers had been funded directly from health. Also, pressures arose against the Community Equipment budget of £0.4m where the supplier withdrew from the contract mid-year although a new provider was subsequently found, there have been some delays and cost pressures with the new contract in 2023/24.

4.1.3. Controls have already been put in place by the department to ensure that these pressures do not reoccur in 2024/25 including:

- Meetings have already taken place with Health to review the joint funded packages. The department are working to revert to the process of all packages paid for by the Council and recharged to Health. All new packages are already being funded in full by ASC, with Health re-charged for their element.
- The community equipment contract will be entering its second year, and therefore it is expected to become more established and stable. Monthly monitoring of the

contract will continue to monitor trends in spending.

- 4.1.4. There was an increase in the number of service users supported in 2023/24 overall however the largest percentage growth is in the number of people in supported living, a 16% increase in the year largely due to mental health placements i.e. a 12% increase and learning disabilities a 7% increase. Other increases in demand included Homecare (11%), Direct Payments (4%), Nursing (6%) and Residential Care (2%). Many individuals in need of support have multiple and complex health issues impacting their social care need and this has resulted in challenges and more expensive solutions being commissioned. This has led to average weekly costs per package increasing with Nursing care costs increasing by 8% to £1,126 per week and supported living costs increasing by 9% to £1,000 per week.
- 4.1.5. In October 2023, the department had spending controls in place, these included a recruitment freeze where appropriate (i.e. not for essential services) with approval required from the Corporate Director to recruit to a post and a review of all agency staff with contracts terminated where appropriate. This led to savings of £0.3m. An emphasis was put on converting agency to permanent staff with 13 successful conversions. In addition, a process was put in place where all placement costs were signed off by the Director of Adult Social Services (DASS).
- 4.1.6. The Public Health budget outturn is a breakeven position and includes a planned drawdown from earmarked reserves of £0.6m to fund a planned activity from the prior year such as the Brent Health Matters small community grants, family food fund and the active travel promotion.

### **Savings & Slippages**

- 4.1.7. In 2023/24, CHW savings target was £4.3m across a number of services within the department including homecare, reablement, staffing, learning disability and mental health placements which have all been delivered.

## **42 Children and Young People (General Fund)**

### **Summary**

Table 4 – Children and Young People Outturn 2023/24

<b>Children and Young People (GF)</b>	<b>Revised Budget</b>	<b>Outturn</b>	<b>Over/(Under) Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Central Management	1.1	1.1	0.0
Early Help	5.6	4.7	(0.9)
Safeguarding and Quality Assurance	2.0	2.1	0.1
Localities	24.0	24.5	0.5
Looked After Children and Permanency	7.8	7.8	0.0
Forward Planning, Performance & Partnerships	29.1	30.6	1.5
Inclusion	2.8	2.8	0.0
Setting and School Effectiveness	0.1	0.0	(0.1)
<b>Total</b>	<b>72.5</b>	<b>73.6</b>	<b>1.1</b>

- 4.2.1. The Children and Young People department's General Fund budget overspent by £1.1 m which is £0.8m more than the Q3 reported position of £0.3m. The increase is largely due to pressures against the Placements budgets in Forward Planning, Performance

and Partnerships (FPPP) as it had emerged that some elements of the care leavers semi-independent cost pressures had not been factored into the Q3 forecast. The Placements budget is also dependent on various income and internal recharge sources which were less than anticipated as at Q3. A lack of full, agreed cost sharing for children's care packages at an Integrated Care Board (ICB) level for CYP Placements and Children with Disabilities remain a high risk for the department, particularly in events where placement charges are disputed.

- 4.2.2. The pressure across the department has mainly arisen because of two cost drivers namely, the demand for placements for looked after children with complex needs and the use of agency staff to fill vacant social worker roles because of the challenge of recruiting and retaining social workers.
- 4.2.3. Pressures against the placement budgets are a combination of the impact of inflation and increased costs because Brent's looked after children often enter care late, with complex needs and require higher levels of support. This has also been evident in the care leavers cohort in semi-independent placements where a number of young people require high levels of additional support.
- 4.2.4. The department continues to face pressures due to the national challenge of recruitment and retention of social workers leading to a reliance on agency staff. A shortage of social workers and other case holding staff is also an acknowledged regional issue, which requires a coordinated regional approach over the medium term. CYP management continue to take steps to improve recruitment and retention of social workers including several recruitment drives, a weekly Establishment Board created to scrutinise all agency recruitment, and corresponding activity to achieve permanency through conversations with agency staff to convert to permanent roles and in 2023/24 there were 14 agency conversions to permanent staff.

#### **Detailed Narrative**

- 4.2.5. The FPPP service overspent by £1.5m which is an increase of £1.8m compared to the underspend position assumed at Q3 of £0.3m. The main reasons for the change from Q3 are as follows:
  - £1.2m relates to the pressures that emerged against the Semi-independent placement costs for Care Leavers where the forecast had been understated at Q3. Going forward actions will be undertaken to ensure that the forecasting is strengthened such as ensuring regular reconciliations and reviews take place and continued management oversight. There is also the risk of additional cost pressures being passed on to local authorities, due to the DfE introducing registration for all providers of supported accommodation from October 2023. £0.2m grant funding was provided in 2023/24 to support this reform however the full impact of the changes may materialise from 2024/25 onwards. The average weekly cost for care leavers in semi-independent accommodation in 2023/24 was £723, compared to £707 per week in 2022/23. For Looked After Children in semi-independent accommodation the average weekly cost was £1,161 per week in 23/24 compared to £817 per week in 2022/23. The significant increase in the LAC placements in semi-independent as well as inflationary increases, was due to additional support provided for a number of complex cases.
  - £0.3m shortfall against the income target estimated for Housing Benefit at Q3. Work is underway by the service to ensure that providers are informed that Housing Benefit monies will be collected at source from the fees paid for the 2023/24 financial year.

- £0.4m relates to a reduction in the forecast internal recharge income expected from the SEN team for the education costs of children in residential care.
  - (£0.1m) has offset the pressures and this is due to the increased income compared to the Q3 forecast expected from the Home Office for Care Leavers and Unaccompanied Asylum-Seeking Children (UASC) presenting to the borough. The overall funding was based on 92 agreed UASC and 123 care leavers for 2023/24 compared to 67 UASC and 107 care leavers in 2022/23, representing an overall 24% increase compared to 2022/23.
- 4.2.6. The Localities service overspent by £0.5m which is a reduction from the Q3 forecast position of £0.7m mainly due to an increase in the forecast income from health and a reduction in the forecast number of clients requiring a direct payment. The main pressure in the Localities service is due to the reliance of temporary agency social work staff to cover vacant positions in the social work teams (£0.3m) with £0.2m of the overall pressure arising at the Short Break Centre due to use of agency staff to provide 2:1 support where there have been complex cases and a shortfall against income from other local authorities. At the end of 2023/24, the demand led budgets i.e., Care at Home, Direct Payments, Residential and day services supporting Children with Disabilities (CWD) clients and families saw an increase of 28% when compared to 2022/23. Growth funding allocated was however sufficient to mitigate the pressure.
- 4.2.7. The Safeguarding and Quality Assurance service also overspent by £0.1m mainly due to the use of agency staff to cover sickness absences i.e., £64k and a shortfall in income expected from health of £32k.
- 4.2.8. The pressures in the service have been mitigated by underspends in the Early Help service of £0.9m as part of the council wide spending controls in place, the service maximised the use of grant funds to cover costs and held positions vacant where possible. The Setting and School Effectiveness service also underspent by c£0.1m which is mainly due to an underspend against the Brent Music Service due to in year vacancies and underspends in the supplies and services budgets.

### **Savings and Slippages**

- 4.2.9. The department had a £0.84m savings target to deliver. 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. These savings have all been delivered.

## **43. Communities and Regeneration**

### **Summary**

Table 5 – Communities and Regeneration Outturn 2023/24

<b>Communities and Regeneration</b>	<b>Revised Budget</b>	<b>Outturn</b>	<b>Over/(Under) Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Communities and Strategy	4.8	4.0	(0.8)
Regeneration	3.1	3.7	0.6
<b>Total</b>	<b>7.9</b>	<b>7.7</b>	<b>(0.2)</b>



- 4.3.1. Communities and Regeneration had a small underspend of £0.2m in 2023/24. This is a net result of an overspend of £0.6m in Regeneration offset by an underspend of £0.8m in Communities and Strategy.

**Detailed Narrative**

- 4.3.2. Communities and Regeneration has underspent by £0.2m, reflecting the impact of spending controls on the budget. One off additional income, pausing some spending in Communications whilst the new Communications strategy was developed and holding posts vacant in Communities generated an underspend of £0.8m. This underspend offset an overspend of £0.6m in Regeneration and Building Control. This overspend is due to income in Building Control not returning to the pre-pandemic levels that were budgeted for.

**Savings and Slippages**

- 4.3.3. Communities and Regeneration had six savings in 2023/24. One of these was delivered as planned (CR03), and the others were partially delivered, with other underspends used to ensure that the directorate stayed within its budget.

**44. Finance & Resources**

**Summary**

Table 6 – Finance and Resources Outturn 2023/24

<b>Finance &amp; Resources</b>	<b>Revised Budget</b>	<b>Outturn</b>	<b>Over/(Under) Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Finance	7.9	7.8	(0.1)
Audit and Investigations	1.3	1.3	0.0
Shared Technology Services*	0.0	0.0	0.0
Property & Assets	3.9	3.9	0.0
<b>Total</b>	<b>13.1</b>	<b>13.0</b>	<b>(0.1)</b>

\*Shared Technology Service show a net zero budget, however their gross expenditure budget is £17m. This expenditure is fully recharged across the three partner boroughs, therefore the income for these recharges net the expenditure to zero.

- 4.4.1. The Finance & Resources department underspent by £0.1m. This came from the Finance service, with the other services breaking even.

**Detailed Narrative**

- 4.4.2. Finance & Resources achieved an overall underspend of £0.1m. This matched the projected position at Quarter 3.
- 4.4.3. The £0.1m underspend in Finance is a result of the spending controls introduced by the Council in October 2023. This was achieved largely through the holding of vacant staffing positions.

**Savings & Slippages**

- 4.4.4. In 2023/24, the department achieved £1.1m worth of savings as planned through reductions in staffing, digital transformation, security service transformation, rationalising soft FM services and other departmental efficiencies.

## 45. Governance

### Summary

Table 7 – Governance Outturn 2023/24

<b>Governance</b>	<b>Revised Budget</b>	<b>Outturn</b>	<b>Over/(Under) Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Executive and Member Services	4.4	4.3	(0.1)
Human Resources	3.9	3.5	(0.4)
Legal Services	5.0	5.6	0.6
Procurement	1.3	0.8	(0.5)
<b>Total</b>	<b>14.6</b>	<b>14.2</b>	<b>(0.4)</b>

4.5.1. The Governance department has underspent by £0.4m, which is consistent with the position reported as part of the Quarter 3 Financial Forecast presented to Cabinet.

#### **Detailed Narrative**

4.5.2. This outturn position is a net result of the following variances:

- £0.6m overspend in Legal Services as a result of pressures on this service associated with staffing costs due to challenges in recruitment to posts exacerbated by the increased rates which are currently required to secure agency staff for some types of legal work due to competition across London, and higher than budgeted professional fees paid to barristers for advice and representation
- (£0.5m) underspend in Procurement due to staffing vacancies and spending controls, as well as general efficiencies
- (£0.4m) underspend in Human Resources attributable to a recruitment lag on apprenticeship and graduate schemes, as well as an early achievement of 2024/25 savings
- (£0.1m) saving in Executive and Membership due to a reduced number of councillors following the boundary review.

#### **Savings and Slippages**

4.5.3. A £0.35m saving was planned to be delivered from the department's budget in 2023/24, predominately through internal restructures and service transformations. This saving has been delivered in full as planned.

## 46. Resident Services

### Summary

Table 8 – Resident Services Outturn 2023/24

Resident Services	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Resident Services Directorate	2.7	0.0	(2.7)
Customer Access	17.5	17.3	(0.2)
Environment & Leisure	46.1	46.2	0.1
Transformation	14.6	15.3	0.7
Housing GF	4.0	17.3	13.3
<b>Total</b>	<b>84.8</b>	<b>96.0</b>	<b>11.2</b>

4.6.1. The Resident Services department is reporting a net overspend of £11.2m for 2023/24.

#### Detailed Narrative

##### Resident Services Directorate

4.6.2. The directorate budget contained funding for the 2023/24 pay award for the department that was held to reduce the impact of overspends in other service areas.

##### Customer Access

4.6.3. Customer Access are showing a small underspend of £0.2m, which in part is due to additional income generated by the Registration and Nationality service.

4.6.4. Customer Access also continued to support residents through the cost-of-living crisis. The Council allocated £3m from reserves to the Resident Support Fund to support residents experiencing financial difficulty. The Government continued to fund the Household Support Fund and the Council has been granted £5.6m which was used 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. In addition, £2m of the Household Support Fund has been made available for the Resident Support Fund for reactive support through applications.

##### Environment and Leisure

4.6.5. Environment and Leisure are reporting a net overspend of £0.1m, which is predominately a result of the following variances:

- £0.4m staffing related pressures resulting in additional costs over budget
- £0.4m additional costs due settling historic energy bills
- £0.3m pressure on the leisure centres budgets associated with under-recovery of income
- (£0.8m) higher than budgeted parking income that allowed funding for related activities permitted under the Road Traffic Regulation Act 1984 due to the ring-fence nature of this income.
- (£0.2m) cost reductions achieved as a result of expenditure controls put in place during the year

## Transformation

- 4.6.6. Within the Transformation service there was a £0.7m overspend which is largely attributable to an increase in a cost of service delivery. The increase in users alongside an increase in costs relating to inflation resulting in third party suppliers increasing prices for system licenses and other items. In addition, there were increases in usage of services such as print and cloud storage.

## Housing GF

- 4.6.7. Housing report a total net overspend of £13.3m, which is consistent with reported forecasts during the year and is primarily due to extreme pressures on the Housing Needs service. An extremely high level of demand for homelessness services and emergency temporary accommodation is a national issue, but it is particularly acute in London. The Housing Needs Service in Brent has seen a 12% increase in homelessness approaches in 2023/24 (7,300) compared to 2022/23 (6,529). As at the end of March 2024, the total number of homeless households living in emergency B&B and Annexe accommodation has risen from 580 in June 2023 to 751, broken down between 485 families and 266 single people.
- 4.6.8. Furthermore, whilst the demand for housing is continuing to increase, the supply is reducing across the whole market. The supply of settled TA properties has decreased significantly due to fewer new properties being procured under Private Sector Leasing (PSL) schemes and owners not renewing the lease for existing stock when the lease ends. Greater reliance on the Private Rented Sector to house lower income households and increasingly limited housing benefits are making accommodation less affordable and available.
- 4.6.9. Homeless households placed in temporary accommodation who are entitled to it can claim housing benefit to go towards their housing costs. Local authorities pay the cost of that housing benefit upfront and then are paid back by the Department for Work and Pensions (DWP) through subsidy arrangements. Households receive the full housing benefit they are entitled to, however the amount the council can claim back is limited to 90% of the Local Housing Allowance (LHA) rates from 2011. This means that if the cost of the housing benefit claim is higher than those rates, the local authority loses money.
- 4.6.10. The council suffered a £10.4m loss due to these Housing Benefit subsidy rules (up from £3.7m in 2022/23). The council is essentially bridging the gap between rent and the amount the council is allowed to recover in housing benefit subsidy from the Department of Works and Pensions. This means that if the weekly award of housing benefit for a placement in a bed and breakfast is higher than £170 on average per week, the council only receives £170, and the difference comes at a cost to the council. The average placement is in excess of £280 per week.
- 4.6.11. The Affordable Housing & Partnerships service has achieved a £0.4m underspend attributable to the expenditure controls put in place during the year. This has helped to offset pressures on the Housing PFI contract within the same service.

## **Savings and Slippages**

- 4.6.12. In 2023/24, the department had a £4m saving target, of which £2.45m has been achieved as planned. A £1.2m saving allocated against the Brent Transport Services and a £350k saving attributed to new accommodation experienced slippages against the original delivery timeline, however these were covered with a one-off use of reserves. Programmes of works are planned for 2024/25 to address these gaps.

## **47. Collection Fund**

- 4.7.1. The budgeted net collectible amount for Council Tax (after exemptions, discounts and

Council Tax support) was £194.7m in 2023/24. The actual net collectible amount as at 31 March 2024 was £193.3m, a decrease of £1.4m since April 2023. The decrease during the year was due to back dating of exemptions which should have applied to student accommodation in the 2022/23 financial year. After accounting adjustments for items such as impairment for doubtful debt, and write-offs, the cumulative Council Tax surplus on the Collection Fund decreased to £1.2m (£12.4m in 2022/23). This decrease is due to revising the methodology for the impairment for doubtful debt. The in-year collection rate was 92.2%, 2.1% lower than the amount achieved in the previous year, although collection will continue to be attempted in future years to meet the long term target of 97.5% contained within the Medium Term Financial Strategy.

- 4.7.2. The budgeted net collectible amounts for Business Rates (after exemptions, reliefs and discounts) was £125.5m. The actual net collectible amount as at 31 March 2024 increased to £129.3m, an increase of £3.8m since April 2023. This increase is due to revising the methodology for the impairment for doubtful debt. The Collection Fund had an in-year surplus of around £9.0m, of which £3.4m belongs to the GLA and £2.9m to central government. Brent's share will be transferred to the Collection Fund, which is used to smooth out any fluctuations in the Collection Fund balance between years. As at the 31 March 2024, the amount collected was 93.2%, this is higher than the amount collected in the same period last year, at 93.0%, however, this is 0.8% below the in-year target of 94%. This underperformance was driven by a small number of issues with businesses with relatively large liabilities that only became apparent later in the year.

## 5.0 Dedicated Schools Grant (DSG)

### Summary

Table 9 – Dedicated Schools Grant Outturn 2023/24

<b>DSG Funding Blocks</b>	<b>Revised Budget</b>	<b>Outturn</b>	<b>Over/(Under) Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Schools Block	119.5	118.8	(0.7)
High Needs Block	74.8	76.2	1.4
Early Years Block	24.4	23.4	(1.0)
Central Block	2.1	1.8	(0.3)
<b>Total</b>	<b>220.8</b>	<b>220.2</b>	<b>(0.6)</b>

- 5.1.1. At the end of 2023/24, the overall DSG deficit has reduced from the brought forward balance of £13.8m to £13.2m following a net in-year surplus of £0.572m. The in-year surplus was mainly driven by surpluses against the Schools Block (£0.643m), Early Years Block (£1m) and the Central Schools Services Block (£0.278m). These surpluses were offset by a pressure against the High Needs Block which saw a deficit of £1.4m.

### Detailed Narrative

- 5.1.2. The Schools Block surplus was due to an underspend against the pupil growth budget which was top sliced from schools' funding allocations to account for in year pupil growth in primary and secondary schools. Increase in pupil numbers were less than the initial projections that the budgets were based on.
- 5.1.3. The under-spend against the EY Block is mainly driven from the £1.4m additional funding that was provided by the DfE in September 2023, to account for rate increases for the 2, 3 & 4 year old childcare provisions in Brent with the balance of the surplus

attributable to lower take up of childcare provisions in the financial year, compare to the funding received. The EY Block funding is based on headcounts at January census points. Therefore, there is a risk that the DfE may claw back some of the funding received in 2023/24 following confirmation of the final January 2024 census and a final in-year adjustment expected in July 2024. This surplus will be held in reserves to offset any potential clawbacks.

- 5.1.4. The CSSB underspend is mainly attributable to staff vacancies and less reliance on the use of external consultants.
- 5.1.5. The HN Block has reported an overspend of £1.4m compared to £0.8m reported in Q3. The main reason for the increase from Q3, being the top-up funding for post-16 provision. There was an increase in the number of children requiring Education, Health, and Care Plans (EHCPs) which was 3,576 as at March 2024 compared to 3,309 as at March 2023 an increase of 8.1%. This led to increases in the top-up funding for in-borough mainstream academies and special schools, placements in independent day special schools and alternative education for children awaiting placements as well as the post-16 provision.
- 5.1.6. The ring-fenced DSG funds local authority schools' budgets, and this is the main source of income for schools. In 2023/24, maintained school balances have decreased by £1.9m from £14.9m to £13m. This reduction in school balances is mainly attributable to inflationary pressures. Of the 56 maintained schools, 24 increased their balances and 32 decreased their balances. 7 schools closed in deficit at the end of 2023/24 and 4 schools that were previously in deficit recovered their deficit, however 4 new schools closed with deficit balances. The challenge remains that school budgets are under considerable pressure due to rising costs. In some cases, reduced funding levels have resulted from a reduction in the number of pupils on the school roll.
- 5.1.7. The cumulative deficit of £15.1m will be carried forward to 2024/25. A HN Block Deficit Recovery Management Plan is in place with longer-term actions to recover the deficit and a task group has been set up by the council to coordinate and monitor these actions. Some of these actions to reduce costs include managing demand through ceasing EHCPs where appropriate, developing Alternative Provision education in the borough, increasing the amount of special provision within the borough, particularly for secondary phase pupils and 16–25-year-old SEND students and various financial management actions. In 2023/24 the cost avoidance achieved as a result of these actions was £2.6m.
- 5.1.8. Brent is also a part of 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 Council received £1m grant funding allocated over two financial years i.e., 2023/24 and 2024/25 to deliver the actions in the Management Plan, as well as cost benefits identified as part of the programme. The four workstreams developed with the DBV funding are:
  - Intervention First workstream is to enable improved outcomes by meeting needs and improving outcomes earlier, avoiding the need for some children to have EHCPs.
  - SEND Assurance workstream focusses on the audit of EHCPs and accompanying records of plans for children aged under 7 that include support 26 hours and above and post-16 plans that include support of 19.5 hours and above to assess if this level of support is needed.
  - Workforce and inclusive environments workstream have been focusing on ensuring schools have the relevant training and workforce experience to support the wide range of needs of children and young people at SEN Support.
  - Commissioning workstream involves reviewing the High Needs Block

contribution to the Early Years Inclusion fund (EYIF) to ensure that the funding is used in an effective manner to contribute to cost avoidance against the HNB.

5.1.9. Progress against these workstreams is monitored on a quarterly basis by the DfE via quarterly submissions and follow up review meetings. 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. The financial impact of the DBV benefits will be monitored in 2024/25 when they are expected to materialise. A combination of these longer-term recovery actions and anticipated funding increases will reduce the deficit.

## **6.0 Housing Revenue Account (HRA)**

6.1.1. The budgets for the Housing Management function are contained within the ring-fenced Housing Revenue Account (HRA), which had a balanced budget set for 2023/24.

6.1.2. The HRA has achieved a £2m surplus for 2023/24, which has allowed the increase of the HRA operating reserve balance to £2.4m.

### **Detailed Narrative**

6.1.3. The outturn for 2023/24 is predominantly a result of the following variances:

- £1.9m overspend associated with an increased demand for responsive repairs and a backlog of works
- £0.4m pressure due to increased levels of disrepairs claims
- £0.4m higher service charges on new build blocks than planned budgets
- (£1.6m) adjustment on expected credit losses for arrears balances at year end
- (£1.2m) interest charge less than anticipated due to a combination of less than expected borrowing for new builds, a use of alternative funding sources and favourable interest rates received on balances
- (£0.8m) reduction in expenditure as a result of a review of support services and bringing a number of support functions under Housing Management Services
- (£0.7m) underspend on staffing costs in the Property Services as a result of vacancies and spending controls introduced by the Council during the year
- (£0.4m) additional rental income from new stock additions

## 7.0 Capital Programme

Table 10 - Capital Programme Outturn for 2023/24

Capital Programme Item	Budget as at Feb 2024	Budget Changes since Feb 2024	Final Budget 2023/24	Outturn	Variance to Budget	Over / (Under) spend split	
						2023/24 Accelerated spend / (Slippage C/FWD)	(Underspend) / Overspend
	£m	£m	£m	£m	£m	£m	£m
Corporate Landlord	10.1	0.0	10.1	10.0	(0.1)	0.1	(0.2)
HCIB - GF	92.6	3.0	95.6	93.6	(2.0)	(2.1)	0.1
HCIB - HRA	49.9	(9.0)	40.9	42.8	1.9	1.8	0.1
PRS I4B	5.8	0.0	5.8	5.8	0.0	0.0	0.0
Public Realm	26.6	0.3	26.9	25.1	(1.8)	0.5	(2.3)
Regeneration	9.0	0.0	9.0	4.5	(4.5)	(4.1)	(0.4)
Schools	12.4	0.0	12.4	11.7	(0.7)	(0.4)	(0.3)
South Kilburn	13.6	9.0	22.6	18.9	(3.7)	(4.1)	0.4
St Raphael's	0.8	0.0	0.8	0.6	(0.2)	(0.2)	0.0
<b>Grand Total</b>	<b>220.8</b>	<b>3.3</b>	<b>224.1</b>	<b>213.0</b>	<b>(11.2)</b>	<b>(8.6)</b>	<b>(2.6)</b>

- 71 The Council's corporate strategy drives an ambitious five-year capital investment programme totalling £1,011m which is financed from a combination of capital receipts, grants, contributions, reserves and external borrowing.
- 72 For 2023/24 the Council spent £213m which equates to 95% of the approved capital programme budget which is an improvement on the 82% spent in the previous financial year. Overall, the expenditure in 2023/24 represented an under spend of £11.2m compared to budget as shown in Table 10 above. Due to the project-based and multi-year nature of capital expenditure, underspends in a year may be due to scheme costs slipping into future years or being accelerated into current year with no overall impact on the cost of the scheme compared to overall scheme budget. £8.66m of the £11.2m reported underspend relates to schemes costs that have slipped into 2024/25.

### Corporate Landlord

- 73 Corporate Landlord recorded a minor overall underspend of £0.1m compared to the revised budget. Significant activities included an accelerated £0.9m expenditure on ICT due to early laptop replacements, countered by a £0.6m delay in IT Licenses renewals and a £0.2m delay in Civic Centre Development.

### Regeneration

- 74 The Regeneration programme reported spending that was £4.5m lower than anticipated. Key variances include a £2.1m CIL payment by the Council factored into the 2023/24 budget that was not required after the unconditional target date was achieved before the end of 2023/24 making Wates liable for the £2.1m CIL payment due in 2023/24. There was also £1.0m delay in budgeted payments to the contractor as the build contract was signed in 2024/25. Additional slippages involved £0.5m at the Wembley Medical Centre and £0.3m lower spending at Picture Palace as the budget included £0.3m which had already been accounted for in the preceding



financial year. The UK Shared Prosperity Fund also reported an underspend which will be carried over to future periods.

### **St Raphael's**

- 75 St Raphael's budget recorded an underspend of £0.2m against the current year's budget, with this expenditure now slipped to subsequent periods. This will start with the procurement exercise for the community hub which is now expected to commence this summer with start on site aimed for January 2025.

### **Housing – General Fund**

- 76 At outturn, the Housing General Fund (GF) reported an underspend of £2.0m. Several factors contributed to this variance: Demand led the Private Sector Homes Adaptations to exceed the budget by £1.1m, while the Empty Private Sector Homes Programme was £0.9m under budget, influenced by competition from the private market. The Learie Constantine development underspent by £1.0m due to a later than planned project completion. The Clock Cottages scheme, which is still under construction reports spending being over the budget by £0.3m, due to an acceleration in the programme. BICC Redevelopment concluded with £1.9m under the budget, correlating to delayed payments to contractors. The Nail Acquisition & Refurbishment reported £0.4m in deferred spending with anticipated future spend. The Edgware Road Project commenced earlier than planned, resulting in £1.1m in advance payments and is expected to see significant cost increases due to design changes.

### **Housing - Housing Revenue Account**

- 77 At year-end, the House Revenue Account (HRA) capital programme reported an overspend against the current year budget of £1.9m, largely due to spending at two developments. Claire Court saw an accelerated spend of £3.0m as the project advanced more swiftly than initially expected. In contrast, Windmill Court; the now-discontinued project, recorded a £0.5m overspend resulting from the Council's strategic decision to repurchase properties, thereby surpassing the revised budget. Additional HRA capital programme slippages were reported across Grand Union and RTB Acquisitions, with postponed expenditures amounting to £1.2m.

### **Schools**

- 78 Schools' capital programme expenditure in 2023/24 was £0.7m below the allocated budget for the year largely due to the delayed commencement of the London Road SEND school. Budget adjustments were also made during the year to incorporate staff capitalisation costs directly into project expenditure, affecting overall budget utilisation. Accelerated spending on Devolved Formula projects and the Schools Asset Management Plan slightly offset the underspend from delays.

### **South Kilburn**

- 79 The South Kilburn programme is a 15-year programme that aims to transform the South Kilburn area into a sustainable and vibrant neighbourhood. The South Kilburn projects underspent by £3.7m mostly from slipped expenditure to future periods. The slippage is mainly a result of the Council reviewing scheme delivery and re-profiling of schemes in light of recent interest rate rises, build costs inflation and recent changes building regulations. This is to ensure that the remainder of the programme is deliverable. The programme remains a key Council priority and the Council is currently exploring the most effective model of delivery including the appointment of a Single Delivery Partner.

### **Public Realm**

- 7.10 Public Realm spending ended the year £1.8m below the revised budget. Accelerated expenditures included £1.3m on the RLS waste vehicle project and £0.3m on

increased contractor works for highways management. Lower than anticipated spending on several large infrastructure projects and external grant-funded road patching due to works taking longer than anticipated contributed to slippages in the overall underspend.

### **Capital Financing**

7.11 The capital financing budget outturn for 2023/24 is £25.0m. There was an increase in costs due to several factors including a further review of the MRP policy which resulted in an increase in the charge in year. 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. £130.0m of new loans were drawn that includes £60.0m new long-term PWLB loans and £70.0m of temporary borrowing.

### **8.0 Stakeholder and ward member consultation and engagement**

8.1 There are no stakeholder and ward member consultation arising from this report.

### **9.0 Financial Considerations**

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

### **10.0 Legal Considerations**

10.1 There are no legal considerations arising out of this report.

### **11.0 Equality, Diversity and Inclusion (EDI) Considerations**

11.1 There are no EDI considerations arising out of this report.

### **12.0 Climate Change and Environmental Considerations**

12.1 There are no climate change or environmental considerations arising out of this report.


### **13.0 Communication Considerations**

13.1 There are no direct communication considerations arising out of this report.

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance & Resources

 <p><b>Brent</b></p>	<p><b>Cabinet</b> 15 July 2024</p>
	<p><b>Report from the Corporate Director of Finance &amp; Resources</b></p>
	<p><b>Lead Member- Deputy Leader, Cabinet Member for Finance &amp; Resources (Councillor Mili Patel)</b></p>
<p><b>Medium Term Financial Outlook</b></p>	
<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	One Appendix A: Productivity in Local Government
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	<p>Minesh Patel Corporate Director of Finance &amp; Resources Tel: 020 8937 4043 Email: <a href="mailto:Minesh.Patel@brent.gov.uk">Minesh.Patel@brent.gov.uk</a></p> <p>Rav Jassar Deputy Director of Finance Tel: 020 8937 1487 Email: <a href="mailto:Ravinder.Jassar@brent.gov.uk">Ravinder.Jassar@brent.gov.uk</a></p>

## 1.0 Executive Summary

- 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 2025/26, 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 MTFFS. 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 2025/26
  - Capital programme
  - Housing Revenue Account
  - Schools and the Dedicated Schools Grant

## **2.0 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 2025/26, as set out in section nine of this report.
- 2.3. Endorse the response to the Minister for Local Government on Brent's productivity plans, as set out in Appendix A.
- 2.4. Note and agree the proposed 2023/24 capital budget carry forwards and capital virements for 2024/25 as set out in section ten of this report.
- 2.5. Note the financial position with regards to the Housing Revenue Account, as set out in section eleven of this report.
- 2.6. Note the financial position with regards to Schools and the Dedicated Schools Grant, as set out in section twelve of this report.

### **3.0 Cabinet Member Foreword**

- 3.1. This report sets out the Medium Term Financial Outlook for the Council. This report should be considered alongside the accompanying Financial Outturn 2023/24 and Q1 Forecast 2024/25 reports respectively. Taken together these three papers give the most comprehensive picture of where we were financially, where we are today and where we might be heading.
- 3.2. These reports are the aggregate of thousands of hours of officer time, with careful input from service areas across the council; and are part of our longstanding commitment for transparency around our budget: joining our externally audited accounts, the budget scrutiny process, public consultation, and the ongoing work of the Members of the Audit & Standards Committee.
- 3.3. While our financial monitoring is robust and an area of pride to this council, the picture that these reports paint is much more sobering. If central government is the body entrusted to preserve the health and condition of the nation, it is local government that is left to deliver it. Since 2010, Brent Council has made at least £210m of cuts and the impact continues to be felt by everyone that lives and works in this borough. In the same period, our core funding from central government has decreased by 78%.
- 3.4. We have made it clear at each Council Tax setting budget meeting, this has meant that the funding burden for Brent Council has been derived principally from Council Tax, Business Rates and Fees and Charges. In other words – local Brent residents.
- 3.5. In this period, the number of council employees has also reduced by at least 50%, shifting more work onto fewer people. As a council, we have innovated, we have identified efficiencies and we've continued to generate more income than ever before. These measures alone are not enough in the long-term though, but for now they are enough to keep this council on borrowed time.
- 3.6. In this financial year (25/26) officers and members will be asked to identify a staggering £16m in cuts if this council is to continue standing still as we are today. There is no doubt, these cuts will be challenging for residents and for officers and members alike.
- 3.7. It is therefore unconscionable to consider that things could still get worse. If things remain the same, the best estimate for 27/28 is that we will need to find in the region of £30m in savings.
- 3.8. Without intervention, we will enter freefall, heading towards the ground, with no easy way to pull back. Plainly, this will mean the functions that this council will be able to perform will be changed irreversibly, allowing for only the most vital services to remain.
- 3.9. Sadly, we are not alone in this position. There were more section 114 notices in 2023 than in the 30 years before 2018, with a survey from the Local Government Association showing that almost one in five councils “think it is

very or fairly likely they will need to issue a section 114 notice this year or next due to a lack of funding.

- 3.10. Local authorities like Brent have become the government's emergency provider of last resort, delivering more services than ever, patching over political paralysis; from adult social care reform to the housing crisis; it is local government left picking up the price.
- 3.11. Residents are rightly angry – as the compact between council and citizen creaks more with every year. Residents rightly expect that by paying into the system that they should see a positive dividend. It is far harder to explain to residents that they are paying not just for their bins; but for looked after children, for whom the council is morally and legally obliged to support.
- 3.12. Under the Homelessness Reduction Act, we are also compelled to support those at threat of losing their home. The common thread between the MTFS, our Q1 report and the Financial Outturn is the enormous pressure our Housing teams are under.
- 3.13. Over 150 families per week are presenting at the Civic Centre as homeless, and this report sets out a further £10m overspend on Temporary Accommodation. The housing crisis did not begin in the council – and until there is fundamental change; things will only get worse before they get better.
- 3.14. We have many housing schemes that remain shovel ready, but without an increase in subsidy, the borrowing required means the numbers simply don't stack up, even over the multiplier of decades. In the meantime, i4B and our New Council Homes Programme remain our only shot, but with over 30k households registered on the housing wait list, it will take a generation to put right.
- 3.15. We also continue to be subjected to macro-economic factors outside of our control. The challenges facing any incoming government will be stark – from a public sector in managed decline; to the ongoing conflicts in the Middle East and Ukraine, and the climate crisis which will continue to alter our way of life forever.
- 3.16. Compared to our European counterparts, councils in the UK have significantly fewer powers over local spending and taxation. It can perhaps be of little surprise that over the past 15 years the average British household has become £8,800 poorer than its equivalent in five comparable countries, according to research prepared by the Resolution Foundation. Sluggish growth and a “toxic combination” of poor productivity and a failure to narrow the divide between rich and poor has resulted in a widening prosperity gap with France, Germany, Australia, Canada and the Netherlands, leaving us struggling to compete internationally.
- 3.17. Without a wholesale reset, our hands remain tied, and the status-quo will prevail. We should never forget, Council Tax is based on values that are now more than thirty years out of date, and the rate structure is so heavily

regressive that Buckingham Palace pays less council tax than a 3-bed semi-detached home in Blackpool. That is the reality we exist within in.

- 3.18. At time of dispatch, we will not know who will form the next government. If we are to avoid more reports like the following, something has to give. Given the opportunity, Brent Council stands ready to rebuild and renew our public services. Until then, we will use our voice wherever we can to fight for the reform's we desperately need. For now, officers and members will continue working hand in hand to protect our residents – breathing life into the services we offer and the change we can make today.
- 3.19. The Borough Plan includes a specific priority to support residents affected by the cost-of-living crisis.

#### **4.0 Macro-Economic Outlook**

- 4.1. The current and medium term economic environment, whilst improving slightly from the outlook in 2023, remains volatile. High inflation experienced since 2021, precipitated a cost-of-living crisis and led to a rapid increase in interest rates, the effects of which will continue to be felt for some time. Ongoing conflicts in Ukraine and the Middle East are also contributing to an uncertain economic environment, with forecasts showing little or no growth.
- 4.2. Currently, there is also political uncertainty. At the date of despatch of this report, the outcome of the General Election on 4 July is unknown, but this will be known at the time of the Cabinet meeting on 15 July.
- 4.3. Inflation as measured by the Consumer Prices Index (CPI) peaked at 11.1% in October 2022, the highest rate of increase in 41 years, before falling sharply during 2023. As of May 2024, CPI is 2.0%. This is the first time that inflation has been at or below the Bank of England's inflation target, which is a key driver of interest rates, since July 2021.
- 4.4. The Treasury publish a summary of independent economic forecasts. In the latest issue (May 2024), issued before the General Election, the average of new independent forecasts is for CPI inflation to be 2.3% in December 2024 and 2.1% in December 2025. This indicates that there is an expectation that inflation will remain lower and be less volatile than in recent years.
- 4.5. In response to the increase in inflation, the Bank of England increased the base interest rate sharply, reaching 5.25% in August 2023. At the meeting of the Bank's Monetary Policy Committee (MPC) on 20 June, the MPC voted to hold interest rates at 5.25%, due to the risk that some areas of inflation remain high. The Bank's forecast for the future path of interest rates is for a steady decrease to 4.5% in Q2 2025, 4% in Q2 2026 and 3.7% in Q2 2027. This means that the cost of borrowing is likely to remain several percentage points higher than it was before the inflation crisis.
- 4.6. The most recent major fiscal event was the Spring Budget on 6 March 2024. This set out that planned departmental resource spending beyond the current

Spending Review period will continue to grow at 1% a year on average in real terms and that the next spending review will take place after the General Election. It is important to stress that with the General Election ongoing, this is subject to change by the incoming government. However, analysis by the independent Institute for Fiscal Studies (IFS) has shown that with existing commitments to increase spending on Defence and the National Health Service (NHS), this is likely to lead to cuts to unprotected departments, including local government.

- 4.7. These factors create a challenging environment for the Council to plan its future resourcing requirements.

### **Local Government Finance**

- 4.8. The Local Government Finance Settlement 2024/25 was the sixth annual one-year settlement for local government and delivered a real terms cut in funding, as in previous years. The one-year settlement was anticipated due to the imminent General Election, which is now underway and the political uncertainty that entails. The 2023 Autumn Statement in particular confirmed that hard decisions on reducing public sector spending were put back until the 2025/26 budget round.
- 4.9. This is after the General Election and the task of making substantial reductions in public expenditure will therefore fall to the incoming government. According to IFS calculations, current OBR figures suggest real terms growth in public expenditure budgets of 0.9% over the period 2024/25 to 2028/29. Once the requirements for protected budgets are factored in, this suggests a 1.8% real terms cut in unprotected budgets over the same period. Local government may receive a larger or smaller share of the savings to be made, but there is therefore a real risk of a new round of austerity.
- 4.10. Whilst there was cross-party recognition of adult social care funding pressures in the recently dissolved parliament and in particular the adverse effect delayed discharges from hospital have on the NHS but most importantly, our residents, 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.
- 4.11. 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 General Election.

### **General Election**

- 4.12. In the week beginning 10 June 2024, most political parties published their manifestos ahead of the 4 July General Election. These documents set out the



policy programme that the parties would undertake to deliver in government. In accordance with the requirements of Section 2 of the Local Government Act 1986, this report is restricted to presenting only a brief summary of what is proposed and its relevance to local government and does not seek to discuss the merits of any particular policies.

- 4.13. In general, the manifestos did not feature many announcements of major direct significance on topics such as public spending, local government finance reform or social care. However, on public spending, many of the manifestos included commitments which are not dissimilar to the fiscal rules of the outgoing Government.
- 4.14. It is therefore a reasonable expectation that, regardless of the outcome of the General Election, public finances will continue along the same path seen before the General Election, with the resulting impact on local government as discussed above.

### **Productivity Plans**

- 4.15. On 16 April 2024, Chief Executives of local authorities were written to by the Minister for Local Government, requesting a productivity plan to be submitted by 19 July 2024. The response to this request is set out in Appendix A, which provides the national, London wide and Brent context with regards to funding reductions, new burdens and pressures on the local government system. It also sets out the barriers that Government can help to reduce to enable more sustainable financial and service delivery. The letter concludes by providing a link to the February 2024 Budget and Council Tax 2024/25 report and the Auditors Annual Report, as these are considered to be the most comprehensive information that could be provided in response to the themes the Government asked Brent to consider. The invitation was extended to the Minister to discuss this further.

### **Brent Factors**

- 4.16. 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. 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 continue to consider how it can assist residents and local businesses through these difficult economic times.
- 4.17. Homelessness is the most significant pressure facing Brent Council with rising demand for emergency temporary accommodation, which has been worsened by the cost-of-living crisis. In 2023/24, the Housing service overspent by £13.3m as a result of these pressures and at Q1 2024/25 the service has reported an overspend of £10m. 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. To date, the government have not indicated their intentions for this grant.

- 4.18. At a service level, there are considerable cost and demand pressures on children's social care in the Children & Young People department as a result of the complex needs of children in care/leaving care with the impact of higher costs per placement. Staffing costs are also high due to recruitment difficulties which require the use of temporary staff to sustain service delivery. The cost of transporting children with Education, Health and Care Plans continues to rise as numbers increase and 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 £15.1m. The statutory override is set to end in 2025/26.
- 4.19. The previous Government recognised that adult social care requires additional funding, which was forthcoming in the 2024/25 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 the 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. This is likely to present a substantial financial risk to the Council.
- 4.20. There are a number of significant unknowns that will impact on the budget from 2025/26, with the main one being the cessation of additional Adult Social Care funding of £6m that was announced in 2023/24 and 2024/25. These additional grants were welcome but how long they will remain is uncertain with the risk of a 'cliff-edge' in funding from 2025/26, which will need to be carefully tracked and mitigated for if government funding does reduce.
- 4.21. The 2024/25 Local Government Finance Settlement was particularly poor for Brent, with the increase in Government funding at 5% being the lowest of the London boroughs (excluding the City of London) and less than the September CPI rate of inflation of 6.7% used as the basis for uprating most grants. It would also be unrealistic to expect similar levels of increase in future years, particularly given the fall in inflation and the public sector funding cliff edge in 2025/26.
- 4.22. With a General Election currently ongoing, there is considerable uncertainty around funding for local government for 2025/26 and beyond. Alongside the potential for real terms cuts to funding, the new Government may take decisions on the redistribution of existing funding. At the time of the General Election being called, the previous Government had given no commitment to the continuation of the New Homes Bonus. In 2024/25 Brent received £2.9m, down from £7.9m in 2023/24, which was the largest amount in England in that year. This funding stream has rewarded Brent for the building of a high number of new homes in the borough. At the time of writing, the future of this funding

stream is uncertain and there is a possibility that it will cease in its entirety from 2025/26.

- 4.23. The financial strategy set out in this report sets out the overall direction for the use of the Council's limited resources over the next three years but also sets the foundations for the more immediate budget setting for 2025/26 and closing the budget gap. Work will take place over the next four months to identify opportunities to reduce costs in line with the approach set out above and these will be presented to Cabinet in the autumn to start the formal budget consultation process.
- 4.24. The lack of clarity around the future level of local government funding and uncertainty about the economic environment, particularly demand led and inflationary pressures, make it hard to be precise about future financial targets. The current working assumption is that c£16m of further savings will be required in 2025/26 to balance the budget in that year, driven primarily by the sustained pressured in homelessness and temporary accommodation. Longer term, it is estimated that the overall budget gap to 2027/28 is c£30m. Further details of the current estimated budget gap are set out Section 8 of this report.

### **Borough Plan**

- 4.25. The Borough Plan 2023-27 sets out the Council's vision for the current four year period. 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.
- 4.26. 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
- 4.27. 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.

### **Strategic Change Programme**

- 4.28. The Council began work on balancing the budget for 2025/26 and beyond before the 2024/25 budget was formally approved by Full Council. Due to the

significant size of the forecast budget gap the aim is not to only achieve savings through an apportionment approach by Directorate, but ensuring that the Council challenges itself to be more cost effective by working smarter and more efficiently, being ambitious and innovative.

- 4.29. In order to continue delivering financial sustainability, and maintain a focus on improving outcomes for residents across the borough, a change programme is being established. This programme, across eight workstreams, will pull cross-cutting levers from across the Council in order to form the building blocks of an effective organisation and drive financial sustainability.
- 4.30. From an outcomes perspective, the change programme will look to build capacity across the Borough, in order to support a prevention-led approach to supporting residents that forms strong strategic partnerships and develops community power.
- 4.31. The change programme will mobilise and begin delivery over 2024 and, running for two years, deliver outcomes that supports the financial sustainability of the Council, enables the delivery of Council & resident priorities, and delivers a workforce fit for the future.

### **Cost of Living Crisis**

- 4.32. 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.
- 4.33. 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.
- 4.34. 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 2024, RSF has supported 8,591 households with a total of £13.4m. 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 April 2023 and between April 2023 and April 2024 has supported 184 residents with crisis payments.
- **Council Tax Support (CTS):** 25,557 households are supported through CTS as at 31 May 2024, of which 17,065 are working age and 8,492 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 £33.2m in 2024/25. 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.
- A pilot to increase capacity for specialist debt advice has been tested in partnership with Advice for Renters and Brent Hubs. The pilot began in February 2023 and in its first 12 months was accessed by 271 residents seeking support in dealing with debt and related issues. Following successful evaluation of the pilot, a tender process for delivery of a debt advice service for residents is due to begin in June.
- In addition, a Cost-of-Living Practitioners Network, consisting of Brent and partner staff, has been developed and continues to meet regularly to share learning and improve access to existing and new offers of support.

#### 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. In the past year, there were over 6,000 individuals who accessed the Brent Hubs, and the Hubs have facilitated 2917 requests for assistance in obtaining food aid by referring individuals to foodbanks. Additionally, during that timeframe, the Hubs have aided 227 individuals in accessing fuel vouchers, with an average value of £49.
- 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. Between October 2021 and March 2024, the HSF grant has supported 35,837 households in Brent with £13.7m of support funding. HSF funding is currently continuing until 30 September 2024 and there are no details of further funding beyond this date.

### New Model of Support

- A pilot to increase capacity for specialist debt advice has been being tested in partnership with Advice for Renters and Brent Hubs, exploring the benefits of providing specialist debt advice to RSF applicants to help them to avoid going back into debt in the future. In the first year, 271 residents had accessed this service. A training programme to upskill front-line staff began in January 2023, aiming 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 expanded to include external partners to share learning and improve access to existing support.
- The Council, in partnership with Sufra NW London, has also been piloting 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, operating from Bridge Park Leisure Centre and gives members access to a host of support including weekly food shopping, hot meals, gym access and a wraparound support package. Between February 2023 and February 2024, 423 families were enrolled totalling 1514 beneficiaries. Members have carried out 3081 weekly food shops and recorded 536 attendances at workshops and drop-ins with partner organisations. 3,848 daytime and 7,460 evening meals have been served to both members and non-members.
- Evaluation of the pilots has evidenced positive outcomes and led to the development of a new model of resident support, designed to support residents to be more resilient in the longer term. The new model was agreed by Brent's Cabinet for the next three years and consists of an expanded 5-days-per-week Community Wellbeing Service, supporting up to 1000 members annually, and greater alignment and connectivity with wider Brent offers and initiatives.

## **Service Specific Pressures, Risks and Mitigations**

- 4.35. 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 social care. In addition to this uncertainty, there is also the potential for significant spending pressures from demand-led services, specifically in social care and homelessness, 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. Therefore, Brent is likely to require significant savings over the next few years to deliver a balanced budget.
- 4.36. Housing continues to be a significant area of risk for the Council . The demand for housing services is increasing and the number of homeless applications are rising. 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 private rented sector 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 is expected to continue causing financial pressures on the Council's budget.

## **Community, Health and Wellbeing**

- 4.37. Nationally, the Adult Social Care system continues to face increasing demand, significant staff shortages, and rising costs. Brent has seen increases in service users, rising from 3,819 service users in April 2020, to 4,493 as at May 2024 a 17.6% increase overall. There are several reasons for this such as an ageing population, more residents living with long-term conditions and a growing mental health need. An increasing number of service users are presenting with multiple and complex health issues impacting their social care need and resulting in more expensive packages of care needing to be commissioned. The council is also working closely with the care provider sector to manage challenges such as recruitment and retention and service quality.
- 4.38. The vision for Adult Social Care is to work with residents to live their best life, enabling people to live independently for as long as possible. In support of that, the council's commissioning priorities, as set out in the Market Sustainability Plan will continue to look for alternatives to residential and nursing care provision, either through commissioning supported living or extra care, or keeping people at home with a homecare package where possible. Costs will continue to be managed through commissioning approaches, working in partnership with other councils in the West London Alliance to set residential and nursing price bands and negotiate prices for care homes on an annual basis. Brent will also work with other West London boroughs, sharing information available to commissioning teams and brokers to help manage placement prices. In 2024/25, the Council will be introducing CareCubed, a

national care costing tool that supports open and transparent negotiation of cost of care placements which has driven out costs effectively in other councils. The initial focus will be on transitions and Mental Health/Learning Disability cases, working with children's and health colleagues on the most costly and complex cases to maximise the potential of any savings.

- 4.39. The Better Care Fund (BCF), a national programme aimed at developing health and social care integration is managed within this department. It is a pooled budget arrangement between health (North West London Integrated Care Board (ICB)) and the Council. The overall approved pooled budget for 2024/25 is £55.7m which is 8% more than the budgets for 2023/24. Planned spend will be monitored throughout the year and regular updates on progress will be provided via the Health and Wellbeing Board.
- 4.40. The ring-fenced Public Health grant for 24/25 increased by 1.3% with an additional uplift of £0.3m for recurrent pay pressures due to national NHS pay awards. NHS pay awards have consistently outstripped uplifts in the public health grant and are a significant potential cost pressure as public health commissioning is largely from the NHS. To date, these cost pressures have been successfully managed through local negotiation of contract uplifts below NHS inflation and the use of block contracts. Levels of need for a number of public health services, most notably sexual health services, are increasing as a result of demographic change and increased levels of infection.
- 4.41. Public Health England and now the Office for Health Improvement and Disparities (OHID) have made additional time limited funds available to local authorities through bidding or allocation rounds for specific purposes. The grant conditions on these additional funds are more prescriptive than for the main grant and such grants have allowed significant investment particularly in drug and alcohol services. In 2024/25 the Council will receive an additional £2.2m for non-recurrent grants namely Family Hubs and Start for Life (£1.22m), Supplementary Substance Misuse Treatment and Recovery Grant (£0.6m) and the Rough Sleepers Drug and Alcohol Treatment Grant (£0.4m). The addition investment via the local stop smoking services and support grant of £0.4m is expected to continue until 2028/29.
- 4.42. The Leisure Service is dependent on income generation, and this will need to be maximised in order to mitigate the rising costs from e.g., energy bills which over the years have increased the operational costs significantly. The challenges in the service have also been compounded by the impact of the 2020 pandemic and the cost-of-living crisis. The budgets will be closely monitored throughout the year and the council is working with leisure providers to ensure the continuity of an affordable service and over the course of the year will be reviewing the required investment to enable the leisure assets continue to be financially viable in the long term, such as the recent report presented to Cabinet on 17 June on the Vale Farm procurement options.



## Children and Young People

- 4.43. 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 £0.5m per annum. The highest residential placement cost at a point in 2023/24 was £23k per week. However, there have been some successful step downs from expensive residential placements to semi-independent placements with an average weekly rate of £900 or independent foster placements, with an average cost of £919 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 contribute to the management of costs and placement sufficiency.
- 4.44. To manage these pressures, a CYP Placements Commissioning Board has been put in place to oversee the development of two workstreams:
- 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).
  - 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 the Housing department to enable tenancy sustainment, ensuring care leavers claim Housing Benefit when entitled with the aim of reducing the impact on the placements' budget).
- 4.45. 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, in some teams, higher caseloads present a challenge to recruitment and retention. As at 31<sup>st</sup> March 2024 caseloads in the Localities and LAC and Permanency service were 2774, 10.9% above the budgeted level of 2,500 cases, although a 6% reduction compared to the same point in 2023. CYP management continued to review a number of incentives in 2023/24 which will improve the drive to recruit to positions on a permanent basis. There were 14 conversions from agency to permanent contracts during the 2023/24 reporting year, demonstrating progress in improving the overall position.
- 4.46. The continued growth of children and young people with an Education, Health and Care Plans will increase pressure on general fund Inclusion services such as staffing within the SEND 0-25 team and Educational Psychology. There will also be an impact on costs of Brent Transport Services that transferred to the

CYP directorate in April 2024. Increase in demand exacerbated by rising prices on taxi routes will put financial pressures on the budget. A number of options are being explored as part of a transformation programme to mitigate some of these pressures and achieve, wherever possible, the savings target for the service. This is supported by policy changes to Brent's Travel Assistance, which was approved by Cabinet in June 2024

### **Neighbourhoods and Regeneration**

- 4.47. The economic challenges have seen the scaling back or cancellation of some major developments. This has created issues for Neighbourhoods and Regeneration, as it is heavily dependent on commercial planning income and related items, such as building control. If the economy rebounds 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. The impact within Building Control is further exacerbated by changes meaning almost all major project work is assigned to Local Authorities by the BSR (Building Safety Regulator) which has taken away the department's ability to bid for further work. Cases are starting to arrive, but the numbers are small and it is challenging to accurately predict how many referrals will be received this year.
- 4.48. For Public Realm the new contractual arrangements for a number of key services such as parking and waste management, commenced in 2023/24. These continue to be closely monitored against the budget available as the contracts are still within their first 12 months of operation. Linked to this is the first year of the new recycle reprocessing contract, where fluctuations in material volumes, rejection rates, and market prices can combine to create pressures for the affordability of the contract. The material prices continue to be monitored, and it is anticipated recycling performance will increase as the contract becomes embedded to relieve pressures.

### **Law & Governance**

- 4.49. Law & Governance are experiencing some pressures within the Legal service. For some legal cases, particularly those in Adult & Children's Social Care, legal advice and representation from external barristers is required. The staffing and external costs create a pressure, and if the internal team lacks capacity more expensive external support has to be procured. There is a particular pressure around this due to the rising hourly rate for Barrister fees.
- 4.50. The service seeks to manage the demand for representation by expensive external barristers through recruitment of in-house advocates and upskilling of the current team.

### **Partnerships, Housing and Resident Services**

- 4.51. Housing remains the most significant area of risk and financial pressures for the Partnerships, Housing and Resident Services department. The Council continues to experience an extremely high level of demand for housing services

and emergency accommodation, which is expected to continue in the coming years. In Brent, there was a 12% increase in the number of homelessness presentations received in 2023/24 (7,300) when compared to 2022/23. The total number of households in temporary accommodation in Brent has increased by 8% over the same period, and the total number of families in emergency temporary accommodation has increased by 36%.

- 4.52. London Councils collect benchmarking information which showed that Housing related pressures are increasing rapidly in comparison to available budgets. Councils' net deficit on homelessness service spending was estimated to be £104.9m (54.2%) higher in 2023/24 than it was in the previous year. The total number of households in temporary accommodation across London has increased by 8.4% and a total number of families living in B&B accommodation rose by 70% compared to the previous year.
- 4.53. These issues are national, but are particularly acute in the capital, leading to the availability of B&B and Annexe accommodation being severely restricted across London. Many Councils resort to booking rooms in commercial hotels in order to meet their statutory duties. Due to a significant lack of availability of accommodation, Councils are forced to use expensive housing providers and at times outside of borough.
- 4.54. The supply of settled TA properties, leased from private owners and used to move families out of B&B and Annexe accommodation has also contracted. This is attributable to less new properties being procured under Private Sector Leasing schemes, as well as owners not renewing the lease for existing stock.
- 4.55. London Councils reveal that London's Private Rented Sector (PRS) is affected by multiple factors that are driving a reduction in the availability of rental properties. While the demand for housing is increasing, the supply is reducing across the whole market. Greater reliance on the PRS to house lower income households and increasingly limited housing benefits are leading to accommodation being less available and affordable. Supply side factors such as taxation, interest rate changes and uncertainties about future regulation are reducing availability at the lower end of the PRS.
- 4.56. Brent has designed a programme of works focusing on containing anticipated financial pressures. A number of workstreams covering affordability of Temporary Accommodation and new and alternative supply have been set up. Officers are actively looking to renegotiate prices and identify alternative arrangements to help move some of the most expensive placements with the aim of reducing cost pressures. Officers continue to carefully consider and assess the needs of homelessness applications. In 2023/24, 49% of approaches were successfully prevented or relieved.
- 4.57. The Council also owns a housing company, i4B, that is set up to acquire, letting, and manage a portfolio of affordable, good quality private rented sector (PRS) properties. Properties are let to homeless families at Local Housing Allowance (LHA) levels, which enables the Council to either prevent or discharge its homelessness duty and therefore reduce temporary accommodation costs

whilst also ensuring families have a secure and responsible landlord. i4B is continuing its street property acquisition programme with a target to acquire 25 homes in 2024/25.

## **5.0 Demographic and Demand-Led Service Pressures**

- 5.1. 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).
- 5.2. 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 2024 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 2023.
- 5.3. Inflation on care contracts for both adults and children, and other significant contracts, had been assumed to be 6% in 2024/25 and 2% in 2025/26, which was in line with forecasts at the time by the 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 increases again, adding further pressure on the budget.
- 5.4. The MTFS assumes that the pay award will require funding of £6.5m in 2024/25, with a substantial reduction to £3.5m in 2025/26 and 2026/27. A 1% pay increase costs about £1.7m. This mirrors the recent 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. Furthermore, with the cost-of-living crisis ongoing, there is likely to be a continued demand from employees for above inflation pay increases, which will put further pressure on the budget.
- 5.5. 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 the London weighting imposes on London Boroughs when it is added on to the national flat rate increase. At present the 2024/25 pay award has not been agreed and both union requests for pay rises in 2024/25 and the employers offer are in different forms of a combination of a percentage and a flat rate increase, dependent on the grade. Which will prevail is unknown. The position for 2025/26 is a further unknown, but it is reasonable to assume based on the pay awards for the last few years that the pay award will not be a simple percentage increase.

## **6.0 Income Assumptions**

### **Government Grants**

- 6.1. At present the Council's core grant funding consists of generally usable Revenue Support Grant (RSG - £30.89m in 2024/25), and specific grants for items such as for Public Health (PHG), the Improved Better Care Fund (iBCF), additional Social Care Grant (SCG) and the Adult Social Care Market Sustainability and Improvement Fund (MSIF). The MTFS assumes a small inflationary increase for RSG and PHG with a cash freeze for iBCF, in line with previous settlements. 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.
- 6.2. The outgoing Government did not intend to introduce wholesale changes to the local government finance system, such as via a Fair Funding Review or business rates reset. However, this does not mean that the incoming Government will make no changes. Also, many key public sector funding decisions were deferred to after the current 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, with DLUHC being an unprotected department. The future funding position is therefore uncertain and most likely unfavourable to Brent Council.

### **Council Tax**

- 6.3. Council Tax is one of the most significant sources of income for the Council, making up £162.1m (or 41.9%) of total core funding in 2024/25. In 2024/25, the referendum threshold limit (excluding the GLA share) was set at 5%, including 2% for the Adult Social Care Precept.
- 6.4. As set out when the 2024/25 budget was agreed, there was an implicit assumption from the Department for Levelling Up, Communities and Housing (DLUHC), 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 income, it would also reduce the significant funding pressures in 2024/25 and beyond and support the unprecedented budget pressures the Council is facing. In addition, the GLA precept, which makes up around 23% of the overall Council Tax bill and is subject to their own decision making, was increased by 8.6% in 2024/25 to provide additional funding for the Metropolitan police and Transport for London.
- 6.5. Substantial rises in Council Tax cause difficulties for some households and for that reason the council continues to fund a Council Tax Support scheme for households who are financially vulnerable. In 2024/25 around £33m is being provided to around 26,000 households. In addition, the Council's Resident Support Fund has made available £1m of additional funds for residents who are having difficulty as a result of the cost-of-living crisis.

- 6.6. The current budget assumptions for 2025/26 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 outgoing Government maintained that reforming social care remains a priority, it deferred introduction of the cap on care fees and other social care reforms until after the current General Election. At the time of writing, none of the political parties have committed to reforming social care after the election, meaning that funding for Adult Social Care will remain uncertain in the immediate future.
- 6.7. Other factors that affect the level of Council Tax income that is available to fund Brent Council's revenue budget include the tax base and long term collection rate assumptions. The current position on these is discussed in more detail in the Quarter 1 Financial Forecast 2024/25, which is also on the agenda for this meeting. In summary, collection rates are currently significantly below the target level. If this is not recovered in the long term, this will result in a greater proportion of the debt being written off than provided for, causing an unbudgeted pressure on the revenue budget. This is currently being partially offset by higher than expected growth in the tax base, generating more Council Tax income than budgeted for, but the sustainability of this growth is not guaranteed.
- 6.8. The current assumptions in the MTFs are for the long term collection rate for Council Tax to remain unchanged from 2024/25 at 97.5% and for continued tax base growth of 1.8%, based on the projections in the Brent Local Plan for new homes up to 2028/29. However, in recent years the tax base growth has been consistently amongst the highest tax base growth in England. Work is ongoing and will continue throughout the summer, leading into the budget setting for 2025/26, to determine what the appropriate assumptions are, both for 2025/26 and for future years, in order to provide more certainty in the MTFs. Work to improve the collection of Council Tax is also underway and progress on this will be reported back to Cabinet in the draft 2025/26 budget in the autumn.

### **Business Rates**

- 6.9. 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 of 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.
- 6.10. At Autumn Budget 2023, the Government announced that they would freeze the small business multiplier for 2024/25, while uprating the standard multiplier by CPI inflation. At present, the MTFs continues to assume that both multipliers will be uprated by CPI inflation in 2025/26 and future years. The Government may choose to uprate both multipliers by the same amount, by different amounts, uprate one and freeze the other (as per 2024/25), or freeze both

multipliers. However, the assumption for Brent's income from Business Rates will remain unchanged as the Government will compensate Brent for the loss of any income as a result of freezing one or both of the multipliers through Section 31 grants.

- 6.11. 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 2024/25. 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.
- 6.12. Based on the financial modelling undertaken to date, the benefit for Brent in 2024/25 is estimated to be in the region of £2.7m. This is based on estimates using forecasts from participating boroughs and are therefore only illustrative and a lower set of figures is entirely possible. However, since the formation of the pool in 2022, it has delivered a provisional benefit of £6.3m to Brent, meaning that the projected cumulative benefit by the end of 2024/25 is £9.0m. This means that, at a time of increasing budgetary pressures, Brent Council has had an average of £3m of additional resources available to fund the revenue budget than would be the case outside of the pool.
- 6.13. It is important to note that the final value of the pooling gain for each year is not known until the Statement of Accounts for all of the members of the pool have been audited at the earliest in the autumn following the end of the financial year to which it relates. A significant movement during the year, or during the audit of the statement of accounts, within the Collection Funds of the individual authorities, in particular for City of London, could result in a material reduction of the benefit.
- 6.14. This position will be closely monitored during 2024/25, but even at this stage it is not deemed prudent to build this additional income into the base budget and to place reliance for funding on a future income stream that is in no way guaranteed.

### **Reserves Strategy**

- 6.15. In 2023/24, £13.5m was drawn down from the Future Funding Risks reserve, to bring the overall position on the General Fund to breakeven at the end of the financial year. A further £2.4m was drawn down from this reserve to top-up the General Reserve to 5% (£18m) of the net revenue budget in 2024/25. This is the minimum level of reserves that the S151 officer, as required by Section 25 of the Local Government Act 2003, has considered sufficient to maintain the Council's financial sustainability.
- 6.16. As a result of these movements, the Future Funding Risks reserve has reduced to £10m. Given there is forecast overspend as at quarter 1 of £10m, if this position is sustained this reserve will be completely depleted in this financial year to cover the ongoing pressures on the revenue budget. This will then leave

the Council in the position of having to find further savings to top up this reserve to a level that is sufficient to manage inevitable in year pressures in future years. A review of reserves and update to the Reserves Strategy will be presented to Cabinet in the autumn as part of the 2025/26 budget setting process.

## **7.0 Medium Term Financial Strategy**

- 7.1. 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.
- 7.2. The MTFS will be refreshed as part of the draft 2025/26 budget that will be presented to Cabinet later this year, including extending out to 2026/27. 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.
- 7.3. 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.

## **8.0 Overall Summary**

- 8.1. Brent has delivered total cumulative savings of £210m since 2010. In February 2024, the Council agreed a further £8m of savings spread across 2024/25 (£3.6m) and 2025/26 (£4.4m). This was in addition to the savings agreed in February 2023 for 2024/25 (£4.5m), taking the total savings to be delivered in 2024/25 (£8.1m) and 2025/26 (£4.4m) to £12.5m.
- 8.2. 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. Therefore, the Council has taken a prudent approach over the current MTFS period 2025-2028, in order to return the Council to a sustainable budget position in the medium term.
- 8.3. Based on the anticipated funding allocations and the current forecast assumptions, the estimated budget gap is £16m in 2025/26, rising to a cumulative £30m by 2027/28. The table below shows how this budget gap is distributed across the MTFS period.



	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)
In year budget gap	16.0	7.0	7.0
Cumulative budget gap	16.0	23.0	30.0

- 8.4. The table above includes items known at the time of writing this report. As the budget continues to be developed throughout 2024/25, new pressures may arise, or additional in-year savings may be achieved, which will either increase or decrease the forecast budget gap. It is important to note that these figures include several assumptions around future budget growth requirements, interest rates and inflation which could get worse as well as better. For example, if interest rates do not fall as expected and inflation rises again this would increase the budget gap further. It is also important to note that the financial assumptions could improve, for example if interest rate assumptions are lower than these assumptions or demand led pressures are less than anticipated.
- 8.5. These estimates, which will be refined over the summer, will be a major factor in the construction of the 2025/26 budget. The Council will be looking to identify and deliver savings of £16m to enable it to set a balanced budget for 2025/26. The budget gap for 2026/27 will be reviewed once the local government finance settlement for 2025/26 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.
- 8.6. Nevertheless, despite all of the uncertainties, risks and moving parts, all Local Authorities have to put together financial plans for 2025/26. For Brent, it is proposed to continue to base plans on an assessment of the range of possible scenarios rather than wait for the outcome of the Local Government Finance settlement in December 2024.

## **9.0 Proposed budget setting process for 2025/26**

- 9.1. The proposed budget setting process following this Cabinet meeting is as follows:
- Draft budget for 2025/26 and new savings proposals are presented to Cabinet in autumn 2024. 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 November 2024 and February 2025 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 2024; 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 2025 Council meeting.

## 10.0 Capital Programme

10.1. In 2023/24 the Council spent £213.0m of the £224.2m approved budget outlined in Table 1.

Table 1 – 2023/24 Final Outturn Position							
Portfolio / Programme	Budget as at Feb 2024	Budget Changes since Feb 2024	Final Budget 2023/24	Outturn	Over / (Under) Spend to Budget	Over / (Under) spend split	
						2023/24 Slippage	Underspend for Repurpose and Removal
	£m	£m	£m	£m	£m	£m	£m
Corporate Landlord	10.1	0.0	10.1	10.0	(0.1)	0.1	(0.2)
Housing, Care and Investment Board - GF	92.6	3.0	95.6	93.6	(2.1)	(2.1)	0.1
Housing, Care and Investment Board - HRA	49.9	(9.0)	40.9	42.8	1.9	1.8	0.1
PRS I4B	5.8	0.0	5.8	5.8	0.0	0.0	0.0
Public Realm	26.6	0.3	26.9	25.1	(1.8)	0.5	(2.3)
Regeneration	9.0	0.0	9.0	4.5	(4.5)	(4.1)	(0.4)
Schools	12.4	0.0	12.4	11.7	(0.7)	(0.4)	(0.3)
South Kilburn	13.6	9.0	22.6	18.9	(3.7)	(4.1)	0.4
St Raphael's	0.8	0.0	0.8	0.6	(0.2)	(0.2)	0.0
<b>Grand Total</b>	<b>220.9</b>	<b>3.3</b>	<b>224.1</b>	<b>213.0</b>	<b>(11.2)</b>	<b>(8.6)</b>	<b>(2.6)</b>

10.2. The 2023/24 outturn position was lower to the revised budget by £11.2m. Further details on the outturn position are contained within the Financial Outturn Report for 2023/24. It is proposed that the underspend of £11.2m is re-profiled into 2024/25 and future years.

10.3. Table 2 below set outs virements and reprofiled budgets from 2024/25 to 2028/29 with the rationale for adjustments provided further below.

<b>Table 2 - Budget Adjustments Breakdown 2024/25 to 2028/29</b>						
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>2023/24 Under/Spend</b>	11.2					11.2
<b>Additional New Budget</b>						
Preston Library Fit Out Costs	0.6					0.6
<b>Virements</b>						
Neville & Winterleys project movement from Housing HRA board to South Kilburn	2.4	3.8	3.8			10.0
Neville & Winterleys project movement from Housing HRA board to South Kilburn	(2.4)	(3.8)	(3.8)			(10.0)
Movement of South Kilburn Voids project to Housing HRA board	0.7					0.7
Movement of South Kilburn Voids project to Housing HRA board	(0.7)					(0.7)
<b>Reprofiling</b>						
Budget reprofile St Raphael's		(16.4)	3.9	12.5		0.0
Budget Reprofile of Wembley Housing Zone	(7.1)	7.0	0.1			0.0
						0.0
<b>Total</b>	<b>4.5</b>	<b>(9.4)</b>	<b>3.9</b>	<b>12.5</b>	<b>0.0</b>	<b>11.8</b>

10.4. The budget adjustments set out in Table 2 above include:

10.5. Additional New Budget

- £0.6m approved to fund Library fit-out costs at Preston Park Library.

10.6. Budget Virements

- £10m representing the transfer of the Neville & Winterleys project budget from the Housing HRA Board to the South Kilburn Board.
- £0.7m representing the transfer of budget set aside for refurb works on South Kilburn void units from the Housing General Fund Board to the Housing HRA Board.

#### 10.7. Budget re-profiling

- Re-profiling of the St. Raphael's estate wide improvement programme to align with the updated project plan.
- Re-profiling of Wembley Housing Zones updated in line with latest cost and cash flow forecasts, based on work done to date since start on site.

The revised budget position for 2024/25 to 2028/29 is summarised in Table 3 below.

<b>Table 3 - Capital Programme Revised Budget 2024/25 to 2028/29</b>						
<b>Board</b>	<b>2024/25 Revised Budget</b>	<b>2025/26 Approved Budget</b>	<b>2026/27 Approved Budget</b>	<b>2027/28 Approved Budget</b>	<b>2028/29 Approved Budget</b>	<b>Total 2024/25 to 2028/29</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Corporate Landlord	14.3	19.0	10.8	28.2	0.5	<b>72.8</b>
HCIB - GF	61.8	48.1	30.7	3.6	0.0	<b>144.2</b>
HCIB - HRA	53.7	96.5	29.5	9.9	0.0	<b>189.7</b>
PRS I4B	46.2	0.0	0.0	0.0	0.0	<b>46.2</b>
Public Realm	25.4	11.7	1.0	1.0	6.0	<b>45.2</b>
Regeneration	62.2	117.4	7.3	0.0	0.0	<b>186.9</b>
Schools	25.4	26.3	7.3	3.3	0.0	<b>62.2</b>
South Kilburn	33.4	3.9	3.9	0.0	0.0	<b>41.2</b>
St Raphael's	0.5	3.2	3.9	12.5	0.0	<b>20.0</b>
<b>Total</b>	<b>322.8</b>	<b>326.1</b>	<b>94.4</b>	<b>58.5</b>	<b>6.5</b>	<b>808.3</b>
<b>Approved Feb 23</b>	318.1	335.5	90.5	46.0	6.5	<b>796.8</b>
<b>Budget Adjustments</b>	4.7	(9.4)	3.9	12.5	0.0	<b>11.8</b>

#### **Capital Pipeline**

10.8. The programme agreed by Council in February 2024 included £433.8m 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.

- 10.9. 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.

## **11.0 Housing Revenue Account**

- 11.1. 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.
- 11.2. 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 to provide safe, secure and decent housing.
- 11.3. After four consecutive years of rent reductions, between 2016/17 to 2019/20, the Government set out its rent policy, which originally allowed rent levels to be increased by CPI plus 1% for the next five years starting from April 2020. However, in light of exceptional inflation levels, government had amended its rent setting policy for 2023/24 to introduce a 7% rent rise limitation, compared to 11.1% if CPI plus 1% was applied. This was estimated to equate to a circa £2m reduction in income in that year. Furthermore, rent increases in 2023/24 did not only affect that financial year, but also have an impact on future rent levels. There is no provision in the current rent regulations to allow anything more than the maximum (CPI+1%) increases beyond 2025/26. Any rent increases below inflation means that the base for a rent increase in the following year is also lower and so on for future years.
- 11.4. For 2024/25, the government allowed rent rises in line with previous rent policies of CPI+1%. The average rent currently sits at £144.40 per week, an increase of 7.7% when compared to the previous year. This represented a £4.1m increase in investment. The HRA had to re-profile service delivery such as the capital programme 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 high inflation and rent limitations in previous years.
- 11.5. HRA rent setting needs to be considered in the context of the ring-fence and the 30-year business plan. Based on Bank of England inflation forecasts of 2.5%, if the Council applies the CPI+1% rent policy for 2025/26 this would result in an average rent per week of £149.45 and give the potential to raise an additional £2m on income, with a cumulative effect of an additional £60m investment in the HRA over a 30-year period.
- 11.6. Some costs such as repairs have increased significantly and have remained at those levels as expected, despite the recent reduction to inflation due to establishing increased contractual cost base during high inflationary periods in previous years. Medium-term investment plans must be approached cautiously

and allow for flexibility. High levels of uncertainty around 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. 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.

- 11.7. Other pressures involve the capital programme as there is insufficient 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 efficiency saving targets which are incorporated into the medium-term financial plan.
- 11.8. 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.

## **12.0 Schools and Dedicated Schools Grant**

- 12.1. The DSG increased by 7% in 2024/25 to £397m and funding for the Schools' Block of the DSG increased by £4m (2%) compared to 2023/24. This additional funding will go towards supporting Brent schools, especially those experiencing financial difficulty and currently projecting an in-year deficit.
- 12.2. Schools' balances decreased by £1.9m in 2023/34. Despite the increased funding, Brent schools are still faced with budget challenges as they manage higher support needs of pupils, inflationary increases in supplies and services and the impact of the cost-of-living crisis through wage increases and rising energy costs. These pressures have altered schools' abilities to balance their budgets, and this is expected to continue in the new financial year.
- 12.3. The net position at the end of the financial year 2023/24 was that seven schools were in deficit. These schools will require licenced deficit agreements with recovery plans to return to a balanced position.
- 12.4. Some Brent primary schools, particularly in the south of the borough, continue to experience 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 respond to reduced funding when planning their budgets, potentially through restructures to prevent the school going into a deficit position.
- 12.5. The Mayor of London has pledged to continue to fund Free School Meals for all primary aged children not eligible for the current government funded offer for the academic year 2024/25.

- 12.6. At the end of 2023/24, the overall DSG deficit in Brent, which had risen due to the increasing number of children with Education, Health and Care Plans (EHCP), funded through the High Needs Block, has reduced to £13.2m following an in-year surplus of £0.6m added to the brought forward balance from 2022/23 of £13.8m. The surplus was mainly driven by underspends against the Schools, Central and Early Years Blocks of the DSG offsetting a £1.4m overspend against the High Needs Block. The Early Years Block underspend is mainly due to the DfE's in-year adjustment to the EY Block funding in July 2023, following the completion of the January 2023 census. The EY Block is a self-contained block based on headcount and therefore there is a risk that the DfE may claw back the funding following a final in-year adjustment expected in July 2024. This surplus will be held in reserves to offset any potential clawbacks.
- 12.7. The surplus balance will be held in an earmarked reserve and the cumulative deficit of £15.1m will be carried forward to 2024/25. Brent has a Deficit Recovery Management Plan in place with longer-term actions to recover the deficit and 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.
- 12.8. The trend shows that the number of children with EHCPs continued to grow, albeit at a reduced rate based on published data.

**Table 4**

	January	January	January	January	January
Financial Year	2020	2021	2022	2023	2024
<b>Number of EHCP</b>	2,426	2,784	2,938	3,251	3,500
<b>Brent Year on Year % Increase</b>	12%	15%	6%	11%	8%
<b>National Year on Year % Increase</b>	10%	10%	10%	9%	TBC

- 12.9. As a result of DSG being in deficit, Brent is part of the DfE's Delivering Better Value (DBV) in Special Educational Needs and Disabilities (SEND) programme to support local authorities to manage their deficits. The programme is in the test and learn phase with specific project workstreams being implemented and monitored along with key performance indicators designed to ensure that actions are tracked. The DBV programme will not address the historic deficit but changes that will be embedded as a result of the programme will be aimed at reducing future spend. The current Management Plan and efficiencies identified from the programme may allow funds to be released to address historic deficits.
- 12.10. 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 of 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.

### **13.0 Stakeholder and ward member consultation and engagement**

13.1. The detailed approach to the statutory consultation process for the setting of the 2025/26 budget will be set out as part of the draft budget report to be presented to Cabinet in the autumn of 2024.

### **14.0 Financial Considerations**

14.1 The financial implications are set out throughout the report.

### **15.0 Legal Considerations**

15.1. Standing Order 24 sets out the process that applies within the Council for developing budget and capital proposals for 2025/26. 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.

### **16.0 Equity, Diversity & Inclusion (EDI) Considerations**

16.1. There are no EDI considerations arising out of this report.

### **17.0 Climate Change and Environmental Considerations**

17.1. There are no climate change and environmental considerations arising out of this report.

### **18.0 Communication Considerations**

18.1. There are no communication considerations arising out of this report.

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance & Resources



Minister for Local Government  
2 Marsham Street  
London  
SW1P 4DF

Sent by email: [productivityplans@levellingup.gov.uk](mailto:productivityplans@levellingup.gov.uk)

Dear

### Productivity in Local Government

As you are aware, I was written to on 16<sup>th</sup> April by the former Minister for Local Government, Simon Hoare and in that letter he asked us to submit a productivity plan by today's date. This is my response to that request.

I wanted to start with some London background coupled with relevant Brent specific information as I think it's important that you have the context.

London boroughs have had to become more productive and more efficient over the past 14 years since the period of austerity began and which has seen significant reductions to funding. We estimate that **since 2010-11, London boroughs' Core Spending Power has reduced by £2.2bn (20%) in real terms** from £11.1bn to £8.8bn in 2024-25.

Over the same period, **London's population has grown by 884,000 (11%)** – larger than the entire population of Leeds - with significant associated increases in demand for services. This means **Core Spending Power per capita is now 28% lower than it was in 2010-11**.

London boroughs have also taken on new duties and responsibilities without sufficient or sustained funding. Some examples include: the localisation of council tax support in 2013; the transfer of public health duties in 2013; duties resulting from the Homeless Reduction Act 2017; duties resulting from the 2014 Children & Families Act; changes to Youth Justice and Health policy that impact children's social care. In total, it is estimated that **new duties and responsibilities along with other new or underfunded burdens have added over £1bn of additional funding pressures**.

London boroughs have also had to reduce employee numbers significantly as a result of these funding reductions. **They now employ around 54,000 (29%) fewer Full Time Equivalent staff (FTE) than in 2010**.

In Brent this means:

- Our core spending power in real terms has reduced by £74.3m (18%) from £410.9m in 2010/11 to £336.6m in 2024/25, whilst our population has increased by 13% in that time. This is a 27% real terms reduction per head of the population of Brent.

- Our FTE headcount number has reduced by 2774 (52%) since 2010/11 to 2612 in 2023/24.

The letter of 16<sup>th</sup> April also asked for us to consider barriers that the Government can help to reduce or remove to enable a more sustainable financial and service delivery position in order to deliver the vital services that our residents desperately need. I set out some examples below:

#### Funding

- **Multi-year settlements** – the uncertainty driven by one-year settlements is a huge barrier to becoming more productive and enabling boroughs to plan services strategically and take invest-to-save decisions. Three or four-year settlements would go a long way to solving this.
- **Reduce ringfencing** – remove ringfences and reporting requirements associated with grant funding to empower and trust councils to get on with delivering services.
- **Reduce the number of funding pots** – reduce the number of specific funding pots and arduous bidding processes, particularly in economic development and skills.
- **Ensure funding reflects need** – many councils are unable to put resources into driving further productivity gains because they are being overwhelmed by demand pressures due to structural underfunding and a system that no longer reflects local needs. The Government should review and update the funding formulae for all the major grants that councils receive from government.
- **Alignment of planning rounds** - so that Government departments work to the same timescales and deadlines.

#### Housing

- Remove barriers **preventing councils from combining Right to Buy receipts with grant funding** to deliver affordable housing.
- **Remove the cap on the proportion of individual sites that can be funded through Right to Buy receipts.**
- **Make the increase in LHA rates from Autumn Statement 2023 a permanent measure.**
- **Remove the cap on LHA payable for Temporary Accommodation** in Housing Benefit subsidy (set at 90% of January 2011 LHA rates).
- Provide funding to **help councils buy accommodation sold by private landlords.**
- Deliver a **new HRA debt settlement** based on updated assumptions, as government policy changes have altered the existing 2012 agreement beyond recognition.

#### Adult social care

- **Deliver the adult social care funding reforms** which are crucial to providing long-term financial certainty for the sector.
- **Baseline all existing ASC grants** and consolidate them into one fund.
- Implement the **Hewitt Review recommendation of 1% of ICB budgets towards prevention.**
- **Develop a combined workforce strategy for the health and social care workforce.**

#### Children's services

- **Ensure the Social Care Grant reflects children's social care needs** (rather than only adult social care relative needs).
- Urgently **reform the children's social care market** to reduce profiteering.
- **Allow local authorities to open and run special schools** – this would reduce placement costs, help meet rising demand more quickly and ensure greater local oversight of places.

- **Introduce a mandatory register for all home educated children** – this would improve identification of children at risk of harm.
- **Extend the DSG statutory override to provide financial certainty for councils** – otherwise at least a quarter of councils risk running out of general fund reserves.
- Consider **writing-off accumulated DSG deficits**.

#### Regulation

- **Simplify the regulatory framework**, including developing a coordinating role for Oflog. One London borough had three regulators in within the same month. While hugely important, servicing multiple inspections limits capacity and hinders productivity.
- **Ensure regulators have the appropriate capacity** and understanding of councils and local places, including their financial context.

Turning now to the themes we were asked to consider in our responses, the most comprehensive information I can provide is two matters of direct relevance within the papers for our February 2024 Full Council meeting. Firstly the [Budget and Council Tax 2024/25 report](#) and secondly the [Auditor's Annual Report on the London Borough of Brent](#).


Both of these reports provide fulsome details of all the themes and questions we were asked to consider. Once you have read these, I and my colleagues will be very happy to discuss any further questions that you may have.

Yours sincerely



Kim Wright  
Chief Executive

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 <b>Brent</b>	<b>Cabinet</b> 15 July 2024
	<b>Report from the Corporate Director of Finance and Resources</b>
	<b>Lead Member - Deputy Leader, Cabinet Member for Finance &amp; Resources (Councillor Mili Patel)</b>
<b>Quarter 1 Financial Forecast 2024- 25</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	Two: Appendix A: Savings Delivery Tracker Appendix B: Prudential Indicators
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Minesh Patel, Corporate Director of Finance & Resources Tel: 020 8937 4043 Email: <a href="mailto:Minesh.Patel@Brent.gov.uk">Minesh.Patel@Brent.gov.uk</a>

## 1.0 Executive Summary

- 1.1 This report sets out the financial forecast for the General Fund revenue budget, the Housing Revenue Account, the Dedicated Schools Grant and the Capital Programme, as at Quarter 1 2024/25.
- 1.2 The Council’s revised General Fund revenue budget for 2024/25 is £387m. There is a forecast overspend of £10m against revenue budget at quarter one. If sustained until the year end, this would require a transfer from unallocated reserves. Equally, any overspend not dealt with in 2024/25 could potentially carry over into following year, therefore increasing the requirement for further savings whilst at the same time depleting Council’s reserves. The Council is taking a number of mitigating actions, including continuing to implement spending controls, in order to contain identified pressures. The current budget also reflects £8.0m of savings that are set out in Appendix A.

1.3 There are also potential budget pressures being reported within the Housing Revenue Account as a result of considerable savings being required following rent limitations imposed by central government in previous years and increased demand and costs associated with repairs. Further details are set out in section 6. While the Dedicated Schools Grant is reporting a breakeven position, there remains a legacy deficit of £15.1m that requires urgent attention. Further details are set out in section 5. There is significant risk within the delivery of the Capital Programme due to the complex nature of the projects within it which may result in slippage. Further details can be found in section 7.

1.4 The tables below show the forecast position against budget for the General Fund, Dedicated Schools Grant and Housing Revenue Account.

	<b>Budget</b>	<b>Forecast</b>	<b>Overspend / (Underspend)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Community, Health and Wellbeing</b>	146.8	146.8	0.0
<b>Children and Young People</b>	85.7	85.7	0.0
<b>Neighbourhoods and Regeneration</b>	28.4	28.4	0.0
<b>Law and Governance</b>	12.6	12.6	0.0
<b>Finance and Resources</b>	17.5	17.5	0.0
<b>Partnerships, Housing and Resident Services</b>	40.7	50.7	10.0
<b>Subtotal Service Area Budgets</b>	<b>331.7</b>	<b>341.7</b>	<b>10.0</b>
<b>Central Budgets</b>	<b>55.3</b>	<b>55.3</b>	<b>0.0</b>
<b>Total Budget Requirement</b>	<b>387.0</b>	<b>397.0</b>	<b>10.0</b>
<b>Funding</b>	<b>(387.0)</b>	<b>(387.0)</b>	<b>0.0</b>
<b>Grand Total General Fund Budgets</b>	<b>0.0</b>	<b>10.0</b>	<b>10.0</b>
<b>DSG Funded Activity</b>	0.0	0.0	0.0
<b>Housing Revenue Account (HRA)</b>	0.0	0.0	0.0
<b>Net Total</b>	<b>0.0</b>	<b>10.0</b>	<b>10.0</b>

\*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.

<b>DSG gross income and expenditure</b>			
	<b>Budget</b>	<b>Forecast</b>	<b>Overspend / (Underspend)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>DSG</b>			
<b>Income</b>	(236.5)	(236.5)	0.0
<b>Expenditure</b>	236.5	236.5	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>HRA gross income and expenditure</b>			
	<b>Budget</b>	<b>Forecast</b>	<b>Overspend/ (Underspend)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>HRA</b>			
<b>Income</b>	(65.9)	(65.9)	0.0
<b>Expenditure</b>	65.9	65.9	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

1.5 The table below shows the current forecast against the revised budget for the Capital Programme for 2024/25.

<b>Directorate</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Current Forecast</b>	<b>FY Variance</b>	
				<b>£m (Under) / Over</b>	<b>£m Slippage / B/F</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>		
Corporate Landlord	14.2	14.3	14.3	0.0	0.0
Housing GF	59.8	61.8	61.8	0.0	0.0
Housing HRA	57.3	53.7	53.7	0.0	0.0
PRS I4B	46.3	46.2	46.2	0.0	0.0
Public Realm	23.8	25.4	25.4	0.0	0.0
Regeneration	64.7	62.2	62.2	0.0	0.0
Schools	24.7	25.4	25.4	0.0	0.0
South Kilburn	27.2	33.4	33.4	0.0	0.0
St Raphael's	0.3	0.5	0.5	0.0	0.0
<b>Total</b>	<b>318.3</b>	<b>322.8</b>	<b>322.8</b>	<b>0.0</b>	<b>0.0</b>

## **Current Economic Environment**

- 1.6 The current economic environment is volatile and uncertain with high interest rates designed to curb high inflation, in part caused by the conflicts in Ukraine and the Middle East, which particularly impact energy costs, and exacerbate the cost-of-living crisis. Consumer Price Index (CPI) inflation has reduced to 2.0% in May 2024, which is 6.7% lower compared to same time last year at 8.7%. In its March 2024 economic and fiscal Outlook report, the Office for Budget Responsibility forecast that inflation will average at 2.2% this year and 1.5% in 2025 before gradually returning to Bank of England target levels of 2% in 2028.
- 1.7 The Bank of England maintained interest rates at 5.25% in May. This comes after 14 consecutive increases between December 2021 and August 2023. Future policy decisions are dependent upon UK economic data with the Bank monitoring both inflation and employment.

## **General Election**

- 1.8 At the time of publication of this report, a General Election is ongoing, so there is also political uncertainty, which will affect the future direction of funding for local government.
- 1.9 At the Spring Budget in March 2024, the outgoing Government set out planned departmental resource spending, which according to analysis by the independent Institute for Fiscal Studies implies that there will be cuts to unprotected departments, including local government from 2025/26.
- 1.10 Many of the manifestos have included commitments which are not dissimilar to these fiscal rules and no announcements have been made of major direct significance to local government finance. It is therefore a reasonable expectation that, regardless of the outcome of the General Election, public finances will continue along the same path seen before the General Election. The current economic environment and the political uncertainty create a challenging environment for the Council to plan its future resourcing requirements.

## **Maintaining Financial Control**

- 1.11 Local government is facing the most challenging financial environment for many decades. Many councils are overspending and depleting their reserves, most are experiencing the adverse effects of high inflation, high interest rates and significant increases in demand due to demographic changes. Some are even declaring bankruptcy by issuing s114 notices. Concerns about future levels of government funding are widespread. Against this backdrop, Brent has maintained a strong position in terms of financial resilience and sustainability with a good track record of delivering savings and balancing the overall budget. However, in 2023/24 the Council overspent its revenue budget by £13.5m and is forecast to overspend again in 2024/25.



- 1.12 Despite the considerable efforts to maintain financial control, the operating environment and wider economic context continues to be volatile with small changes in demand disproportionately materialising in large financial pressures. These are particularly in Children’s social care and Adult social care packages in terms of volumes and complexities, and temporary accommodation volumes, costs of provision and loss of Housing Benefit subsidy from central government. The Council is also dealing with the impact of rising costs due to continued high level of provider inflationary pressures, and the impact of the cost-of-living crisis which also affects important income streams of the Council.
- 1.13 The main cause of the forecast overspend is within the Housing Needs and Support service, where high levels of demand due to a rise in homelessness and reduction in the supply of suitable accommodation are expected to result in an overspend of over £10m. Section 5.6 of this report sets out the Council’s strategy in dealing with the significant increase in the cost of providing temporary accommodation for those homeless people to whom the Council owe a legal duty. While Brent is not in the financial situation of those Councils that have recently issued, or threatened to issue, a Section 114 notice (legally required when the council cannot balance its budget, unlike the NHS and other parts of the public sector councils are not allowed to carry a deficit) all efforts must be focused on proactively changing the financial position.
- 1.14 The introduction of spending controls and the Budget Assurance Panel in 2023 helped to facilitate better grip of the Council’s financial position and stabilise the in-year overspend. This introduced a range of measures including proactive vacancy management, directorate led targeted non-essential spending controls including agency and interim spend, alongside department led management action plans reflecting other actions being undertaken. In 2023/24 these measures are estimated to have saved c£4m. These sensible, proactive and prudent measures are providing more assurance over the Council’s spending decisions and given the current forecasted overspend will continue into 2024/25.

## **2.0 Recommendation(s)**

- 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 note the prudential indicators for treasury management in Appendix B.

## **3.0 Cabinet Member Foreword**

- 3.1 This report sets out the Quarter 1 forecast for 2024/25. This report should be considered alongside the accompanying Financial Outturn 2023/24 and Medium Term Financial Outlook reports respectively. Taken together these

three papers give the most comprehensive picture of where we were financially, where we are today and where we might be heading.

- 3.2 These reports are the aggregate of thousands of hours of officer time, with careful input from service areas across the council; and are part of our longstanding commitment for transparency around our budget: joining our externally audited accounts, the budget scrutiny process, public consultation, and the ongoing work of the Members of the Audit & Standards Committee.
- 3.3 While our financial monitoring is robust and an area of pride to this council, the picture that these reports paint is much more sobering. If central government is the body entrusted to preserve the health and condition of the nation, it is local government that is left to deliver it. Since 2010, Brent Council has made at least £210m of cuts and the impact continues to be felt by everyone that lives and works in this borough. In the same period, our core funding from central government has decreased by 78%.
- 3.4 We have made it clear at each Council Tax setting budget meeting, this has meant that the funding burden for Brent Council has been derived principally from Council Tax, Business Rates and Fees and Charges. In other words – local Brent residents.
- 3.5 In this period, the number of council employees has also reduced by at least 50%, shifting more work onto fewer people. As a council, we have innovated, we have identified efficiencies and we've continued to generate more income than ever before. These measures alone are not enough in the long-term though, but for now they are enough to keep this council on borrowed time.
- 3.6 In this financial year (25/26) officers and members will be asked to identify a staggering £16m in cuts if this council is to continue standing still as we are today. There is no doubt, these cuts will be challenging for residents and for officers and members alike.
- 3.7 It is therefore unconscionable to consider that things could still get worse. If things remain the same, the best estimate for 27/28 is that we will need to find in the region of £30m in savings.
- 3.8 Without intervention, we will enter freefall, heading towards the ground, with no easy way to pull back. Plainly, this will mean the functions that this council will be able to perform will be changed irreversibly, allowing for only the most vital services to remain.
- 3.9 Sadly, we are not alone in this position. There were more section 114 notices in 2023 than in the 30 years before 2018, with a survey from the Local Government Association showing that almost one in five councils “think it is very or fairly likely they will need to issue a section 114 notice this year or next due to a lack of funding.
- 3.10 Local authorities like Brent have become the government's emergency provider of last resort, delivering more services than ever, patching over

political paralysis; from adult social care reform to the housing crisis; it is local government left picking up the price.

- 3.11 Residents are rightly angry – as the compact between council and citizen creaks more with every year. Residents rightly expect that by paying into the system that they should see a positive dividend. It is far harder to explain to residents that they are paying not just for their bins; but for looked after children, for whom the council is morally and legally obliged to support.
- 3.12 Under the Homelessness Reduction Act, we are also compelled to support those at threat of losing their home. The common thread between the MTFs, our Q1 report and the Financial Outturn is the enormous pressure our Housing teams are under.
- 3.13 Over 150 families per week are presenting at the Civic Centre as homeless, and this report sets out a further £10m overspend on Temporary Accommodation. The housing crisis did not begin in the council – and until there is fundamental change; things will only get worse before they get better.
- 3.14 We have many housing schemes that remain shovel ready, but without an increase in subsidy, the borrowing required means the numbers simply don't stack up, even over the multiplier of decades. In the meantime, i4B and our New Council Homes Programme remain our only shot, but with over 30k households registered on the housing wait list, it will take a generation to put right.
- 3.15 We also continue to be subjected to macro-economic factors outside of our control. The challenges facing any incoming government will be stark – from a public sector in managed decline; to the ongoing conflicts in the Middle East and Ukraine, and the climate crisis which will continue to alter our way of life forever.
- 3.16 Compared to our European counterparts, councils in the UK have significantly fewer powers over local spending and taxation. It can perhaps be of little surprise that over the past 15 years the average British household has become £8,800 poorer than its equivalent in five comparable countries, according to research prepared by the Resolution Foundation. Sluggish growth and a “toxic combination” of poor productivity and a failure to narrow the divide between rich and poor has resulted in a widening prosperity gap with France, Germany, Australia, Canada and the Netherlands, leaving us struggling to compete internationally.
- 3.17 Without a wholesale reset, our hands remain tied, and the status-quo will prevail. We should never forget, Council Tax is based on values that are now more than thirty years out of date, and the rate structure is so heavily regressive that Buckingham Palace pays less council tax than a 3-bed semi-detached home in Blackpool. That is the reality we exist within in.
- 3.18 At time of dispatch, we will not know who will form the next government. If we are to avoid more reports like the following, something has to give. Given

the opportunity, Brent Council stands ready to rebuild and renew our public services. Until then, we will use our voice wherever we can to fight for the reform's we desperately need. For now, officers and members will continue working hand in hand to protect our residents – breathing life into the services we offer and the change we can make today.

3.19 The Borough Plan includes a specific priority to support residents affected by the cost-of-living crisis.

## 4.0 Revenue Detail

### 4.1 Community, Health and Wellbeing

<b>Community, Health and Wellbeing</b>	<b>Budget (£m)</b>	<b>Forecast (£m)</b>	<b>Overspend / (Underspend) (£m)</b>
Adult Social Care	76.9	76.9	0.0
Strategic Commissioning & Capacity Building	44.1	44.1	0.0
Public Health	24.2	24.2	0.0
Leisure	1.5	1.5	0.0
Integrated Health Partnerships	0.1	0.1	0.0
<b>Total</b>	<b>146.8</b>	<b>146.8</b>	<b>0.0</b>

### Summary

4.1.1 The Community, Health and Wellbeing (CHW) budget for 2024/25 includes previously agreed savings of £0.8m offset by additional growth of £9m. Following the realignment of some functions within the council, there have been some changes to the services included within this Directorate. The leisure service has transferred into the Directorate to focus on creating healthy and active communities and a new Strategic Commissioning and Capacity Building division has been created which includes the Procurement service.

4.1.2 The Adults Social Care and Strategic Commissioning budgets are supported by the Adults Social Care precept and grants such as the Social Care grant, Market Sustainability, and Improvement Fund (MSIF), the Improved Better Care Fund (iBCF) and the Discharge Fund. The budgets have been set accordingly, based on assumptions around future demographic and inflationary trends.

4.1.3 The Directorate at this early stage is currently reporting a breakeven position however, there are several risks detailed in the section below, which may impact on the forecast position going forward.

### Risks and uncertainties

- 4.1.4 There remains a number of risks and uncertainties which could impact on the budgets within the CHW department. These include the following:

#### **Adult Social Care and Strategic Commissioning and Capacity Building**

- 4.1.5 Demographic changes could put pressure on existing systems and budgets if the trend of rising number of clients using social care services in Brent continues. For example, in 2023/24, increases in the number of clients included a 16% increase in Supported Living clients, an 11% increase in Homecare clients, Nursing clients increased by 6% while Direct payments and Extra Care client numbers increased by 4%. For 2024/25 Q1 is showing an increase of 3% for Supported Living, 4% for Homecare and 2% increase against Direct payment clients. In addition to demand pressures, the average unit costs have also increased due to inflationary pressures and the fact that there are more complex cases and the need for specialised treatments and support, the unit cost increases ranged from 4% to 9%. There is the risk that this combination of increased demographic and inflationary pressures could add additional pressures to the existing budget.
- 4.1.6 Regarding complex cases, it remains a challenge that an increasing number of clients are presenting with more complex health and social care needs, requiring additional resources and more specialised staff. There is a risk of additional costs due to difficulties in managing complex cases and the need for detailed assessments and personalised care plans, such as one-to-one support in a residential / nursing placement which costs £1,277/ £1,200 per week respectively.
- 4.1.7 Nationally, the adult social care sector has consistently faced challenges with recruitment and retention, with high staff turnover and vacancy rates. Also, the shortage of qualified staff can have detrimental effects on the care provided to adult service users and added stress on existing staff. The national shortage of care workers has changed the workforce model across social care leading to a reliance on agency staff that are more costly compared to permanent staff. Management continues to focus on agency to permanent conversions as part of its workforce planning strategy and to maintain stability for the clients.
- 4.1.8 Supporting the Care Market could place pressures on the budget as there are risks related to the sustainability of private care providers and the need to ensure the care market has sufficient capacity to meet demand. There is also the need to support care providers through fair contracts and financial assistance to ensure continuity of services and care quality.
- 4.1.9 To manage demand, the service continues to focus on prevention through continuing work with the Partnerships, Housing and Resident Services directorate, providing advice and ensuring that only those who are eligible access council 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. The valuable role of carers is also recognised and the Directorate is working hard to ensure that

carers are well supported. Brent's commitment to carers is outlined in the new co-produced carers strategy and the services focus on strength-based practice to promote independence and aid people to remain supported within their community.

### **Public Health**

- 4.1.10 Public Health contracts have been affected by the rising levels of inflation. Most public health services are commissioned from the NHS where national Agenda for Change (AfC) pay awards have significantly outstripped uplifts in the Public Health grant. While the Department of Health and Social Care (DHSC) has allocated an additional AfC supplement of £0.3m to help fund these pressures, there remains a shortfall against the actual costs which will be incurred.
- 4.1.11 Public health spend activity against the additional grants, Supplementary Substance Misuse Treatment and Recovery Grant, Rough Sleepers Drug and Alcohol Treatment Grant, Stop Smoking Grant and the Family Hubs and Start for Life Grants, are all on track and in line with the outcomes that have been set out within the respective guidelines. Funding for these grants, except for the Stop Smoking grant, are due to end in 2024/25.
- 4.1.12 Sexual Health services are under increasing pressure to deliver due to the increasing Sexually Transmitted infection (STI) rates including emerging infections and increased clinical complexity including antimicrobial resistance. The service is working closely with treatment and testing providers to get activity and spend data to ensure any slippages against the contracts are identified.

### **Leisure**

- 4.1.13 The Leisure service is dependent on income generation and reduced income could create financial challenges if service demand is lower than expected. There is a smoothing reserve of £1m, in leisure, which is used to manage the uneven cash flows across the years. It is expected that this will be fully utilised in 2024/25. There is a further risk against the council's reserves if costs continue to increase, as the reserve will not be sufficient to mitigate any additional costs. The council will need to find a more sustainable solution to manage the income volatility and fund the increasing costs of running the service going forward.
- 4.1.14 The indexed unitary charges and increased utility costs at Willesden Sport Centre are putting significant pressure on the budget. Additionally, the significant maintenance required at Bridge Park Community Leisure Centre is impacting its ability to generate income to budgeted levels. Other facilities also have loss of income coupled with rising costs of cleaning, security, repairs and maintenance. The council is working with the leisure providers to ensure the continuity of an affordable service which should also not be reliant on a temporary reserve.

4.1.15 Energy market volatility is being monitored closely against budgetary assumptions, it remains a high-risk area for the service, which potentially could impact on future growth requirements in the MTFS.

### **Savings and Slippages**

4.1.16 The department has a savings target of £0.8m to deliver in 2024/25. These savings are on track, however, there is a risk that savings target CHW01 – technology enabled care (£0.1m) may slip as work has just commenced in determining an approach to deliver the savings.

### **Summary of Key Assumptions**

4.1.17 The table below summaries the main assumptions made in the CHW forecast.

<b>Key Assumption</b>	<b>Downside if worse</b>	<b>Upside if better</b>	<b>Mitigations</b>
Adult Social Care providers' costs will increase to the anticipated level in line with inflationary assumptions.	A 1% increase over and above budgeted levels on the cost of care packages could result in a £1m pressure	A 1% decrease on the cost of care packages could result in a £1m reduction in anticipated costs.	The Council is working closely with the service providers and provides robust challenge of 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.
Leisure - Utility costs to stay within the expected forecast	Additional pressure on the leisure reserves	Reduced pressure on the reserves	Service is monitoring activity and pricing to ensure are updated and reflected in a timely and accurate way.

## 4.2 Children and Young People (CYP) (General Fund)

CYP Department	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Central Management	1.2	1.2	0.0
Early Help	5.5	5.5	0.0
Inclusion	3.4	3.4	0.0
Localities	24.2	24.2	0.0
Looked After Children and Permanency	7.5	7.5	0.0
Forward Planning, Performance & Partnerships	41.7	41.7	0.0
Safeguarding and Quality Assurance	2.2	2.2	0.0
Setting and School Effectiveness	0.0	0.0	0.0
<b>Total</b>	<b>85.7</b>	<b>85.7</b>	<b>0.0</b>

### Summary

- 4.2.1 At this early stage of the financial year the Children & Young People's Directorate is currently forecasting a breakeven position. The budget includes savings of £3.1m and a growth allocation of £3.6m across the Directorate. However, there are a number of risks and uncertainties discussed below which may impact on this position going forward.
- 4.2.2 The budget for SEN Transport transferred to CYP at the beginning of the financial year. The budget also covers transport services for adults with social care needs. Pressures are expected mainly from the Taxi service to transport children and young people with SEN who cannot be transported by more cost-effective modes of transport. A new Travel Assistance Policy for CYP aged 0-25 in Education was approved by Cabinet in June 2024 and will begin to be implemented this financial year. However, the financial impact of the new policy is unlikely to be seen until 2025/26 onwards.

### Risks and Uncertainties

- 4.2.3 The main risks and uncertainties impacting on the CYP department stem from inflationary pressures resulting in increased costs from private providers of fostering, semi-independent and residential accommodation for looked after children.
- 4.2.4 The SEN transport service is a demand-led budget and increases in the number of children needing Education and Health Care Plans (EHCPs) could put additional pressures on this budget. Furthermore, there could be inflationary and market pressures which could impact on taxis, fuel and other



running costs and thereby exacerbating the pressure to achieve the expected savings for this financial year.

- 4.2.5 Recruitment and retention of skilled and experienced social work staff continues to be 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.
- 4.2.6 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 financial pressure as an individual high cost residential or secure placement can cost over £0.5m per annum.
- 4.2.7 Ofsted has introduced regulation of the 16/17 year old placement market. This new approach, alongside a testing inspection framework for children's residential homes may cause a risk of 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 manage costs and improve placement sufficiency. The home is expected to be operational towards the end of 2024/25.
- 4.2.8 The Children with Disabilities budget within the Localities service funds the social care cost element for many children with an EHCP. 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.
- 4.2.9 A lack of full, agreed cost sharing for children's care packages at an Integrated Care Board level for CYP Placements and Children with Disabilities remain a high risk for the department, particularly in events where placement charges are disputed.
- 4.2.10 The forecast position is also dependent on estimated income from the Home Office for Unaccompanied Asylum Seeking Children (UASC) and Care leavers (£2.8M) and health contributions from the ICB (£1.66m). Any major fluctuations against these income streams could impact on the outturn position.
- 4.2.11 Mitigating factors include the development of the new in-house children's home which is expected to open later in this financial year and reduce the need to use costly independent providers. Brent is part of a pan-London vehicle to ensure greater sufficiency of secure welfare residential placements which will be operational in 2025.
- 4.2.12 The Placements Commissioning Strategic Group has focused on two workstreams aimed at reducing financial pressures: "Growing the In-house Fostering Service" (To increase the number of in-house Brent Foster Carers to reduce the reliance on higher cost IFAs) and "Promoting Care Leavers Independence" (A review of Brent's support for care leavers to promote independence to achieve financial savings). A key risk is the pipeline of care

leavers waiting for a permanent secured tenancy, in line with the Council’s agreed offer to care leavers.

**Savings and Slippages**

- 4.2.13 The department has a £3.1m savings target to deliver in 2024/25. This includes £1.2m savings against the SEND Transport budget which was brought forward from 2023/24 and transferred to the CYP department in April 2024.
- 4.2.14 There are also savings from reductions in care packages of £0.86m, staffing efficiencies of £0.51m, £0.376m arising from contract and other miscellaneous items and £0.2m from “service transformation/digital” savings. The digital savings remain a risk as not all of the £0.2m has yet been identified. Implementation of changes will involve support as part of the Council’s wider Digital Programme. The rest of the savings are on track to be delivered and any risk of slippage will be managed by the department.

**Summary of Key Assumptions**

- 4.2.15 The table below summaries the main assumptions made in the CYP forecast.

<b>Key Assumption</b>	<b>Downside if worse</b>	<b>Upside if better</b>	<b>Mitigations</b>
LAC and Care Leaver placements forecast assumes numbers of 814 FTEs 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£0.5m (and £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£0.2m in-year.	Ongoing review of packages for best outcomes and focus on stepdown arrangements to support children to transition from residential to foster and/or semi-independent placements. Supporting the transition of care leavers to their own tenancies, to improve outcomes and independence. Innovative support and partnering with Health for CYP Mental Health and Wellbeing, among other preventative measures.

Health contributions for CYP placements and Children with Disabilities (CWD) packages will be lower than the 2023/24 levels.	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.
Mix of social work staff and caseloads in the Localities and LAC & Permanency service to include the use of agency staff at a similar level than 2023/24.	If increases of 15% during the year, there could be up to £0.4m additional spend on agency social work staff to manage the pressure.	There would be a reduction in the use of agency staff and the reduced caseloads could be attractive to social workers seeking permanent roles.	Continued management action to monitor caseloads across the service and review and manage social work resources and incentives. New/more targeted recruitment campaign
Assume numbers of SEN clients requiring transport do not increase significantly	An increase in the numbers would place pressure on the budget	Reduction of the expected overspend	Transformation programme is reviewing options to achieve savings and avoid costs

### 4.3 Neighbourhoods and Regeneration

Neighbourhoods and Regeneration	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
<b>Public Realm</b>	25.7	25.7	0.0
<b>Strategic Housing</b>	1.5	1.5	0.0
<b>Inclusive Regeneration &amp; Employment</b>	1.2	1.2	0.0
<b>Total</b>	<b>28.4</b>	<b>28.4</b>	<b>0.0</b>

#### Summary

- 4.3.1 Neighbourhoods and Regeneration Directorate are currently forecasting a break-even position at Q1. However, there are some pressures that will need to be managed to maintain this position.

## **Risks and uncertainties**

- 4.3.2 Within Inclusive Regeneration & Employment, pressures reported on income generated by Building Control and Planning in 2023/24 remain.
- 4.3.3 Increased interest rates and material costs have seen cancellation or scaling back of some major developments, which has affected the ability of Building Control to generate the fee income that it has collected historically. The Health and Safety Executive (HSE) high-rise building regulations were introduced in October 2023, which meant a switch to a cost recovery basis for charging. In addition, almost all major project work is assigned to Local Authorities by the BSR (Building Safety Regulator) which has taken away the department's ability to bid for further work. The department is working to mitigate the effect of these factors in the new financial year.
- 4.3.4 Within Planning and Development Services, 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. This was managed in 2023/24 due to an implementation of fee increases in December 2023, which is currently estimated to be sufficient to prevent any pressures in 2024/25.
- 4.3.5 For Public Realm the new contractual arrangements for a number of key services such as parking and waste management, commenced in 2023/24. These continue to be closely monitored as the contracts are still within their first 12 months of operation.
- 4.3.6 Within the new waste contract there is close monitoring of recycling tonnage and market prices to ensure they align with the predicted figures for the contract. It was anticipated the new service would face some pressure in the first few years, and as such an earmarked reserve was created to smooth any financial impacts between years.

## **Savings and Slippages**

- 4.3.7 Savings for 2024/25 were set under the Council's previous structure. Following the senior leadership realignment, savings have been realigned and £1.2m of savings are attributable to the new Neighbourhoods and Regeneration department.
- 4.3.8 At Quarter 1 there are no reported issues and all savings are expected to be delivered in-year.
- 4.3.9 The table below summaries the main assumptions made in the N&R forecast.

## Summary of Key Assumptions

Key Assumption	Downside if worse	Upside if better	Mitigations
Building Control is able to mitigate pressure on its income generation.	In 23/24 the department reported a £600k overspend, without mitigation the same could occur	The department is able to generate more income providing additional revenue to the Council	Cases are starting to arrive from the new process through the BSR. These are being closely monitored to ensure accurate forecasting, whilst reviewing other mitigations.
The new waste contract is still embedding and recycling performance will improve	The full reserve could be utilised and pressures spread into future years.	The reserve balance is not fully used and is available to repurpose and utilise for other pressures	The monthly data around tonnage, rejections and market prices for recycling are closely monitored. With ongoing work to improve recycling performance.

### 4.4 Law and Governance

Law and Governance	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Legal Services	5.0	5.0	0.0
HR & Organisational Development	3.5	3.5	0.0
Democratic Services	4.1	4.1	0.0
<b>Total</b>	<b>12.6</b>	<b>12.6</b>	<b>0.0</b>

#### Summary

- 4.4.1 The Law & Governance Directorate are forecasting to break-even in 2024/25.

#### Risks and uncertainties

- 4.4.2 Although the department are forecasting to break-even there are some pressures which present a risk to this forecast within Legal Services.

4.4.3 Legal services are currently using temporary staff to cover critical positions in the department which are vacant. There is a risk to the staffing budget if the department is unable to permanently recruit to these posts and the structure of the service will need to be reviewed to ensure the capacity matches the available budget.

4.4.4 Additionally, the department is experiencing budget pressures due to the rising hourly rate of Barrister fees. Further work is being undertaken to look at mitigations for this.

### **Savings and Slippages**

4.4.5 Under the new Council structure £0.3m of 2024/25 savings are attributable to Law & Governance. At Quarter 1 there are no reported issues and all savings are expected to be delivered in-year.

## **4.5 Finance and Resources**

<b>Finance and Resources</b>	<b>Budget (£m)</b>	<b>Forecast (£m)</b>	<b>Overspend / (Underspend) (£m)</b>
<b>Finance</b>	4.7	4.7	0.0
<b>Organisational Assurance &amp; Resilience</b>	4.2	4.2	0.0
<b>Shared Technology Services</b>	0.0	0.0	0.0
<b>Property &amp; Assets</b>	8.6	8.6	0.0
<b>Total</b>	<b>17.5</b>	<b>17.5</b>	<b>0.0</b>

### **Summary**

4.5.1 The Finance and Resources Directorate are currently forecasting to spend to budget for 2024/25.

4.5.2 Shared Technology Services has a net zero budget as it recharges all its costs to the member councils, including the Brent client service within Partnerships, Housing and Resident Services.

### **Risks and Uncertainties**

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

4.5.4 Based on the current forecasts of energy prices from our energy supplier, which is based on the contracts they have already bought for future energy supply, Property & Assets are expecting energy costs to the council to fall in

October. Finance and Resources delivering a break-even outturn is dependent on energy costs decreasing as expected.

### Savings and Slippage

4.5.5 A total of £1.08m in savings is planned through staff reductions, digital transformation, leasing additional floors of the Civic Centre, streamlining Facilities Management services, maximising income potential from Council assets, and other departmental efficiencies.

### 4.6 Partnerships, Housing and Resident Services

<b>Partnerships, Housing and Resident Services</b>	<b>Budget (£m)</b>	<b>Forecast (£m)</b>	<b>Overspend / (Underspend) (£m)</b>
Communications Insight and Innovation	15.2	15.2	0.0
Communities & Partnerships	4.7	4.7	0.0
Housing Needs & Support	11.8	11.8	10.0
Private Housing Services	0.4	0.4	0.0
Residents Services	15.1	15.1	0.0
Housing & Resident Services Corporate Director	3.5	3.5	0.0
<b>Total</b>	<b>40.7</b>	<b>50.7</b>	<b>10.0</b>

### Summary

4.6.1 The Partnerships, Housing and Resident Services Directorate is forecasting a possible budgetary pressure for 2024/25, which could amount to £10m and is directly attributable to the high level of pressures in the Housing Needs and Support department. All other service areas are forecast to achieve a break-even position.

4.6.2 The department continues to take a number of actions to support Brent residents and businesses and mitigate the impact of the cost-of-living crisis.

4.6.3 A Household Support Fund (HSF) grant has been announced by the Government to be extended for a further six months, to the end of September 2024, to support residents through the cost-of-living. For Brent this is an additional £2.8m. This is anticipated to be utilised in full to support households receiving free school meals for May half-term and six weeks summer holidays, Care Leavers, Disabled households on Housing Benefits, Credit Union and external partners. £1.2m has been allocated for reactive support where residents who are in hardship can apply for help and support.

- 4.6.4 In addition, a new model of support for Brent residents has been developed through the piloting of Cost-of-Living Outcome Based Review (OBR) projects and guided by a series of design principles. The approach proposes a single, joined-up model including development of a Community Wellbeing Programme aligned with a refreshed Resident Support Fund (RSF), designed to support residents to be more resilient in the longer term and align more closely with strategic priorities and related projects. The RSF supports the Council's approach towards addressing key community needs through strategic funding and partnerships, ensuring impactful and sustainable support for residents. £1m of recurring funding has been allocated in the Medium Term Financial Strategy to support this new model. The Council's original RSF, a discretionary support fund, has been in place since August 2020 to provide more support to residents and businesses with the cost of living.
- 4.6.5 The Collection Fund has foregone £33m of Council Tax revenue in 2024/25 to fund the Council Tax Reduction Scheme (CTRS), supporting around 25,600 households in the borough.
- 4.6.6 The 2024/25 budget has been set considering assumptions around future demographic changes, the impacts of the cost-of-living crisis and inflationary trends. It is based on these assumptions and current trends that the Partnerships, Housing and Resident Services department is forecasting a break-even position for areas other than Housing for 2024/25. However, there are risks and uncertainties that could impact the year's final financial outturn position.

### **Risks and uncertainties**

- 4.6.7 Housing Needs and Support continues to be the most significant area of risk for the department. An extremely elevated level of demand for housing services and emergency accommodation is a national issue that is particularly acute in London. The Housing Needs Service in Brent has seen a 12% increase in the number of homelessness presentations received in 2023/24 (7,300) compared to 2022/23. The total number of households in temporary accommodation in Brent has increased by 8% over the same period, and the number of families in emergency temporary accommodation has increased by 36%. As at the end of May 2024, the total number of homeless households living in emergency type accommodation has risen to 922, with the service placing an average of 30 households every week.
- 4.6.8 London Councils conduct analysis and benchmarking of peers that help to gauge the situation in London. They revealed that Housing pressures are increasing rapidly compared to budgeted levels and that Councils' net deficit on homelessness service spending was projected to be £104.9m (54.2%) higher in 2023/24 than it was in 2022/23. Brent has seen a 259% increase in the deficit between 2022/23 and 2023/24. The gross total monthly TA spend was £65.2m in January 2024 up 28.1% on a year earlier. Across London, the total number of households in temporary accommodation has increased by 8.4% and the total number of families living in B&B accommodation rose by



70% when compared to the previous year. There was a 131% increase in families living in B&Bs beyond the six-week limit.

- 4.6.9 As these issues are London wide, the availability of B&B and Annexe accommodation is severely restricted across the capital, with many Councils being forced to book rooms in commercial hotels to meet statutory duties. This lack of availability of accommodation is resulting in having to use expensive providers and at times outside of Brent, which also causes significant financial pressures to the families placed there due to additional travel costs for children at schools in Brent.
- 4.6.10 The supply of settled TA properties, leased from private owners and used to move families out of B&B and Annexe accommodation has also contracted. This is due to fewer new properties being procured under Private Sector Leasing (PSL) schemes, and owners not renewing the lease for existing stock when the lease ends.
- 4.6.11 London Councils' findings suggest that London's PRS (Private Rented Sector) is affected by multiple factors driving a reduction in the availability of properties for rent. The demand for housing is continuing to increase while supply is reducing across the whole market. Greater reliance on the PRS to house lower income households and increasingly limited housing benefits are making accommodation less affordable and available. It appears to be supply side factors notably taxation, interest rate changes and uncertainties about future regulation that are reducing availability at the lower end of the PRS.
- 4.6.12 Homeless households placed in temporary accommodation who are entitled to it can claim housing benefit to go towards their housing costs. Local authorities pay the cost of that housing benefit upfront and then are paid back by the Department for Work and Pensions (DWP) through subsidy arrangements. Households receive the full housing benefit they are entitled to, however the amount the council can claim back is limited to 90% of the Local Housing Allowance (LHA) rates from 2011. This means that if the cost of the housing benefit claim is higher than those rates, the local authority loses money. The council is essentially bridging the gap between rent and the amount the council is allowed to recover in housing benefit subsidy from the Department of Works and Pensions. This means that if the weekly award of housing benefit for a placement in a bed and breakfast is higher than £170 on average per week, the council only receives £170, and the difference comes at a cost to the council. The average placement is in excess of £280 per week.
- 4.6.13 In 2023/24, the total subsidy loss for the Council amounted to £10.4m. In 2024/25, the Council is changing its approach to rental charges, which is expected to reduce the amount of lost subsidy, but these costs will be borne by the Housing Needs service.
- 4.6.14 A programme of works has been designed to focus on containing the projected overspend. Several workstreams covering affordability of

Temporary Accommodation and new and alternative supply have been set up. Officers are actively looking to renegotiate prices and identify alternative arrangements that would allow the Council to move some of the most expensive cases with the aim of reducing costs for the Housing Needs service. Officers also continue to carefully consider and assess the needs of homelessness applications. In 2023/24, 49% of approaches were successfully prevented or relieved.

- 4.6.15 In 2024/25, i4B is continuing its street property acquisition programme with a target to acquire 25 homes. i4B is a housing company wholly owned by Brent Council set up to acquire, letting, and manage a portfolio of affordable, good quality private rented sector (PRS) properties. Properties are let to homeless families at Local Housing Allowance (LHA) levels. This enables the Council to either prevent or discharge its homelessness duty and therefore reduce temporary accommodation costs whilst also ensuring families have a secure and responsible landlord. The rise in LHA rates has enabled i4B to increase its acquisition price caps. As at end of May 2024, 10 properties have been acquired and these property sizes range between one to five bed properties. Negotiations are in progress for additional properties in the borough. Any new supply would help to avoid additional housing costs and mitigate the risk of the projected overspend increasing.

### **Savings and Slippages**

- 4.6.16 A total of £1.5m in savings is planned to be delivered from the department's budgets in 2024/25, including a £0.4m housing saving deferred from the previous financial year. The main savings are expected from service transformations, restructures and digital projects. Considering the overall pressures on the Housing service, there is a risk that the £0.4m saving may not be achieved in the current financial year due to slippages against the original timeline for the delivery of this saving, however it is anticipated that any slippages will be managed by the department through one-off measures.

### **Summary of Key Assumptions**

<b>Key Assumption</b>	<b>Downside if worse</b>	<b>Upside if better</b>	<b>Mitigations</b>
The additional number of homeless people can be managed within the existing forecast.	Each person costs on average £360 per week to accommodate, therefore any further increases in demand would result in a circa £0.1m per quarter for every 20 people.	Faster progress on homeless pathways or any decrease in demand will reduce expenditure by £350 per week per person.	The service is focusing on moving homeless clients along the various pathways.  Various project workstreams are focusing on sourcing additional housing supply to

			alleviate some of the pressures.
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.
Other inflation linked costs can be contained within existing budgets.	A 3% increase in costs above budgetary assumptions could cost an additional £0.2m per annum	A 3% cost reduction in costs would result in a circa £0.2m saving for the year.	The department continues looking for best way to achieve value for money, utilising the most efficient procurement and service delivery options and negotiations.

## 4.7 Central items

### Collection Fund – Council Tax

- 4.7.1 The net collectible amount for Council Tax for 2024/25 (after exemptions, discounts and Council Tax Support) as at 31st May 2024 is £216.9m. As at the end of May 2024, the amount collected was 19.2%, a decrease of 0.4% when compared to the in-year target and 0.4% lower than the amount collected in the same period in 2022/23 (19.6%).
- 4.7.2 At the meeting of General Purposes Committee in December 2023, the decision was taken to increase the long-term collection rate for budget setting back to the pre-pandemic target of 97.5%. The target had previously been reduced to 97.0% in December 2021 to account for anticipated increase in uncollectable debts arising from the acute economic impact of the Covid-19 pandemic and the resulting recession. The decision to reverse this reduction was taken on the basis that with all Covid-19 restrictions having been lifted, it could be expected that collection would return to the pre-pandemic average. Increasing the long-term collection rate resulted in an increase to the tax base used for budget setting purposes, which in turn resulted in an increased Council Tax income used to fund the 2024/25 budget.
- 4.7.3 In the Quarter 3 Financial Report 2023/24, it was noted that the collection rates for Council Tax in 2023/24 were significantly lower than the in-year target. By 31 March 2024, only 92.2% of the net collectable debit for 2023/24

had been collected, 1.8% below the 94% in-year target and 2.1% lower than the equivalent figure for 2022/23.

- 4.7.4 This is an indication that there are other issues that are negatively affecting the collection of Council Tax. The most prominent of these impacts is likely to be the ongoing cost-of-living crisis, which has been exacerbated in Brent by levels of unemployment above national and London averages.
- 4.7.5 Furthermore, analysis of the trends in the Council Tax collection over several years has shown that the collection has been falling since before the Covid-19 pandemic, meaning that the short-term shocks have only accelerated the longer-term trend. Work is continuing to determine the cause of this decline and proposals for appropriate action to reverse this will be brought forward over the following quarters of the financial year.
- 4.7.6 The results of this work and the effect that it has on the long-term forecast for Council Tax collection will determine whether it is possible to continue with the current long term collection target for setting the 2025/26 budget. Current Medium Term Financial Strategy assumption is for a 97.5% long term Council Tax collection for all years. If it is necessary to reduce the target, this will reduce the funding available to the General Fund for 2025/26 by approximately £0.9m for every 0.5% reduction.
- 4.7.7 In the current uncertain funding environment for local government there is potential significant risk to the Council's financial resilience. Any budget gap arising from reduced expectations for collection will have to be met either from reserves in the short term or from additional budget savings. The Council has already committed to a challenging programme of savings across 2024/25 and 2025/26 and the reserves have already been depleted in recent years due to high inflation and demographic pressures.
- 4.7.8 Recent years have seen some of the pressure from the reduction in Council Tax collection be mitigated by higher than average tax base growth, which has been driven by the regeneration work ongoing within the borough. Currently it is not known if this growth will continue, or for how long it can be expected to generate additional Council Tax income. With interest rates at their highest level for over a decade and expected to remain high, it is not yet clear what effect (if any) this will have on the building of new homes in Brent. Work will continue in the coming months to produce a more accurate forecast for the growth in the Council Tax base, and this will feed into the budget setting for 2025/26.

### **Collection Fund – Business Rates**

- 4.7.9 The budgeted net collectable amount for Business Rates (NNDR) for 2023/24 is £140.1m (after exemptions, reliefs and discounts). This was based on the forecast used for the NNDR1 form in January 2024 and has increased by 11.6% from £125.5m in 2023/24. This increase is largely the result of a £10.5m reduction in the transitional relief provided to businesses (£1.7m, down from £12.2m in 2023/24), which deferred the increase to their business

rates resulting from the revaluation of all non-domestic properties as at 1 April 2023.

- 4.7.10 The actual net collectable amount for NNDR as at 31 May 2024 is £140.1m, unchanged from the budget in January 2024. 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.
- 4.7.11 Any movement in 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 or from the General Fund in the following financial year.
- 4.7.12 As at 31 May 2024, the amount collected was 17.3%, which is 0.6% above the month-end target. The amount collected in the same period in 2023/24 was 16.8%. Collection in 2023/24 was 93.2%, 0.8% below the in-year target of 94%. This was driven by a small number of issues with businesses with relatively large liabilities and the issues only became apparent later in the year. Whilst the above target collection is positive, any repeat of the issues experienced in 2023/24 will result in a reduction in the business rates income that will impact future General Fund revenue budgets.
- 5.7.13 Furthermore, there remains a number of factors present in the economy, which could have a negative impact on the ability of businesses to pay their Business Rates, such as high interest rates and the reduction in consumer spending power as a result of the ongoing cost-of-living crisis. Work is underway to review the NNDR collection rates and determine if the future trend is one of continued growth, or if the aforementioned economic factors will result in a new drop in collection rates.

### **Savings**

- 4.7.14 The 2024/25 budget, agreed at Full Council on 29 February 2024, included an £8.0m savings target, of which £4.5m had been agreed in February 2023. Appendix A sets out the progress in delivery against this savings target and any mitigating actions. Of the savings for 2024/25, at Quarter 1 95% of these are on track to be delivered, delivering 97% (£7.8m) of the budgeted savings.

## 5.0 Dedicated Schools Grant (DSG)

Funding Blocks	Overall DSG Funding 2024/25	Forecast Expenditure	Overspend/ (Underspend)
	£m	£m	£m
<b>Schools Block</b>	121.6	121.6	0.0
<b>High Needs Block</b>	77.1	77.1	0.0
<b>Early Years Block</b>	35.7	35.7	0.0
<b>Central Block</b>	2.1	2.1	0.0
<b>Total DSG</b>	<b>236.5</b>	<b>236.5</b>	<b>0.0</b>

### Summary

- 5.1 There have been increases to the DSG funding blocks for 2024/25 and the overall DSG allocation for Brent is £397.3m. The Department for Education (DfE) has recouped £149.2m from the Schools Block and £9.3m from the High Needs Block. These are proportions of the funding to be transferred directly to Academies by the DfE. In addition, £2.3m 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 £236.5m as reflected in the table above. The Schools Block also made a 0.5% contribution to the High Needs Block of £1.4m to support the pressures in this Block.
- 5.2 The cumulative DSG deficit brought forward from 2023/24 is £15.1m. This includes an in-year surplus of £0.6m achieved in 2023/24. This 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 by the DfE in 2024/25, following the final allocations based on the results of the January 2024 census which will be confirmed in July 2024, and go towards mitigating the overall DSG deficit. The deficit carried forward since 2022/23 has been disclosed as an earmarked unusable reserve in line with DfE regulations (the School and Early Years Finance (England) Regulations 2023). 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.
- 5.3 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 CYP and the Corporate Director of Finance 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 continued reduction in the deficit.

- 5.4 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 2023/24 and 2024/25. The programme is in the test and learn phase with specific project workstreams being implemented and monitored along with key performance indicators designed to ensure that actions are tracked. The DBV programme will not address the historic deficit but changes that will be embedded as a result of the programme will be aimed at reducing future spend. The current Management Plan and efficiencies identified from the programme may allow funds to be released to address historic deficits.

### **Risk and Uncertainties**

- 5.5 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 many authorities holding deficit balances. The HN Block received a 3.5% (10% in 2023/24) increase in funding for 2024/25, 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.
- 5.6 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.

## 6.0 Housing Revenue Account (HRA)

<b>HRA gross income and expenditure</b>			
	<b>Budget</b>	<b>Forecast</b>	<b>Overspend/ (Underspend)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>HRA</b>			
<b>Income</b>	(65.9)	(65.9)	0.0
<b>Expenditure</b>	65.9	65.9	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Summary

- 6.1 Budgets for the Housing Management function are contained within the ring-fenced Housing Revenue Account (HRA), which has a balanced budget for 2024/25 made up of £65.9m of income matched by expenditure.
- 6.2 The HRA is forecasting a break-even position. However, based on the analysis of last years' activity and spend on repairs, there is a potential pressure on these budgets in 2024/25 that could be circa £2m due to continued levels of demand to address disrepairs, complex repairs and damp and mould related works. If these responsive repairs related pressures materialise, overspends will be mitigated through in-year savings and efficiencies.

### Risks and uncertainties

- 6.3 High levels of uncertainty around the inflation and interest rates pose a financial risk to the HRA. This impacts the cost of materials and repairs and the cost of new build contracts. In addition, an increase in service requests relating to damp and mould and repairs in general is likely to put additional pressure on budgets.
- 6.4 Other pressures involve the capital programme as there is currently insufficient government funding having been made available to meet environmental priorities and requirements such as carbon reduction works to homes.
- 6.5 Government rent policy currently allows for CPI+1 inflation on rents up to March 2026 and could be subject to policy changes depending on the next government. Rent setting uncertainties add to the difficulties in financial planning and budgeting for improvements and building new homes.
- 6.6 These risks are being continuously monitored and reflected in the HRA Business Plan and the Council's Medium Term Financial Strategy (MTFS).



## 7.0 Capital Programme

7.1 The capital programme as at Q1, forecasts expenditure to be in line with the budget for the financial year. While the nil variances largely reflect the early stage of the financial year, risks and uncertainties identified below show significant gaps between forecasts spend and time remaining to incur the expenditure in the year.

Directorate	Original Budget	Revised Budget	Current Forecast	FY Variance	
	£m	£m	£m	£m (Under) / Over	£m B/F
Corporate Landlord	14.2	14.3	14.3	0.0	0.0
Housing GF	59.8	61.8	61.8	0.0	0.0
Housing HRA	57.3	53.7	53.7	0.0	0.0
PRS I4B	46.3	46.2	46.2	0.0	0.0
Public Realm	23.8	25.4	25.4	0.0	0.0
Regeneration	64.7	62.2	62.2	0.0	0.0
Schools	24.7	25.4	25.4	0.0	0.0
South Kilburn	27.2	33.4	33.4	0.0	0.0
St Raphael's	0.3	0.5	0.5	0.0	0.0
<b>Total</b>	<b>318.3</b>	<b>322.8</b>	<b>322.8</b>	<b>0.0</b>	<b>0.0</b>

### Corporate Landlord (Capital)

7.2 Corporate Landlord, which is made up Civic Centre, Digital Strategy, ICT and Libraries, is forecast to spend in line with the budget of £14.3m.

#### Risks and Uncertainties – Corporate Landlord

7.3 Ongoing maintenance demands of Civic Centre such as complex roofing works and lifts could experience higher spend than budgeted and will be monitored throughout the year.

### Housing General Fund (Capital)

7.4 The Housing General Fund is currently forecasting to spend according to the revised budget of £61.2m. The spend profile for development project is not entirely linear and the individual projects are at different stages so there could be risks of slippage due to the current challenges within the construction industry leading to some contractors struggling to remain solvent. Officers will continue to monitor and report on impact of these challenges in subsequent quarterly reports.

7.5 The Edgware Road scheme, still in the Pre-Construction Services Agreement (PCSA) phase, has encountered viability issues due to regulatory

changes regarding secondary means of escape. Officers are proposing a change to the scope to incorporate additional storeys and units to compensate for the loss of units as this scheme is set to provide urgently needed additional units for temporary accommodation. This will involve a redesign and submission of a new planning application as well as incorporate new requirements of the Building Safety Act for High-Risk Buildings. This results in significant risk of delays against the current forecast programme and the impact on cost and time.

### **Housing HRA (Capital)**

- 7.6 Housing HRA is forecasted to spend according to the current year budget. Overall, the programme spend is on track against the budget forecast. Major Capital Repairs account for nearly half of this year's budget, and spending in this area is broadly on track. While some projects currently appear below budget, this is expected to be back on track later in the year. Energy Efficiency works are expected to overspend, with a significant increase forecasted by the end of the year due to a delay in the programme. The Five Tower Blocks project is already showing signs of slippage, with spend dependent upon planning applications currently going through the Building Regulator, causing programme delays.

### **Risk and Uncertainties – Housing**

- 7.7 2023/24 saw several schemes transition from assets under construction to completions, notably including the Brent Indian Community Centre, Preston Community Library, and Stonebridge Housing Development. These schemes are now in their defects liability period (DLP), with the Council holding final retention payments. There is potential for reputational risk as not all defects may be identified during the DLP. Issues might arise after occupancy, leading to disputes over responsibility for rectification. By proactively managing these risks through detailed planning, clear communication, and contractual safeguards, the council can better navigate the defects liability and handover periods.
- 7.8 While cost inflation is showing signs of slowing, the recent rises are baked into current costs while additional cost pressures have also emerged from recent updates to fire safety regulations and the resulting need for redesigns. The high interest rate environment continues to pose viability challenges. The construction industry is also seeing an increase in the number of contractors and suppliers going into administration, which may have an impact on appetite for contracts and costs. To help mitigate the impact of these costs on Council capital budgets, officers have commenced an exercise to review and improve the procurement of development schemes across the Council for the New Council's Homes Programme. The main aim is to strengthen the commercial position of the Council when procuring development schemes to improve the financial returns of the Council from these schemes.

- 7.9 The Council continues to face substantial supply pressures for Temporary Accommodation and has several schemes in the pipeline to help increase supply. Delivery of these pipeline schemes is increasingly becoming challenging due to viability issues brought about by recent high cost of construction and related supply chain issues. To mitigate this, the on-going acquisition programme to increase the supply of temporary accommodation through the Council's subsidiary I4B is expected to continue in 2024/25.

### **PRS I4B and First Wave Housing**

- 7.10 At Q1, I4B Private Sector Acquisitions is reporting to spend according to the current year budget. The current year budget is composed of a loan facility for I4B to be drawn subject to them presenting a viable property acquisition programme.

### **Risk and Uncertainties - PRS I4B and First Wave Housing**

- 7.11 I4B and First Wave Housing are collaborating with the Council to shape their future acquisition strategy and assess the availability of loan funding. This involves exploring the enhanced grant offers from DHLUC in relation to the Local Authority Housing Fund (LAHF) for Temporary Accommodation and affordable housing acquisitions in general, alongside the rise in LHA rates for new properties, both of which have improved the viability of future acquisitions.

### **St Raphael's**

- 7.12 The St Raphael's project is forecasted to spend according to budget. The current year budget covers planning and design costs for all phases and minor improvement works that do not require formal planning consent. Future plans for additional works will be confirmed based on viability. The Council is now progressing towards the delivery of the first tranche of estate improvement works, which are planned to commence in earnest in FY 2025/26. This will comprise of the community hub with its extended landscape, signage, CCTV, Metro-store bins and funding highway improvements on the estate.

### **Risk and Uncertainties - St Raphael's**

- 7.13 Plans for further works will be confirmed in the future. A notable risk is the future profile of major works scheduled to commence from 2025/26 and beyond, which requires a more realistic assessment. This profile will be established once there is greater clarity around the programming and timing of the works.

### **Public Realm**

- 7.14 As at Q1, the Public Realm board is forecasted to spend according to the budget of £25.4m. There are approximately 135 live Public Realm capital projects.

## **Risk and Uncertainties – Public Realm**

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

## **Regeneration**

- 7.16 As at Q1, Regeneration is forecasted to spend according to the current year budget of £62.2m. Most of the current year's budget is allocated to the Wembley Housing Zone. The budget has been reprofiled based on the latest programme, however, spending is slightly behind the forecast.

## **Risk and Uncertainties - Regeneration**

- 7.17 The capital regeneration and development projects are subject to various risks and uncertainties. Including land and planning risks, and increased cost from new health and safety regulations and recent high build costs all potentially leading to delays and impacting scheme viability. These will be monitored throughout the year and updated accordingly.

## **Schools**

- 7.18 As at Q1, the Schools Capital Programme board is forecast to spend according to the budget of £25.4m. The school condition related spending will not commence until Q2 and so will show in later financial reporting periods. £20.8m of the current year's budget is allocated to SEND expansion, but as of Q1, only £0.5m has been spent. Most of the SEND spend relates to the London Road SEND school and Additional Resource Provisions (ARPs). The London Road Send school project has only recently been awarded so spending will increase in the latter quarters of the year. Also, the ARPs will not start on site until Q3, meaning spend will be slow to show until later in the year.

## **Risk and Uncertainties – Schools**

- 7.19 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. As a result, the programme could experience volatility in its delivery. Some of the delays to SEND expansion projects have been attributed to changes in OFSTED ratings in the case of the Phoenix Arch SEND expansion and others to delays from dependent projects being delivered by the DfE.

## **South Kilburn**

- 7.20 As at Q1, the South Kilburn Capital Programme board is forecasted to spend according to the budget of £33.4m.

- 7.21 The South Kilburn project will deliver over 2,400 homes, of which 50% will be affordable. The forecast for the financial year includes project costs for ongoing projects, acquisition costs for obtaining vacant possession as well as funding for a project to identify the most beneficial way of delivering the remaining phases of the South Kilburn programme. The District Energy Network (DEN) has experienced a delay in delivery, and the option of a temporary energy resource is being investigated.

### **Risk and Uncertainties – South Kilburn**

- 7.22 Viability is a key challenge for the remaining developments within the South Kilburn programme. The Council as a result is exploring other development routes aimed at improving the viability of the future phases and help provide certainty for the programme.

### **Treasury Management Prudential Indicators**

- 7.23 In line with changes to the Prudential Code in 2021, the performance of the Council's treasury and capital activities against the approved prudential indicator for the year are now reported quarterly within these financial reports to members. Details of the performance against the indicators in the first quarter of the financial year are captured in Appendix B and show the Council to be operating within the limits of the prudential indicators.

## **8.0 Stakeholder and ward member consultation and engagement**

- 8.1 There are no stakeholder and ward member consultation arising from this report.

## **9.0 Financial Considerations**

- 9.1 This report sets out the financial forecast for the General Fund revenue budget, the Housing Revenue Account, the Dedicated Schools Grant and the Capital Programme, as at Quarter 1 2024/25. Financial implications of agreeing to this report are included within the forecasts provided.

## **10.0 Legal Considerations**

- 10.1 There are no legal considerations arising out of this report.

## **11.0 Equality, Diversity & Inclusion (EDI) Considerations**

- 11.1 There are no EDI considerations arising out of this report.

## **12.0 Climate Change and Environmental Considerations**

- 12.1 There are no climate change or environmental considerations arising out of this report.

**13.0 Human Resources/Property Considerations (if appropriate)**

13.1 There are no HR or property considerations arising out this report.

**14.0 Communication Considerations**

14.1 There are no direct communication considerations arising out of this report.

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance and Resources

## Appendix A - MTFS Savings Delivery Tracker 2024/25

Department	Reference	Project / Proposal	Category	Description	2024/25 (£000)	RAG Status	Comments / Mitigating Actions
Corporate	2023-24 CORP4	Procurement savings	Procurement	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	51	Green	On track to be delivered
Corporate	2023-24 AH08	Technical Adjustment - recurring grant funding	Service Transformation	Recognition of grants not previously budgeted for in the MTFS.	1,500	Green	On track to be delivered
<b>Subtotal</b>					<b>1,551</b>		
Community Health & Wellbeing	2023-24 GOV10	Procurement restructure	Restructure	Review structure of the Procurement team with overall impact leading to a reduction in the establishment by 1 FTE	50	Green	On track to be delivered
Community Health & Wellbeing	2024-25 CHW01	Technology Enabled Care	Service Transformation	Enabling residents to self-manage their health and well-being, including preventing and reducing the need for care and support through technology so they can stay independent and well in their homes and communities	100	Amber	Work has commenced in determining an approach to TEC within Adult Social Care services, including a project workshop facilitated by the Corporate Transformation Team. However, savings are still to be achieved from this workstream, but further progress will be reported in quarter 2.
Community Health & Wellbeing	2024-25 CHW02	Managing demand at the front door, prevention and early intervention	Service Transformation	Managing demand and complexity of support to 23/24 with a consistent prevention and reablement offer and a focus on Care Act statutory responsibilities including integrated market management	365	Green	On track to be delivered

Community Health & Wellbeing	2024-25 CHW03	Continuing sustainable long-term care and support needs costs that promote independence	Service Transformation	Reducing expenditure in mental health and learning disability including transitions so Brent benchmarks in the middle quartile with comparator authorities	275	Green	On track to be delivered
Community Health & Wellbeing	2024-25 G09 (d)	Discontinue use of underutilised IT on-line systems/services	Service Transformation	A review has identified several underutilised resources across the Governance department and ceasing to subscribe to these will enable savings to be made. Cease use of Proactis e-tendering system and marketplace system	16	Green	On track to be delivered
<b>Subtotal</b>					<b>806</b>		
Finance & Resources	2023-24 FR04	Civic Centre Office Let	Income Generation	Lease further floors of the Civic Centre to external organisations / tenants to generate revenue	680	Green	On track to be delivered
Page 96 Finance & Resources	2024-25 FR01	Increase Civic Centre Car Park Charging Tariffs in line with inflation/local prices	Income Generation	The current Civic Centre Car Park charging tariffs were introduced in September 2022. There is an opportunity to increase the car park charging tariffs in line with inflation and the rates charged at other car parking facilities within the vicinity of the Civic Centre from April 2024.	100	Green	On track to be delivered
Finance & Resources	2024-25 FR02	Property Strategy to maximise rental return on council assets	Income Generation	A new Property Strategy will allow the council to maximise the opportunity of increasing revenue from its assets. A starting target which we would endeavour to increase over time.	50	Green	On track to be delivered



Finance & Resources	2024-25 FR03	Delete three vacant posts	Digital	The current finance establishment has a number of vacancies. It is proposed to delete three posts that are currently filled by agency workers. Digital transformation will lead to improvements in self-service to enable further transactional activity to be reduced.	250	Green	On track to be delivered
Finance & Resources	2024-25 G09 (b)	Discontinue use of underutilised IT on-line systems/services	Service Transformation	A review has identified several underutilised resources across the Governance department and ceasing to subscribe to these will enable savings to be made. End contract with Alcamus and build system in SharePoint	22	Green	On track to be delivered
<b>Subtotal</b>					<b>1,102</b>		
Children & Young People	2023-24 CYP05	Looked after Children and Permanency	Restructure	Review of agency worker usage and implementation of a vacancy factor	510	Green	On track to be delivered
Children & Young People	2023-24 CYP06	Forward Planning Performance & Partnerships	Procurement	Proposed savings will be made through the commissioning of placements for Looked After Children and Care Leavers	860	Green	On track to be delivered
Children & Young People	2023-24 CYP09	Digital / Transformation Savings	Service Transformation	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.	200	Green	On track to be delivered

Children & Young People	2024-25 CYP01	Reduce the value of the contract that provides a targeted service that promotes education, employment, and training for young people. (Inclusion)	Reduction in provision	The current contract ends on 31 March 2024. The planned contract value from April 2024 onwards is £565,000 per annum (reflecting a previous saving of £80K). A 10% saving is proposed when the contract is re-procured. This will be targeted at the non-statutory element of the contract resulting in a reduction in bespoke projects for targeted vulnerable groups, fewer access points for the service and no service for children currently in specialist EAL provisions.	56	Green	On track to be delivered
Children & Young People	2024-25 CYP02	Additional controls to better manage spot purchasing of specialist assessments required for child care proceedings cases (Localities / LACP / Early Help).	Procurement	Additional controls to better manage spot purchasing of specialist assessments, contracts and support packages required for children's care proceedings cases. Practitioners undertaking their own assessments, better due diligence of contracts, reviewing support packages.	50	Green	On track to be delivered
Children & Young People	2024-25 CYP03	Utilising DSG to fund eligible services currently funded from the General Fund. Setting and School Effectiveness / Inclusion / Early Help.	Service Transformation	Utilising the Dedicated Schools Grant to fund eligible services currently provided from the General Fund. A review of Early Years functions that are funded through DSG across Setting and School Effectiveness, Early Help and Inclusion Service is being undertaken to reduce duplication. This will result in some DSG savings (1FTE equivalent) which will be repurposed to fund capacity in the Performance Management and Information Team that is eligible to be funded by DSG.	50	Green	On track to be delivered

Children & Young People	2024-25 CYP04	Reduction in school improvement funds in Setting and School Effectiveness Service. Setting and School Effectiveness	Reduction in provision	Reduction in budget identified for targeted school improvement activity. The general fund contributes to the team following the loss of the School Improvement and Brokering grant.	50	Green	On track to be delivered
Children & Young People	2024-25 CYP05	Freeman Family Centre – contact activity Early Help / LACP	Reduction in provision	A new organisation will be taking over tenancy of the Freeman Centre. The current contract with Barnardo's has ended and there is scope to reduce this by up to £50k as part of new arrangements with the new tenant organisation and reducing allocated growth to the existing contact service for children in care that operates from the Freeman Family Centre.	100	Green	On track to be delivered
Children & Young People	2024-25 CYP06	Offsetting overheads/management costs within Early Help through delivery of the Best Start for Life programme. (Early Help)	Service Transformation	To offset some Early Help staff costs using the Best Start for Life programme funding.	70	Green	On track to be delivered
<b>Subtotal</b>					<b>1,946</b>		
Partnerships, Housing & Residents Services	2024-25 CR02	Review of Directorate staffing structures to identify efficiencies	Restructure	Review of Directorate staffing structures to identify efficiencies	150	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 RS01 (a)	Increased use of automation	Digital	Based on 3 complex and 5 simple processes per year across all RS departments (focusing on transactional services) with efficiencies cashed through reduction in posts and/or increase in income.	117	Green	On track to be delivered

Partnerships, Housing & Residents Services	2024-25 RS02 (a)	Business support efficiencies.	Digital	Reduction in business support posts through alignment of support functions across Resident Services, combined with improved forms and integration with back-office systems.	78	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 RS10 (a)	Customer Access Improvement and Performance	Restructure	Restructure and pooling of administrative functions across Resident Services. Approx 2 FTE Reductions	44	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 RS03	Mobile telephony contract	Procurement	Saving through new contract for mobile telephony	200	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 RS04	Licensing	Digital	Savings through application rationalisation and license management	113	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 RS05	Registration and Nationality - Income generation	Income Generation	Fee Increase 24/25 following an income freeze for 23/24	20	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 RS06	Libraries and Heritage - realignment of managerial responsibilities and posts	Restructure	The restructure will focus on maximising income generation and delivering savings in 2024/25 – 2025/26.	48	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 RS07	Community Hubs - Reduction in provision	Reduction in provision	Deletion of a vacant post within Community Hubs	40	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 RS08	Revenue and Debt	Digital	To not recruit to vacant posts / move to digital – self-service / reduction in usage of Resilience Contract	65	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 RS09	Customer Services and Assessments	Digital	Reduction in Benefit Assessment processing costs due to impact of Universal Credit (UC)	61	Green	On track to be delivered

Partnerships, Housing & Residents Services	2024-25 RS10	Implementation of borough wide (except Wembley Park) selective licensing scheme	Income Generation	This is extra income into the General Fund and therefore has no negative impact on staff and service users. It is also not politically difficult to deliver. However, it is dependent upon approval by the Secretary of State.	100	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 RS17	Grave tending / additional vaults in cemeteries	Income Generation	Offer a paid for grave tending service for families that may not be able to access the Brent cemeteries.	40	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 RS18	Mortuary / Bereavement / Funeral Initiatives	Income Generation	A range of small income generating initiatives across our bereavement services	20	Green	On track to be delivered
Partnerships, Housing & Residents Services	2024-25 CR01	Volunteering Platform	Procurement	Not to procure a new Volunteering Platform	20	Green	On track to be delivered
<b>Subtotal</b>					<b>1,116</b>		
Law & Governance	2023-24 GOV11	Digital / Transformation Savings	Service Transformation	Electronic document management, further implementation of DocuSign, sharing documents with external parties via M365, chatbots for routine HR and Legal queries	75	Amber	Not achievable by original proposal. Alternative digital savings are being explored.
Law & Governance	2024-25 G01	Training budget reductions	Reduction in provision	Local training budgets have not been fully utilised in several teams and for the Member Development Programme. It is proposed to reduce these budgets accordingly. In both cases there has been an increase in in-house provision of training and therefore less dependence on purchasing from external organisations.	15	Green	On track to be delivered

Law & Governance	2024-25 G02	Member allowances	Reduction in provision	A reduction to reflect the reduction in the number of councillors as a result of the boundary review	51	Green	On track to be delivered
Law & Governance	2024-25 G03	Elections Legal provision	Reduction in provision	Currently the elections team have budgets to fund the extra legal support that might be necessary were there to be a challenge related to electoral registration or an election. Most years this has not been used. It is proposed in future to rely on the reserves that have been established for elections and call on those should such a challenge occur.	14	Green	On track to be delivered
Law & Governance	2024-25 G04	Miscellaneous overheads	Reduction in provision	This reduction is to reflect existing underspends on stationery and mail	3	Green	On track to be delivered
Law & Governance	2024-25 G05	Review of support arrangements in Executive and Member Services	Reduction in provision	There is scope to reduce the amount of administrative support provided within the service.	10	Green	On track to be delivered
Law & Governance	2024-25 G06	Legal Services – change approach to training posts	Reduction in provision	Currently Legal Services has three traditional graduate level trainee solicitor posts. It is proposed to reduce this to one post. As trainees are a valuable source of recruits to qualified posts, it is proposed to over time to convert two existing Legal Assistant posts to solicitor apprentice posts. These require a lower level of qualification, and the Apprentice Levy can be used to fund the qualification element of the training.	42	Green	On track to be delivered

Law & Governance	2024-25 G07	Increase income target for services to schools and for legal charges to third parties	Income Generation	Income from these sources has increased, for example through more schools buying into the services available from the Governance Department and work undertaken in relation to developments.	42	Green	On track to be delivered
Law & Governance	2024-25 G09 (a)	Discontinue use of underutilised IT on-line systems/services	Service Transformation	A review has identified several underutilised resources across the Governance department and ceasing to subscribe to these will enable savings to be made. The courts are moving to a new bundling system, and this will no longer be required	10	Green	On track to be delivered
Law & Governance	2024-25 G09 (c)	Discontinue use of underutilised IT on-line systems/services	Service Transformation	A review has identified several underutilised resources across the Governance department and ceasing to subscribe to these will enable savings to be made. Cease subscription to expert HR	5	Green	On track to be delivered
Law & Governance	2024-25 G08	Realign graduate budget	Reduction in provision	The number of graduates recruited under the council's programme is variable and as appointments are made part way through the financial year the precise costs are unpredictable. A smoothing reserve has therefore been established to manage this issue and it proposed that the core budget be reduced accordingly. The proposed reduction for 2024/25 is part of an overall £15k reduction already partly implemented.	5	Green	On track to be delivered
<b>Subtotal</b>					<b>272</b>		

Neighbourhoods & Regeneration	2023-24 CR01	Planning Service Staff	Restructure	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.	205	Green	On track to be delivered
Neighbourhoods & Regeneration	2023-24 CR04	Regeneration Capitalisation	Restructure	Opportunity for further capitalisation for 4 years, whilst Wembley housing zone schemes are built	75	Amber	Not achievable by original proposal. Alternatives are being explored.
Neighbourhoods & Regeneration	2023-24 RS18	RLS Related - Negotiate RLS cost reduction	Procurement	Potential to reduce cost as part of RLS competitive dialogue tendering approach	200	Green	On track to be delivered
Neighbourhoods & Regeneration	2024-25 RS01 (b)	Increased use of automation	Digital	Based on 3 complex and 5 simple processes per year across all RS departments (focusing on transactional services) with efficiencies cashed through reduction in posts and/or increase in income.	33	Green	On track to be delivered
Neighbourhoods & Regeneration	2024-25 RS02 (b)	Business support efficiencies.	Digital	Reduction in business support posts through alignment of support functions across Resident Services, combined with improved forms and integration with back-office systems.	22	Green	On track to be delivered
Neighbourhoods & Regeneration	2024-25 RS10 (b)	Customer Access Improvement and Performance	Restructure	Restructure and pooling of administrative functions across Resident Services. Approx 2 FTE Reductions	13	Green	On track to be delivered
Neighbourhoods & Regeneration	2024-25 RS11	Increased subscription to the bulky waste service	Income Generation	A saving to account for an established increase in demand for the bulky waste collection service from around 350 requests when Veolia were operating the service to around 650 requests per month currently	10	Green	On track to be delivered
Neighbourhoods & Regeneration	2024-25 RS12	Increased subscription and £5 charge increase with respect to the garden waste service	Income Generation	To increase the annual subscription price for garden waste collections from £60 to £65, an 8% increase to generate an additional income of £100,000	100	Green	On track to be delivered



Neighbourhoods & Regeneration	2024-25 RS13	Review of the Parks service	Income Generation	Create a programme of organised cultural and entertainment events in parks to include a revision of fees and charges.	70	Green	On track to be delivered
Neighbourhoods & Regeneration	2024-25 RS14	Rental of Parks building space	Income Generation	To review existing unused property space within parks.	30	Green	On track to be delivered
Neighbourhoods & Regeneration	2024-25 RS15	Licensing / sponsorship schemes in Parks	Income Generation	Offer space for advertising in parks.	40	Green	On track to be delivered
Neighbourhoods & Regeneration	2024-25 RS16	Increase tennis/sports bookings	Income Generation	Create and advertise a revised sports booking programme that encourages better take up and which offers new activities.	20	Green	On track to be delivered
Neighbourhoods & Regeneration	2024-25 RS19	Cashless Parking opt In Reminders	Digital	The Council generating income through optional text reminders, which is expected to generate income in the region of £80k per annum.	100	Green	On track to be delivered
Neighbourhoods & Regeneration	2024-25 RS20	RLS Contract Efficiencies Post Year 1	Service Transformation	Review of savings and efficiencies potential once the new contract operations have settled after year 1.	100	Green	On track to be delivered
Neighbourhoods & Regeneration	2024-25 RS21	Removal of vacant posts	Restructure	An ongoing assessment of the need to recruit to vacant posts and whether these can be removed and the tasks accounted for in different ways.	200	Green	On track to be delivered
<b>Subtotal</b>					<b>1,218</b>		
<b>Overall total</b>					<b>8,010</b>		

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## **Appendix B – 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 and 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.

Prudential indicators have been calculated using the capital programme data as at quarter one of 2024/25. Data currently assumes full delivery of expected 2024/25 approved budgets by 31 March 2025.

<b>Capital Expenditure &amp; Financing at Q1 2024/25 (£m)</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Total 2024/25-2028/29</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Estimated</b>	<b>Estimated</b>	<b>Estimated</b>	<b>Estimated</b>	
Corporate Landlord	10.0	14.3	19.0	10.8	28.2	0.5	<b>72.8</b>
Housing GF	99.4	108.0	48.1	30.7	3.6	0.0	<b>190.4</b>
Schools	11.7	25.4	26.3	7.3	3.3	0.0	<b>62.2</b>
Regeneration	4.5	62.2	117.4	7.3	0.0	0.0	<b>186.9</b>
Public Realm	25.1	25.4	11.7	1.0	1.0	6.0	<b>45.2</b>
South Kilburn	18.9	33.4	3.9	3.9	0.0	0.0	<b>41.2</b>
St Raphael's	0.6	0.5	3.2	3.9	12.5	0.0	<b>20.0</b>
HRA	42.8	53.7	96.5	29.5	9.9	0.0	<b>189.7</b>
<b>Total Capital Expenditure</b>	<b>213.0</b>	<b>322.8</b>	<b>326.1</b>	<b>94.4</b>	<b>58.5</b>	<b>6.5</b>	<b>808.3</b>
<b>Financed By:</b>							
Grants	57.3	50.3	33.6	7.3	3.3	0.0	<b>94.5</b>
Section 106	8.9	28.1	16.7	0.0	0.0	0.0	<b>44.8</b>
Capital Receipts	4.9	1.8	28.2	23.3	26.1	0.0	<b>79.4</b>
Earmarked Reserves	0.9	2.5	1.3	1.4	0.0	0.0	<b>5.1</b>
Major Repairs Reserve	10.4	24.0	21.4	0.0	0.0	0.0	<b>45.4</b>
Revenue Contributions	9.0	11.6	1.7	9.0	0.5	0.5	<b>23.3</b>
Borrowing	121.5	204.6	223.3	53.5	28.6	6.0	<b>516.0</b>
<b>Total Capital Financing</b>	<b>213.0</b>	<b>322.8</b>	<b>326.1</b>	<b>94.4</b>	<b>58.5</b>	<b>6.5</b>	<b>808.3</b>

### (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 2024/25 is shown in the table below. The indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and to consider the impact on Council tax and in the case of the HRA, housing rent levels.

CFR Movement at Q1 2024/25 (£m)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimated	Estimated	Estimated	Estimated	Estimated
<b>Opening CFR</b>	<b>1,146.1</b>	<b>1,246.7</b>	<b>1,429.8</b>	<b>1,629.1</b>	<b>1,656.3</b>	<b>1,657.0</b>
Capital Expenditure	213.0	322.8	326.1	94.4	58.5	6.5
External Resources	(66.3)	(78.4)	(50.3)	(7.3)	(3.3)	0.0
Internal Resources	(25.3)	(39.9)	(52.5)	(33.6)	(26.6)	(0.5)
MRP	(18.1)	(20.5)	(23.1)	(25.2)	(26.7)	(27.3)
Capital Loans Repaid	(0.9)	(0.9)	(1.0)	(1.1)	(1.2)	(1.4)
Accounting Adjustments	(2.0)	0.0	0.0	0.0	0.0	0.0
<b>Closing CFR</b>	<b>1,246.7</b>	<b>1,429.8</b>	<b>1,629.1</b>	<b>1,656.3</b>	<b>1,657.0</b>	<b>1,634.3</b>

External resources consist of grants and Developer contributions. Internal resources consist of use of reserves; capital receipts and revenue contributions.

### (b) Gross Debt and the Capital Financing Requirement

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 2024/25.

Gross Debt & the Capital Financing Requirement at Q1 2024/25 (£m)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimated	Estimated	Estimated	Estimated	Estimated
External Loans	814.3	930.6	1,098.9	1,120.6	1,116.3	1,099.0
PFI & Leases	11.4	11.7	11.5	9.6	10.0	11.0
<b>Total External Debt Liabilities</b>	<b>825.6</b>	<b>942.3</b>	<b>1,110.3</b>	<b>1,130.2</b>	<b>1,126.3</b>	<b>1,110.0</b>
<b>Internal Borrowing</b>	<b>421.1</b>	<b>487.5</b>	<b>518.8</b>	<b>526.1</b>	<b>530.6</b>	<b>524.3</b>
<b>Capital Financing Requirement</b>	<b>1,246.7</b>	<b>1,429.8</b>	<b>1,629.1</b>	<b>1,656.3</b>	<b>1,657.0</b>	<b>1,634.3</b>

### (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.

Liability Benchmark at Q1 2024/25 (£m)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimated	Estimated	Estimated	Estimated	Estimated
Loans CFR	1,246.7	1,429.8	1,629.1	1,656.3	1,657.0	1,634.3
Less Balance Sheet Resources	(470.5)	(470.5)	(470.5)	(470.5)	(470.5)	(470.5)
<b>Net Loan Requirement</b>	<b>776.2</b>	<b>959.4</b>	<b>1,158.6</b>	<b>1,185.9</b>	<b>1,186.5</b>	<b>1,163.8</b>
Plus Liquidity Allowance	20.0	20.0	20.0	20.0	20.0	20.0
<b>Liability Benchmark</b>	<b>796.2</b>	<b>979.4</b>	<b>1,178.6</b>	<b>1,205.9</b>	<b>1,206.5</b>	<b>1,183.8</b>

#### (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.

Operational Boundary at Q1 2024/25 (£m)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimated	Estimated	Estimated	Estimated	Estimated
Opening External Debt	774.2	814.3	930.6	1,098.9	1,120.6	1,116.3
Debt Maturing	(89.9)	(84.2)	(48.7)	(23.2)	(23.7)	(13.7)
New Debt Required	130.0	200.6	417.6	462.6	482.0	478.4
<b>Closing External Debt</b>	<b>814.3</b>	<b>930.6</b>	<b>1,098.9</b>	<b>1,120.6</b>	<b>1,116.3</b>	<b>1,099.0</b>
PFI & Lease Liabilities	11.4	11.7	11.5	9.6	10.0	11.0
<b>Operational Boundary</b>	<b>1,500</b>	<b>1,500</b>	<b>1,600</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>

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.

Authorised Limit at Q1 2024/25 (£m)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Authorised Limit	1,700.0	1,700.0	1,800.0	1,900.0	1,900.0	1,900.0

The Corporate Director for Finance and Resources confirms that there were no breaches to the Authorised Limit and the Operational Boundary during Quarter one of 2024/25.

**(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 in the current year will be replaced at current rates.

<b>Upper Limits on one-year revenue impact of a 1% movement in interest rates on Maturing Debt at Q1 2024/25 (£m)</b>	<b>2024/25</b>	<b>2024/25</b>
	<b>Approved Limit</b>	<b>Actual</b>
Upper limit on one-year revenue impact of a 1% rise in interest rates	5.0	0.8
Compliance with limits:		Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	5.0	(0.8)
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 at Q1 2024/25	Upper Limit	Lower limit	2024/25	2024/25	2024/25	2024/25	2024/25
			Actual Borrowing	Actual Borrowing	Actual Borrowing	Actual Borrowing	Compliance with limits
	%	%	£m	%	£m	%	
Under 12 months	40.0	0.0	65.1	8.2%	48.7	6.7%	Yes
12 months & within 24 months	40.0	0.0	48.7	6.1%	23.2	3.2%	Yes
24 months and within 5 years	40.0	0.0	47.0	5.9%	37.5	5.1%	Yes
5 years and within 10 years	60.0	0.0	73.4	9.2%	72.9	10.0%	Yes
10 years and within 20 years	75.0	0.0	144.3	18.1%	132.1	18.1%	Yes
20 years and within 30 years	75.0	0.0	122.3	15.4%	133.5	18.3%	Yes
30 years and within 40 years	75.0	0.0	189.3	23.8%	177.1	24.3%	Yes
Over 40 years	75.0	0.0	105.0	13.2%	105.0	14.4%	Yes

### (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.

Financing Costs to Net Revenue Stream at Q1 2024/25	Limit	Forecast	Forecast	Forecast	Forecast
	2024/25	2024/25	2025/26	2026/27	2027/28
Financing Costs (Interest & MRP) (£m)	39.1	36.3	43.2	41.8	41.7
Net Revenue Stream (£m)	383.3	387.0	395.0	407.3	420.1
<b>Proportion of net revenue stream (%)</b>	<b>10.2%</b>	<b>9.4%</b>	<b>10.9%</b>	<b>10.3%</b>	<b>9.9%</b>



Financing costs can be further broken down as follows.

Capital Financing Costs at Q1 (£m)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Total Gross External Debt Interest</b>	30.3	37.2	42.7	47.3	48.1	47.9
<b>Total Interest Payable &amp; Expenses (Including Reserve Contributions)</b>	33.6	39.5	44.6	48.6	49.3	49.0
<b>Total Interest Receivable</b>	(24.5)	(27.2)	(28.4)	(30.6)	(32.6)	(33.9)
<b>Net Interest</b>	9.1	12.3	16.2	18.0	16.7	15.1
<b>MRP (Excluding PFI &amp; Service Loans)</b>	13.4	15.5	18.0	20.3	21.5	22.9
<b>Revenue Contributions to Capital Programme</b>	8.5	9.0	9.5	4.0	4.0	4.0
<b>Total Capital Financing Costs</b>	30.9	36.8	43.7	42.3	42.2	42.0
<b>Budget</b>	25.0	26.2	27.4	28.6	29.8	29.8
<b>Revenue Contribution from Service</b>	0.5	0.5	0.5	0.5	0.5	0.5
<b>Total Budget</b>	25.5	26.7	27.9	29.1	30.3	30.3
<b>Variance</b>	(5.4)	(10.1)	(15.8)	(13.2)	(11.9)	(11.7)

#### (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 at Q1 2024/25 (£m)	2023/24	2023/24	2024/25	2024/25
	Approved	Actual	Approved	Actual
Upper Limit for Total Principal Sums Invested Over 364 Days	50.0	0.0	50.0	0.0

### (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 at Q1 2024/25	2023/24	2023/24	2024/25	2024/25
	Approved	Actual	Approved	Actual
Portfolio average credit rating	A	A+	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 at Q1 2024/25 (£m)	2023/24	2023/24	2024/25	2024/25
	Approved	Actual	Approved	Actual
Total cash available within 3 months	20.0	95.3	20.0	66.0

### (k) Investment Forecast

This indicator demonstrates the Council's investment exposure broken down by category for Treasury and non-treasury investments. Non-Treasury investments are directed under the Council's Investment Strategy 2024/25, whilst treasury investments are managed under the Treasury Management Strategy 2024/25.

Total Investment Exposure	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimated	Estimated	Estimate	Estimated
Treasury management cash investments	95.3	20.0	20.0	21.0	21.0
Service investments: Loans	285.6	284.5	283.3	269.1	267.7
Commercial investments: Property	0.0	0.0	0.0	0.0	0.0
<b>Total Investments</b>	<b>380.9</b>	<b>304.5</b>	<b>303.3</b>	<b>290.1</b>	<b>288.7</b>
Commitments to lend	50.0	50.0	50.0	51.0	51.0
<b>Total Exposure</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>51.0</b>	<b>51.0</b>

### (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.

Loans & Investments for service purposes: Category of borrower (£m)	2023/34	2024/25	2025/26	2026/27	2027/28
	Actual	Estimated	Estimated	Estimated	Estimate
I4B Subsidiary Loans	182.1	182.1	182.1	182.1	182.1
I4B Subsidiary Equity	36.4	36.4	36.4	36.4	36.4
FWH Subsidiary Loans	34.3	33.8	33.4	32.9	32.5
Local Businesses	0.2	0.2	0.2	0.2	0.2
Schools, Academies and Colleges	17.9	17.6	17.4	16.7	16.5
Waste Authority	14.8	14.4	13.9	0.8	0.0
<b>Total</b>	<b>285.6</b>	<b>284.5</b>	<b>283.3</b>	<b>269.1</b>	<b>267.7</b>


### (m) Investment Rate of Return

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

Investments net rate of return at Q1 2024/25	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimated	Estimated	Estimated	Estimated
Treasury management investments	5.31%	4.81%	3.63%	3.00%	3.00%
Service investments: Loans	2.4%	2.4%	2.4%	2.4%	2.4%
Commercial investments: Property	0	0	0	0	0

### (n) Other Investment Indicators

Other investment indicators	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimated	Estimated	Estimated	Estimated
External Debt (Loans)	814.3	930.6	1,098.9	1,120.6	1,116.3
Net Service Expenditure	358.4	387.0	395.0	407.3	420.1
<b>Debt to net service expenditure ratio</b>	<b>2.3</b>	<b>2.4</b>	<b>2.8</b>	<b>2.8</b>	<b>2.7</b>
Commercial income as a % of net service expenditure ratio	0.0	0.0	0.0	0.0	0.0

	<b>Cabinet</b> 15 July 2024
	<b>Report from the Corporate Director of Neighbourhoods and Regeneration</b>
	<b>Lead Member – Cabinet Member for Employment, Innovation &amp; Climate Action (Councillor Jake Rubin)</b>
<b>Post 16 Skills Strategy</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	One Appendix 1: Next Steps/Action Plan
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Marc Jordan Head of Brent Start <a href="mailto:Marc.jordan@brent.gov.uk">Marc.jordan@brent.gov.uk</a> 020 8937 4599  Ala Uddin Head of Employment, Skills & Enterprise. <a href="mailto:Ala.uddin@brent.gov.uk">Ala.uddin@brent.gov.uk</a> 020 8937 2135

## 1.0 Executive Summary

- 1.1. This report sets out the main contents and concepts of the draft Brent Post-16 Skills Strategy, including supporting evidence from research of stakeholders. It outlines the high-level visions and expected impact. The aim is to ensure that residents are able to access skills which will enable them to gain employment, and progress within it. It also aims to support businesses with workforce development and the right skills amongst the population to enable them to grow. Implementation will be reliant on working with colleagues, external stakeholders and skills providers, businesses and funders.

## 2.0 Recommendation(s)

- 2.1 To note progress of the work on the Post-16 Skills Strategy and the accompanying research commission.

2.2 To endorse the strategy for progression to publication.

### **3.0 Detail**

#### **3.1 Cabinet Member Foreword**

3.1.1 As the Cabinet Member for Employment, Innovation and Climate Action, it is my pleasure to introduce the Post-16 Skills Strategy, which outlines our vision, objectives, and strategies for enhancing the skills landscape in Brent. In the wake of the challenges posed by Brexit and the pandemic, it is imperative that we invest in initiatives that foster economic recovery, empower our residents, and nurture a thriving community.

3.1.2 The Post-16 Skills Strategy is a collaborative endeavour that underscores our commitment to working hand in hand with businesses, educational institutions, and other stakeholders. At its core lies a shared goal: to equip residents with the skills necessary to secure high-quality employment opportunities.

3.1.3 Our vision is ambitious yet achievable. We aim to provide a unified approach that bridges the gap between skills supply and demand, thereby fostering inclusivity and prosperity within our community. By aligning our efforts with existing strategies, including coverage of borough plan objectives—best start in life, prosperity and stability in Brent, and thriving communities—in addition to linking well with the Council's strategic work streams of community power and resilience and strategic partnerships, we seek to address skills disparities and cultivate a workforce that is not only skilled but also adaptable to the evolving needs of the economy.

3.1.4 In summary, the Post-16 Skills Strategy represents a bold step towards building a brighter future for Brent. By harnessing the collective efforts of stakeholders and investing in the skills of our residents, we are laying the foundation for a more prosperous and resilient community. I would like to extend my gratitude to all those who have contributed to the development of this strategy, and I look forward to working together to turn our vision into reality.

3.1.5 The Inclusive Growth Strategy, the response to the Poverty Commission, the BCAP and the Borough Plan are all strategies that have informed the new Skills Strategy. The strategy takes into account the recent Skills Roadmap for London, with a particular focus on locally relevant skills provision and collaboration and partnership between businesses and skills providers.

3.1.6 The strategy, in part via the creation of a Board involving external partners, aligns with the Council's objectives of working with strategic partners to help deliver our (and their) objectives.

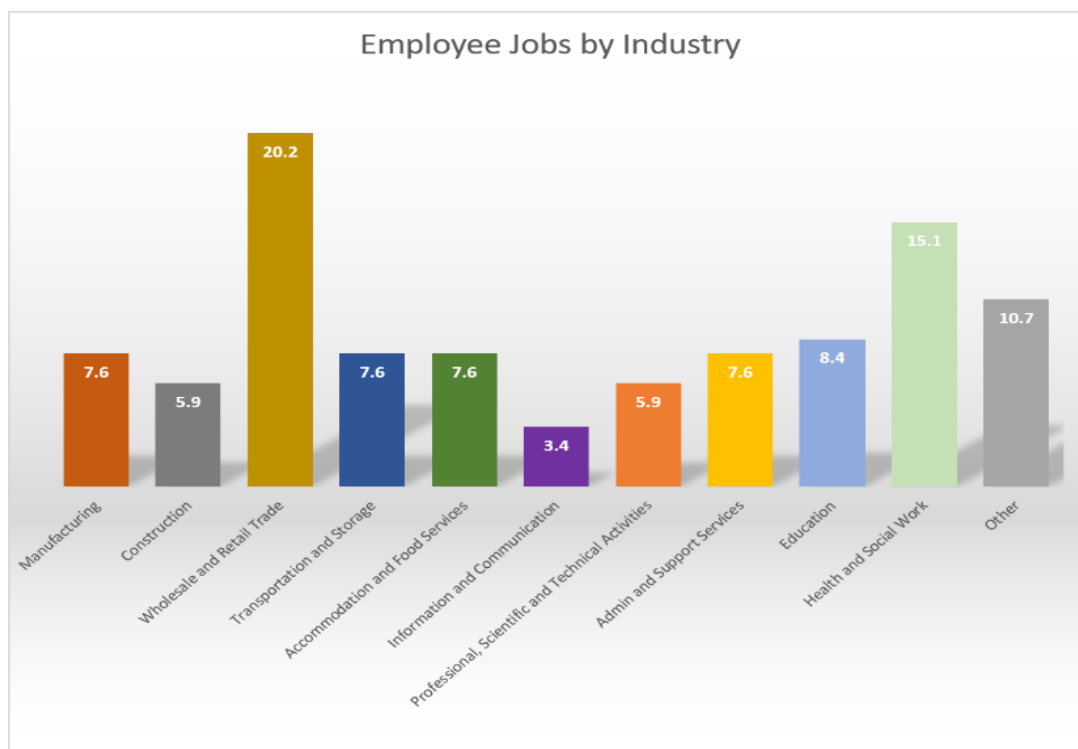
#### **4.1 Background**

4.1.1 The strategy focusses on a set of objectives to tackle unemployment and career progression, poverty and social exclusion. The aim is to increase employment,

improve skills, make national and local employment programmes work to raise incomes and address local priorities. This can only be achieved by Council services working together, along with external stakeholders. The delivery of the strategy will be led by Economic Development, Skills and Enterprise, working across the Regeneration department, and the Council as a whole to ensure a focus on particular groups such as care leavers, and align with other work relating to health and employment.

4.1.2 The Skills Strategy will recognise the importance of young people and the need for them to be positively engaged in education and training, as well as seeking opportunities for older people to re-enter, or progress, in employment.

4.1.3 Brent has an economy of around £10B, (ONS 2020) and has more than 18,215 businesses, mostly small to medium enterprises, (ONS Census 2022, published Nov 2023). Over 152,000 residents are employed, however, 27.8% of the workforce worked in the sectors affected adversely by the pandemic (20.7% in the retail sector), which has contributed to the high unemployment rate in Brent.



4.1.4 The unemployment rate in Brent is above the London average; data for December 2023 shows 5.7% of the Brent population are claiming out of work benefits, compared to 5.0% in London and 3.7% nationally.

### Employment and unemployment (Jan 2023-Dec 2023) (NOMIS Data)

	Brent (Numbers)	Brent (%)	London (%)	Great Britain (%)
All People				

## Employment and unemployment (Jan 2023-Dec 2023) (NOMIS Data)

	<b>Brent (Numbers)</b>	<b>Brent (%)</b>	<b>London (%)</b>	<b>Great Britain (%)</b>
Economically Active†	159,800	70.9	78.6	78.8
In Employment†	152,800	67.6	74.6	75.8
Employees†	119,100	54.4	62.8	66.3
Self Employed†	33,200	13.2	11.6	9.3
Unemployed (Model-Based)§	9,200	5.7	5.0	3.7

In addition, Brent's median annual wage for full-time employees is £33,805. This is the third lowest level in London after Hounslow (£32,516) and Barking and Dagenham (£32,931), and are 10% below the London median of £37,500 (Annual Survey of Hours and Earnings).

4.1.5 With skills, Brent has a lower number of those with NVQ Level 3 and Level 4 below compared to London.

## Qualifications (Jan 2023-Dec 2023) (Nomis)

	<b>Brent (Level)</b>	<b>Brent (%)</b>	<b>London (%)</b>	<b>Great Britain (%)</b>
RQF4 And Above	110,100	53.1	60.7	47.3
RQF3 And Above	150,500	72.6	74.9	67.8

4.1.6 We want to establish a more integrated skills and employment system to enable more seamless transitions as people move through different stages of learning and work towards the excellent opportunities in our local and the wider London economy. By doing this we hope to realise the following:

- Increase in the employment rate for disabled residents
- Increase in the employment rate for Black residents
- Reduction in unemployment claimant count for working age residents
- Increase in number of residents starting an apprenticeship
- Increase in number of residents completing an apprenticeship
- Increase in proportion of 16-18-year-olds participating in education, employment or training.
- Increase the number of females into work
- Reduction in unemployment claimant count for 18-24-year-olds
- Reduction in unemployment claimant count for 50+
- Reduction in proportion of working age residents with NVQ1 or below
- Reduction in skills shortages in health; digital and creative; and low carbon sectors
- Reduction in jobs paying less than London Living Wage



- 4.1.7 Brent, like the rest of London, has relied on European (EEA) workers. With 15% of jobs in London held by workers born in the rest of the EEA in 2019, the economic contribution of EEA workers is far greater in the capital than in the rest of the UK. Post-Brexit, London employers have faced challenges filling roles with a heavy reliance on EEA workers. This includes those recruiting for workers in Construction, Childcare and Health related positions and hospitality.
- 4.1.8 Around 28% of vacancies reported by London employers were hard to fill in some form: 21% for skills shortages and 7% for other reasons. The construction sector had the lion's share of skills shortage vacancies in the recent past, at 40% and health and social work second at 32%. Employers faced difficulties in recruiting for roles in professional occupations including for science, research, engineering and technology and health.
- 4.1.9 Local intelligence tells us the kind of roles that residents are looking into. Subjects which are popular with residents to study in FE are Construction & Engineering, IT, Business and Accounting. The top ten roles which are sought by customers at Brent Works are the following:
- Construction - unskilled
  - Construction – skilled
  - Admin – Entry level
  - Retail
  - Customer services /Hospitality
  - Care worker
  - Apprenticeship – construction
  - Apprenticeship – Admin
  - Schools – TA
  - IT
- 4.1.10 The GLA predicts that by 2036, the proportion of roles requiring higher-level qualifications will rise whilst some lower skills occupations will decrease. As a West London Borough, sectors with potential growth have been identified as Digital and Creative, Health and Social Care, Circular/Green, Transport and Logistics, Life sciences and recovering sectors like Construction, Retail and Hospitality will be important for Brent's economic recovery and growth.
- 4.1.11 To grow, Brent businesses will need to access the right skills along with a pool of available staff to fill vacancies at differing levels. It is important to support businesses with a pool of staff but also to ensure that Brent's residents are supported to fulfil their potential, contributing to society, socially integrating and creating sustainable communities. For Brent this means a particular focus on those who are long-term unemployed, young people who are NEET (focusing on those in vulnerable groups such as care leavers), residents with health issues and those who are over 50.
- 4.1.12 In addition, Brent will continue to re-train, re-skill and upskill residents who are looking to progress in their career and to secure sustained employment through its local colleges offering vocational occupation and technical qualifications and

Brent Start essential skills and vocational programmes. For young people, the Children and Young People directorate will continue to provide comprehensive career advice and guidance including vulnerable groups at risk of being NEET, for example, SEND young people and those known to Youth Offending Services and looked after children. Furthermore, the development of the post-16 skills resource centre for young people with SEND in Welsh Harp will provide opportunities to develop employment skills in a range of areas such as horticulture, catering and digital media with the potential for direct services being provided to the public, providing a single point of contact for information advice and guidance as well as employment and training opportunities within the borough and surrounding areas.

4.1.13 In the current economic climate there is pressure on finance and funding, so it is important that investment in skills provision yields the highest possible return.

## 4.2 About the research

4.2.1 Nascent Rae was commissioned to provide an evidence-based approach to Brent’s proposed strategic objectives for Employment Skills and Enterprise and Post 16 Skills. The research was to test the objectives set out below to see whether these are the correct ones and receive new ideas.

4.2.2 The survey received 101 responses from private sector organisations (70%), third sector organisations (19%), Health and Social Care (5.5%) and Education and Training (5.5%). Organisations responding included Arneway Housing Group, Afghan Association Paiwand, Ingeus UK, Lidl, Novotel, Hilton, Boots, Sainsbury’s, Action West London, Ikea, Quintain and St Luke’s Hospice.

4.2.3 The primary insights from survey respondents indicate a mostly positive response to the proposed strategies and objectives with respondents mainly stating the proposed objectives were ‘very or fairly important’.

4.2.4 This research delivered the following key findings:

87% of responding businesses support greater local control over national programmes.	85% of respondents provide on the job training.
54% of respondent’s state increased digital and IT skills is very important.	65% of respondents want to be kept up to date with Brent’s Employment, Skills and Enterprise and Post-16 Strategy.
84% of respondents state it is very important to upskill the local workforce through training and apprenticeships.	58% of respondents state it is very important to enable closer relationships between employers and education providers to prepare young people for work.

### **4.3 Survey response - Ideas for Post-16 Skills Strategy**

- 4.3.1 A number of comments were received through the survey that emphasised the need for appropriate support and engagement for young people so that they successfully transition into employment and areas of skill development need:
- Increased improvement in literacy and numeracy
  - With a diverse range of activities including social activities and events, young people can develop their skills, interests and passions.
  - Upskilling of the workforce and business owners, and training for new and emerging technologies, can help to improve the local economy.
  - Education on money management to help individuals make informed financial decisions and promote financial stability.
  - Providing more opportunities for young people through apprenticeship and training.
  - Engagement of schools and colleges can help students understand the roles and opportunities available in the construction industry.
  - More information and resources on career paths and skills required.
  - Better prepare young people for work in terms of motivations and attitudes.
  - Work with colleagues to implement the Council's Youth Strategy around training, skills and employment due to launch in summer 2024.

## **5. Current employment and skill development**

- 5.1 The council's focus on delivering skills development, employment support, including job and apprenticeship outcomes, ensuring equality of access to jobs for and improving the quality of jobs for all adult residents across the borough are enshrined within a number of the council's key strategies. These include the Borough Plan, the Poverty Commission, Black Community Action Plan and the inclusive Growth Strategy.
- 5.2 Key responsibility for developing and implementing these policies and strategies and delivering against these aims sits with the Employment Team within Employment, Skills and Enterprise which includes Brent Start, the Brent Works jobs brokerage service and the aligned Employment Policy and Programmes Team.
- 5.3 Brent Start is the Council's adult education college incorporating the Brent Digital Skills Hub and offering courses ranging from essential skills to advanced level qualifications including ESOL, English, Maths, Digital Skills, Community and Family Learning and Health and Social Care. Serving over 2,500 residents with over 5,000 certificates awarded in 2023, the college continues to be an OFSTED Good provider with an achievement rate higher than 93%.
- 5.4 Brent Works offers a free to use job brokerage service for residents and businesses and also offers access to the wider range of support services and training and skills opportunities including:
- Connecting residents with jobs and apprenticeships across London
  - Matching local talent to local (and pan-London) jobs.

- Support with the training needed to take the next step in their careers
- CSCS training (required for construction jobs)
- Safety spectator training
- Traffic Marshal and various other construction training workshops
- Sector Based Work Academies in Tech, Digital and Creative, HGV driver training, care sector training (delivered by Brent Start) and Green skills course delivered at the Green Skills Centre with partner College, College of North West London.

5.5 Brent Works implements and supports Employment and Skills Plans (ESPs) with developers to set out how they will fulfil their S106 employment obligations. The team works with the developer and their supply chains to provide engagement with residents and employment and training support and brokerage to maximise the numbers of residents able to gain sustainable jobs and apprenticeship opportunities arising from these developments. This has secured a number of jobs for local residents.

5.6 HS2, our relationship with HS2 as “Preferred supplier” has meant that we have access to training, jobs and apprenticeships first hand. This partnership has helped the council to secure jobs and apprenticeships through the training programme. HS2 have also partnered with HegartyMaths SPARX to deliver a subsidised maths programme that is being accessed by Brent schools. So far over 2,200 students (including over 1,400 girls) have used the platform for a total of over 34,000 hours. HS2 continue to undertake school engagement, including careers and volunteering support for Newman Catholic College.

5.7 The Forge at Park Royal. The tri-borough partnership with The Forge continues to be highly successful in both supporting Brent residents find training and job opportunities as well as businesses to recruit the right staff since its inception in August 2020. This collaborative Employment and Skills Hubs aims to support Businesses in Park Royal, by hiding the ‘wiring’ and confusion regarding borough boundaries to create a wealth of new opportunities for local people.

### **Priority groups:**

#### **5.8 Care leavers**

5.8.1 Brent Works and The Care Leavers team are supporting the Care leaver covenant in Brent by signing up local employers and encouraging care leavers to register for the app. Brent works is also working with the FA and Delaware North for opportunities at Wembley Stadium and within the FA. There are currently up to 400 care leavers aged 16-24 with 30 NEETS. A new programme of support and skills development has been proposed which is being explored.

#### **5.9 Children and young people (CYP)- Brent Youth Justice Service (YJS).**

5.9.1 The following provides a summary of initiatives undertaken by the team over the last year related to the skills development of children and young people supported by the Brent Youth Justice Service (YJS).

## **5.10 Co-located and joined up provision.**

5.10.1 The Employment and Training Charity *Prospects*, have one Employment and Training Advisor co-located within Brent YJS. This officer supports post 16 young people to access skills and ETE opportunities. This is complemented by one officer from *Plias Resettlement* who is based within the Civic Centre when delivering targeted 1-1 work with YJS clients.

## **5.11 Initiatives**

Initiatives offered to YJS young people include:

### **ASER Programme**

5.11.1 This is a series of individually developed units preparing YJS clients for work and training. It is offered to NEET young people who are not ready to engage in a full-time programme. As of 31<sup>st</sup> January 2024, NEET Levels by Academic age 16-18 (Yr12–Yr14) - Quarter 4 2023-24 is 224. This is 1.8%.

### **Skill Up**

5.11.2 Brent Connexions delivered this re-engagement programme for Brent NEET young people. The project ran weekly between February and April 2024 and consisted of employability group sessions aimed at developing skills.

### **Referrals**

5.11.3 These are made to partners including local providers of apprenticeships and study programmes such as First Rung Training and providers linked to specific skill sectors such as *HOB Salon Academy* and *Dynamic Training* (a NHS entry programme for care leavers).

### **Information on vocational training programmes, apprenticeships, or rehabilitation efforts.**

5.11.4 *Prospects* and *Plias Resettlement* promote and support access for NEET young people known to Brent YJS to a range of vocational training programmes.

### **Construction Skills Certification Scheme (CSCS)**

5.11.5 *Plias* deliver training and allow young people to sit a multiple-choice test to obtain a CSCS certificate.

### **Personal development programmes**

5.11.6 Some of the programmes young people have been supported to attend include:

- The Prince's Trust '*Get Into*' programmes
- SPEAR employability programme
- Mama Youth programmes
- Lyric Theatre programmes

- Pro-Direct Stonebridge: offers football and functional skills development
- Motor industry training
- London College of Beauty Therapy
- London Construction Academy

## **5.12 Supported Internships**

5.12.1 The Employment and Skills Service has also started delivering supported internships to support young people with an EHC plan to gain skills needed for the world of work. The programme aims to support interns aged 16-24 years old with special educational needs and disabilities, who have an Education Health and Care plan and live in Brent. The programme is targeted at young people who want to transition from college to employment. The supported internship model provides a great vehicle to support this transition. The programme is funded by the College of North West London and the Local Authority through High Needs Funding.

## **6.0 Post-16 Skills Strategy**

6.1 The Post 16 Skills Strategy focuses on the skills needed by sectors that will continue to help Brent to recover from the pandemic, respond to the cost-of-living increases, and strengthen growth sectors such as green, manufacturing, energy, care and information technology. The strategy sets out how the Council will work with businesses, especially anchor institutions, other employers and education providers to better understand their needs, align skills provision and define pathways to help residents navigate the skills system to progress into employment. A key part of this collaborative working will be the establishment of an Employment and Skills Board which will be made up of representatives of local businesses (both larger companies and SMEs/micro businesses), and local education providers (Further and Higher Education, and representatives from schools, including young people; 16-18. An action plan will accompany the strategy.

## **6.2 Skills Strategy Vision**

6.2.1 Research tells us that there is currently a mismatch of skills levels, different levels, low levels, a need for a more joint up curriculum offer with education providers and locally informed careers advice. Where we want to be is a much more unified approach.

6.2.2 *Our vision is that by 2027, the Council will provide opportunities for Brent residents to secure high quality employment locally and regionally across a range of sectors through the acquisition of skills.*

6.2.3 The Brent Post-16 Skills Strategy is a comprehensive initiative tailored to address unique economic challenges and employment issues within the community. Through a focus on collaboration, alignment with existing strategies, and addressing skills disparities, the strategy is designed to create an inclusive and prosperous community. Its overarching goal is to cultivate a

skilled and adaptable workforce, aligning with business needs and positioning the community for economic growth.

### **6.3 Skills Strategy Objectives**

**Exploring Skills for Work and Life – adopting a well-planned and coordinated approach to help Brent residents gain relevant skills to achieve and progress in work and in life.**

- 6.3.1 Brent is dedicated to supporting residents to develop the skills that they need to progress in (and into) employment, and to develop broader ‘life skills’ as well as ‘soft skills’ that support them in achieving the wider outcomes they need to thrive in life and work. We are committed to providing learning opportunities that respond to local and national skills needs and are highly relevant to Brent’s communities.
- 6.3.2 This will contribute to supporting vulnerable groups, such as young people who have SEND in line with the Borough Plan (BP) Priority 5 in improving outcomes and life chances for children and young people with SEND to enable greater independence and transition into adulthood.

#### **Impact and Activities**

- Personal, academic and career development.
- Employability skills.
- Increased levels of literacy and numeracy.
- Volunteering and work experience through social action projects.
- Industry links.
- Collaboration with individuals, partner educational institutions, employers, local authorities, and voluntary and community organisations and Public Sectors organisation such as the NHS.
- Exceptional teaching, learning and assessment through highly effective personal and professional development for staff, recognised for providing an outstanding learner experience.
- Destination-led programmes (focussed on the end goal eg employment) which contribute to the economy and local needs as well as meeting the aspirations of our learners with positive destination rates.
- Implementation of a curriculum strategy informed by labour market intelligence and developed by education providers resulting in positive outcomes.
- Increased progression between learning at all levels.
- Develop Post-16 Skills Resource Centre with voluntary sector for young people with SEND resulting in more young people with SEND are engaged in training and employment.
- Achievement of social outcomes such as reduced social isolation, improved health and wellbeing, development of money management skills.

**Encourage employers/businesses to value and invest in training and development with businesses providing opportunities for employees to access high quality relevant training and development.**

- 6.3.3 We will work with employers/businesses to gain a shared understanding of the benefits of workforce development, such as increased job satisfaction for employees, which in turn will lead to greater workforce retention and reduced absenteeism. Employers/businesses, which invest in learning and development opportunities for their employees will see more progression within the workplace and will find succession planning easier, ultimately resulting in increased productivity.
- 6.3.4 The Nascent Rae research has engaged with micro businesses, SMEs and larger companies and we intend to have all different sized companies represented on the Employment and Skills Board.

**Impact and Activities**

- Public sector workforce strategies support local recruitment with a focus on pre-employment support and in-work training/development.
- Support the Employment and Skills board to facilitate broader business networks, including sector-based networks.
- Engagement of businesses in schools, colleges and adult learning including through work experience and curriculum activity.
- Improved knowledge of local business skills and staff development needs.
- Employers understand the benefits of investing in the workforce through the Good Work Standard and invest in workforce training.
- Employers take a leading role in shaping local skills offer that meets the needs of their workforce.
- The current and future skills need of employers of all sizes are understood and met locally as much as possible.
- Local employers invest in their workforce to increase productivity and pay.
- Employers provide more opportunities for employment and work-based learning, including apprenticeships and quality work experience and supported internships.
- Upskilling on new and emerging technology.

**Developing skills for the jobs of the future – working collaboratively with businesses and skills providers to scope out future skills requirements and acquisitions**

- 6.3.5 We will consult employers/businesses in order to develop a more comprehensive understanding of the jobs of the future and the skills needed which will underpin these. We have identified the emerging and growth sectors such as green manufacturing/energy and information technology and we will establish partnerships between training and skills providers and employers/businesses to develop future skills acquisition programmes. Furthermore, we aim to establish green skills development courses - such as



retrofitting, heat pumps installation, solar installation and EV charging point installation – as recognised standalone qualifications. Currently, these skills are embedded in mainstream qualifications and despite being focused on green skills development, they are not distinctly branded as such.

- 6.3.6 We will engage with parents, carers and young people to understand the skills areas that interest them in line with (Borough Plan Priority 4 – ensuring their participation to design services).

#### **Impact and Activities**

- Increased level of employer engagement and endorsement of vocational and technical curriculum offer.
- Successful delivery of meaningful industry placements to all students.
- Skills provision supports local and regional demands and is aligned to the needs of the local communities and the priorities set out in the Greater London Authority Skills for Londoners Strategy.
- A strong partnership with Jobcentre Plus allowing skills programmes to be aligned to local job vacancies, with a clear focus on low skilled and low paid learners and removing barriers to the labour market such as language or digital skills.
- Expansion and adjustment of curriculum to meet the needs of employers.

#### **Collegiate approach to developing technical, vocational and occupational programmes with learning providers including schools, colleges and universities.**

- 6.3.7 It is vital that Brent is able to lobby funding bodies, such as the GLA, to ensure that funding is responsive to local need. We will work with other training and skills providers, creating a Training and Skills Partnership group, to establish progression pathways within the range of technical and vocational provision which is available locally. This will allow residents to attend their local establishment where we will ensure that they receive the highest standards of quality in education, skills and training, resulting in high attainment, achievement and progression.

- 6.3.8 Ensuring needs can be met locally will support vulnerable groups of young people, such as those with SEND (BP Priority 3: Make provision of the highest possible quality through effective joint commissioning so that children and young people with SEND can have their needs met locally wherever possible)

#### **Impact and Activities**

- Strong partnerships with voluntary and community sectors enables us to understand and overcome barriers to learning and employment and to champion and support underrepresented groups.
- Strong partnership working ensures a smooth transition between educational phases.
- An aligned education, training, pre-employment support and co-ordinated recruitment activity provides the opportunities for our residents to get the best from economic opportunities.

- A connected network of local support and advice for residents, (e.g., no wrong door) provides a seamless experience for participants as they move between partners in the network.
- Work with colleges, adult education, higher education, employers and employment support providers ensures that learners and those in work have access to advice about career choices and in-work progression options.

## **7.0 Community Wealth Building:**

7.1 The strategy contributes to community wealth building by addressing unemployment, fostering collaboration, and preparing for future skills requirements, thereby enhancing individual prosperity, supporting business growth, and fostering a sustainable and inclusive economic environment.

7.2 Contributions to Community Wealth Building:

Inclusive Growth: by addressing the skills needs of diverse demographic groups, including the long-term unemployed, young people, and those over 50, the strategy promotes inclusive growth. It ensures that the benefits of skills development are accessible to a broad spectrum of the community.

Local Procurement: the strategy encourages businesses to invest in training and development, thereby building a skilled local workforce. This supports the growth of local businesses, fostering a cycle of economic activity within the business community.

Community Investment: emphasising community engagement, particularly with young people and residents with health issues, the strategy opens avenues for community investment initiatives. Engaging residents in the skills development process empowers them to play a more active role in the local economy.

Collaboration with Anchor Institutions: the establishment of an Employment and Skills Board, with representatives from local businesses, public sector organisations and educational institutions, aligns with Council's objective of working with strategic partners and leverage in their resources for the benefit of the local community.

Skills Development and Education: with a focus on skills development and education, the strategy contributes directly to creating a more skilled and capable community, ready to participate in and contribute to the local economy.

## **8.0 Quantifiable Success Metrics for the Skills Board:**

- Unemployment Rate: Measure changes in the local unemployment rate over time and the rates of young people in vulnerable groups, who are NEET.
- Employment Rates in Target Sectors: Assess the impact on employment rates in sectors identified for growth.

- **Income Levels:** Track the average incomes of individuals in the community, measuring improvements over time.
- **Business Growth and Investment:** Monitor the growth and investment levels of local businesses, particularly those engaged in collaborative efforts with the strategy.
- **Skills Acquisition:** Measure the number of individuals acquiring new skills and completing relevant education and training programs.
- **Social Impact:** Evaluate social impact through indicators such as reduced poverty rates, improved community well-being, and increased community engagement.

## **9.0 Stakeholder and ward member consultation and engagement**

9.1 The Cabinet Member has been involved in the development of this skills strategy. The strategy has been developed in consultation with colleagues in CYP.

## **10.0 Financial Considerations**

10.1 An estimated £4000 will be required for design work, publication and launch, which will be met from established budgets.

## **11.0 Legal Considerations**

11.1 None

## **12.0 Equity, Diversity & Inclusion Considerations**

12.1 We will ensure that the strategy promotes equality, diversity and inclusion across all aspects of education and skills development.

12.2 The equality assessment will cover all initiatives and actions proposed within the strategy. It will consider the potential impacts on individuals and groups based on gender, ethnicity, disability, socio-economic background and religion. We will gather data on the demographic profile of residents including information on protected characteristics and socio-economic indicators and analyse data to identify any disparities between groups.

12.3 The membership of the Board will be representative of the diverse resident/student cohort.

## **13.0 Climate Change and Environmental Considerations**

13.1 The strategy includes developing Green skills thus enabling skills development in retro-fit, recycling, installation of EV charging points.

## **14.0 Human Resources/Property Considerations (if appropriate)**

14.1 None

## **15.0 Communication Considerations**

15.1 A communication campaign will be developed in advance of the launch of the strategy.

**Report sign off:**

***Alice Lester***

Corporate Director of Neighbourhoods and  
Regeneration

**Appendix: Steps/Action Plan:**

<b>Objectives</b>	<b>Activities</b>	<b>Outcomes</b>	<b>Who</b>	<b>Date</b>
Set up the board – identify key players, senior council member.	Identify those who were positive about joining the board from the Nascent Rae research. Ensure there is representation from across different businesses, public sectors, education providers etc. and if not, approach others. Identify key council member to represent the council on the board.	<ul style="list-style-type: none"> <li>Board established which is representative of the borough.</li> <li>C.12 members on the board</li> <li>Chairperson appointed</li> </ul>	AU, MJ	July 2024 with the first meeting taking place same time
Membership and MOU agreed and signed.	Terms of Reference, membership and MOU established and signed.	<ul style="list-style-type: none"> <li>Marketing of signing of the MOU.</li> </ul>	MJ + Chair	July 2024
Appoint leads for each workstream- to cover each of the strategic objectives.	Leads of each stream determined by position/experience. Leads to form their own sub-group to support delivery of KPIs	<ul style="list-style-type: none"> <li>Leads communicated to the board.</li> </ul>	Chair	July 2024  July/Aug 2024
Agree benchmarking in order to establish KPIs	Establish what the KPIs should be. Agree data sources. Produce benchmark data Share with the board	<ul style="list-style-type: none"> <li>Understanding of starting points and targets set.</li> </ul>	Workstream leads	July /Aug 2024
To produce detailed action plan for each workstream – agreed KPIs	Use benchmarking data to set priorities and establish targets for each workstream. Agree KPIs with the board	<ul style="list-style-type: none"> <li>Quarterly reporting on progress to the board.</li> </ul>	Workstream leads Chair	Aug/Sept 2024

<p>Promotion of skills strategy - glossy brochure - sign and launch</p>	<p>Involvement of Comms. Council representative Lead member To agree and finalise comms plan Hard and soft launch</p>	<ul style="list-style-type: none"> <li>• stakeholders and public awareness of the strategy through publication, news article, social media</li> <li>• engagement in education and training</li> <li>• development of workforce</li> </ul>	<p>Chair, workstream leads Comms Members</p>	<p>Soft Launch – July Hard launch Aug 2024</p>
<p>Quarterly monitoring of performance</p>	<p>Ongoing performance monitoring at quarterly board meetings.</p>	<ul style="list-style-type: none"> <li>• Impact on skills and work force development</li> </ul>	<p>Chair and Board members</p>	<p>Quarterly</p>
<p>Governance</p>	<p>The monitoring of the work of the Skills board is to be reported to Corporate Director for Communities and Regeneration on a quarterly basis and then Lead member Lead Member for Regeneration, Planning and Growth</p>			




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## Appendix 1: Steps/Action Plan:

Objectives	Activities	Outcomes	Who	Date
Set up the board – identify key players, senior council member.	Identify those who were positive about joining the board from the Nascent Rae research. Ensure there is representation from across different businesses, public sectors, education providers etc. and if not, approach others. Identify key council member to represent the council on the board.	<ul style="list-style-type: none"> <li>Board established which is representative of the borough.</li> <li>C.12 members on the board</li> <li>Chairperson appointed</li> </ul>	AU, MJ	July 2024 with the first meeting taking place same time
Membership and MOU agreed and signed.	Terms of Reference, membership and MOU established and signed.	<ul style="list-style-type: none"> <li>Marketing of signing of the MOU.</li> </ul>	MJ + Chair	July 2024
Appoint leads for each workstream- to cover each of the strategic objectives.	Leads of each stream determined by position/experience. Leads to form their own sub-group to support delivery of KPIs	<ul style="list-style-type: none"> <li>Leads communicated to the board.</li> </ul>	Chair	July 2024 July/Aug 2024
Agree benchmarking in order to establish KPIs	Establish what the KPIs should be. Agree data sources. Produce benchmark data Share with the board	<ul style="list-style-type: none"> <li>Understanding of starting points and targets set.</li> </ul>	Workstream leads	July /Aug 2024
To produce detailed action plan for each workstream – agreed KPIs	Use benchmarking data to set priorities and establish targets for each workstream. Agree KPIs with the board	<ul style="list-style-type: none"> <li>Quarterly reporting on progress to the board.</li> </ul>	Workstream leads Chair	Aug/Sept 2024

<p>Promotion of skills strategy</p> <ul style="list-style-type: none"> <li>- glossy brochure</li> <li>- sign and launch</li> </ul>	<p>Involvement of Comms. Council representative Lead member To agree and finalise comms plan Hard and soft launch</p>	<ul style="list-style-type: none"> <li>• stakeholders and public awareness of the strategy through publication, news article, social media</li> <li>• engagement in education and training</li> <li>• development of workforce</li> </ul>	<p>Chair, workstream leads Comms Members</p>	<p>Soft Launch – July Hard launch Aug 2024</p>
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<p>Governance</p>	<p>The monitoring of the work of the Skills board is to be reported to Corporate Director for Communities and Regeneration on a quarterly basis and then Lead member Lead Member for Regeneration, Planning and Growth</p>			

 <p style="font-size: 24pt; font-weight: bold; margin-top: 10px;">Brent</p>	<p style="font-size: 18pt; font-weight: bold; margin: 0;">Cabinet</p> <p style="font-size: 16pt; margin: 0;">15 July 2024</p>
	<p style="font-weight: bold; margin: 0;">Report from the Corporate Director of Neighbourhoods and Regeneration</p>
	<p style="font-weight: bold; margin: 0;">Lead Member - Cabinet Member for Environment and Enforcement (Councillor Krupa Sheth)</p>

**Award of a Contract for the provision of Parking & Traffic CCTV Enforcement Services using a Framework Agreement**

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<p><b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small></p>	<p>Part Exempt – Appendix A is exempt from publication as it contains exempt information as specified in Paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of any particular person (including the authority holding that information).</p>
<b>List of Appendices:</b>	<p>Two</p> <p>Appendix A: Name of Tenderers (Exempt)</p> <p>Appendix B: Tender Evaluation Scores</p>
<b>Background Papers:</b>	None
<p><b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small></p>	<p>Sandor Fazekas Head of Healthy Streets and Parking 020 8937 5113 <a href="mailto:sandor.fazekas@brent.gov.uk">sandor.fazekas@brent.gov.uk</a></p> <p>Chris Whyte Director of Public Realm 020 8937 5342 <a href="mailto:Chris.whyte@brent.gov.uk">Chris.whyte@brent.gov.uk</a></p>

## 1.0 Executive Summary

- 1.1. This report seeks Cabinet approval for the award of a four year contract with two possible one year extensions for the provision of Parking CCTV camera, equipment and software maintenance services (for both existing and new) and the supply of new cameras & associated software. The proposed contract has

been procured through Lot 8 of the Eastern Shires Purchasing Organisation (ESPO) Framework for Security and Surveillance Equipment & Services.

- 1.2. The award of the contract will facilitate the continued enforcement of Parking and Moving Traffic Contraventions, including; banned turns, one-way systems, yellow box junctions, bus clearways & bus lanes, school keep clears, weight restrictions and pedestrian only zones (school streets).
- 1.3. In addition, this report sets out the proposal to continue to improve the parking and on road CCTV infrastructure in the Borough to enable the Council to deliver its objectives within its Long-Term Transport Strategy (LTTS) by improving air quality and health by reducing congestion in residential areas throughout the borough and targeting key areas for better road safety. This can be supported through the award of this contract.

## **2.0 Recommendation(s)**

That Cabinet;

- 2.1 Notes the benefits of using CCTV cameras for the effective enforcement of parking and traffic contraventions, and the benefits to the Council in terms of meeting strategic objectives.
- 2.2 Approves the award of a four-year contract with two possible one-year extensions for the goods and services detailed in Recommendation 2.1 to DSSL Group Limited to a value of up to £9,746,610 following the conclusion of a tender process via an ESPO framework, to commence on 1<sup>st</sup> November 2024.

## **3.0 Detail**

### **Cabinet Member Foreword**

- 3.1 Award of the proposed contract will assist the Council with the following:
  - *The effective enforcement of parking and traffic contraventions in the borough supports the aims of our Borough Plan 2023-2027, for a cleaner, greener future and a Healthier Brent.*
  - *Improving compliance to parking and traffic restrictions helps to make Brent a safer place for our communities. Our School Streets are enforced using CCTV cameras, and these have proven to be popular with children, parents and carers and local residents, providing a safer environment to encourage walking, cycling and scooting and healthier lifestyles.*
- 3.2 Our Parking Policy 2020 contributes towards the strategic objectives of the Long-Term Transport Strategy 2015-2035 in encouraging modal shift towards sustainable transport and encouraging active travel, including walking and cycling and also the objectives of the councils Climate and Ecological Emergency Strategy 2021-2030 by reducing the harmful effect of emissions from road transport on the environment.

- 3.3 Additionally, fifteen percent of the tender evaluation criteria has been used to focus on the areas of environmental sustainability (five percent) and social value (ten percent).
- 3.4 The sustainability criteria utilised has been used to evaluate bidders' fleets to be used in contract delivery specifically in the areas of camera maintenance, installation and relocation. Marks were awarded on the basis of bidders putting forward a low emission fleet to be used in contract delivery which contributes to the priority area of a Cleaner, Greener Future in the Council's Borough Plan (2023-27) and the priority area of transport in the Council's Climate and Ecological Emergency Strategy 2021-30.
- 3.5 The tender included three social value evaluation questions. These have been used to:
- Provide work experience opportunities for Brent school children which supports the priority area of The Best Start in Life in the Council's Borough Plan.
  - Deliver financial investment focusing on the areas of road safety awareness and greener travel such as school street schemes and improving air quality. The financial investment will take the form of the provision of enforcement cameras fitted with air quality sensors as well as supporting analysis and DVLA vehicle lookups. The cameras can for example be placed at and moved between schools on an annual basis. This provision supports the priority area of a Cleaner, Greener Future in the Council's Borough Plan and the overarching aim of reducing carbon emissions as set out in the Council's Climate and Ecological Emergency Strategy.
  - Provide volunteer hours which will be used to clear waste material, refuse and litter from Council car parks which will contribute to a more aesthetically pleasing environment for residents & visitors and a cleaner Borough as part of the Cleaner, Greener Future Priority Area of the Borough Plan.

### **Background**

- 3.6 The Council currently has a CCTV maintenance contract with Tyco Fire and Integrated Solutions (UK) Ltd which commenced on 1st August 2019 and will be due to expire on 31st October 2024, following a 15-month extension.
- 3.7 This contract is for the supply and installation of CCTV camera infrastructure for both Public Safety CCTV and Parking and Traffic Enforcement CCTV, which includes preventative and reactive maintenance to Brent assets, including annual checks, cleaning and ad-hoc maintenance along with configuration to IT systems.
- 3.8 Parking and Traffic CCTV enforcement services are required to:

- Issue penalty charge notices (PCNs) to improve compliance to parking and moving traffic restrictions, including; banned turns, one-way systems, yellow box junctions, bus clearways & bus lanes, school keep clears, weight restrictions and pedestrian only zones (school streets).
- Improve road safety and reduce traffic congestion and emissions in the borough.

These CCTV cameras are mainly Automatic Number Plate Recognition (ANPR) and contraventions are reviewed and PCNs issued by NSL (Marston) staff located at the Brent Civic Centre under the Parking and Traffic Civil Enforcement contract which commenced on 4th July 2023.

- 3.9 There are distinctly different types of attended (operator controlled) CCTV cameras used for Public Safety CCTV surveillance which operate via a combination of a wireless network and Council owned private fibre optic cables and conversely, Parking and Traffic enforcement have approximately 105 enforcement cameras are unattended (automatic) and connected via 4G. Many of the enforcement cameras have been in place for a number of years and are nearing the end of their design life. There has also been a review of CCTV operations and new CCTV enforcement cameras have been provided to enforce restrictions such as school streets and exist CCTV cameras redeployed from high compliance locations to where most needed.
- 3.10 Therefore, there is a significant difference between the type of cameras that are provided and maintained by suppliers; Community Safety cameras having a requirement for an operator and PTZ function monitoring real time activities, and Traffic & Parking CCTV cameras requiring ANPR, and connectivity to enforcement software with NSL operators reviewing and issuing penalty charge notices PCNs.
- 3.11 In consideration of the distinctly different types of CCTV cameras, benchmarking with other boroughs, and identifying that the specification was in need of modernisation to ensure that it accommodates the use of new technology and software and that the KPIs reflect requirements, officers determined that it would be advantageous to the Council to tender separate contracts.
- 3.12 To allow adequate time for the award of the contract and mobilisation, a further 2-month extension to the existing contract with Tyco Fire and Integrated Solutions (UK) Ltd for the provision of Parking and Traffic Enforcement CCTV services element of the contract was arranged, with the new contract commencing on 1<sup>st</sup> October 2024.

## **The Tended Specification and Camera Solution**

### **The Specification**

- 3.13 To support the delivery of a more effective Parking & Traffic CCTV Enforcement Services contract for the Council a comprehensive review of the existing goods and services specification which forms part of the Council's current contract

with Tyco Fire and Integrated Solutions (UK) Ltd was undertaken. This review identified a number of areas for improvement which could be incorporated into an updated and Traffic CCTV Enforcement specific specification.

3.14 The areas identified through the initial review were worked on and developed by officers and subsequently incorporated into the tendered specification. These include:

- Clearly defined timescales for the build, installation, commissioning and go-live of new enforcement camera assets ordered by the Council through the contract. This will provide for a more time efficient rollout of new camera equipment and therefore increase the effectiveness of enforcement operations.
- Clearly defined timescales for the relocation of enforcement camera assets (both existing and new assets purchased during the contract term) which supports service agility and enforcement operations.
- A robust set of requirements for the evidence review system to be supplied for and to work in conjunction with the new enforcement camera assets that the Council can order throughout the contract term. Requirements include for example the ability to maintain an exemption list in real time so that there is no risk of Penalty Charge Notices (PCNs) being issued in error, Automated Number Plate Recognition (ANPR) visual analysis to automatically capture vehicle number plates thus supporting enforcement and automatic data field population which supports ease of use for operators.
- The requirement for an online fault reporting solution which will enable the Council to better communicate and track the resolution of faults and issues raised with regards to enforcement camera assets and supporting evidence review system.
- Clearly defined enforcement camera and evidence review system fault resolution timescales supported through the use of Key Performance Indicators (KPI's) which will help to minimise the time that assets are malfunctioning or inoperable, and support improvements to enforcement and therefore compliance.
- An annual preventative maintenance schedule for new and existing enforcement camera assets supported through the use of KPI's which will help to prolong camera operations and minimise downtime.
- By tendering for a standalone contract separate from public safety CCTV and when combined with the clear contract management requirements in specification (dedicated contract manager, monthly contract review meetings, the provision of regular management information, etc.) this will facilitate more focussed contract management arrangements and better contract outcomes.

### **The Camera Solution**

3.15 Whilst the appointed supplier will be responsible for maintaining the Council's current camera assets and supporting evidence review system the Council has taken the opportunity to use the tender to update the camera hardware supplied (where the Council requires new and or replacement enforcement camera assets) to the Council for the duration of the proposed contract.

- 3.16 The enhanced functionality of the cameras to be supplied through the proposed contract in contrast to the Council's current enforcement camera assets are as follows:

<b>Camera Feature / Functionality</b>	<b>Impact of Camera Feature / Functionality</b>
Full High Definition resolution	Clearer images reduce the numbers of discarded clips and successful appeals.
Emissions / Air quality sensor capability that is capable of recording PM2.5, PM10 particulates. In addition, to have software that enables the Council to access data to run emission reports.	Low-cost ability to obtain air quality data in the borough and identify locations for improvement measures.
Moving Traffic Contraventions i.e. one camera is able to cover multiple contraventions at the same location, for example capturing a pedestrian zone contravention along with a one-way restriction.	Cameras can be adjusted remotely to capture different contraventions at a single location.
Installed with an Uninterrupted Power Supply (UPS) solution and data backup.	Reduces downtime from main supply faults. In the event of a power failure to either the lamp column or the camera the camera has the ability to store any previous recorded footage before the fault.
The camera can be remotely adjusted, for example, if the camera misaligns or and an adjustment is needed.	Reduces downtime and the need for an engineer to visit and manually adjust, reducing costs.
The ability to gather traffic data counts.	Identifying traffic volumes and vehicle classification helps to identify areas of congestion and inform traffic reduction measures.
Inclusion of a back-up data SIM.	Able to use an alternative network to reduce the risk of data loss or downtime in transferring data.
In built screen wipers and heater.	Enables clear imagery and continued functionality in adverse conditions.
Optional additional anti -vandalism features.	Can be specified where there is a high risk of tampering.

### **The Tender Process**

- 3.17 This contract was tendered for through Lot 8 (the supply, installation, support and maintenance of Automatic Number Plate Recognition (ANPR) cameras) of the ESPO Framework for Security and Surveillance Equipment & Services (the "ESPO framework").
- 3.18 In deciding the route to market, Officers reviewed a range of procurement options including conducting a Restricted Tender process outside of available framework options but considered that the use of the ESPO framework was the most appropriate means of compliantly procuring given the reduction in timescales facilitated through using a framework, the costs & resources



involved in pre-qualifying suppliers which is mitigated through using a framework and the presence of the known suppliers in the market on the ESPO framework.

- 3.19 The eight registered suppliers on Lot 8 of the ESPO framework were invited to participate and the tender was issued on the 29/02/2024. Bidders were given until the 22/03/2024 to ask clarification questions regarding the Council's documented requirements and the deadline for tender submissions was midday on the 08/04/2024.
- 3.20 The tender instructions stated that the contract would be awarded on the basis of the Most Economically Advantageous Tender (MEAT) assessed from the perspective of the Council in accordance with the tender instructions. In evaluating tenders the Council had regard for the following published evaluation criteria as well as ensuring that bids were compliant with the Council's minimum stated requirements for the enforcement camera assets and evidence review system:

<b>Evaluation Criteria</b>	<b>Weighting (%)</b>
Quality	60
Price	40
<i>Quality Sub-Criteria</i>	
Social Value	10
Useability of the evidence review system to be supplied	8
Added value features of the enforcement cameras to be supplied	5
Timely deployment of new enforcement cameras	5
Fault resolution responsiveness	5
Supplier helpdesk facility	5
Staff training	5
Sustainability and Circular Economy	5
Capacity to handle large camera orders and camera relocation requirements	4
Contract Mobilisation	4
Risk management in contract delivery	2
Market developments and updates	2

### **The Tender Evaluation Process**

- 3.21 By the tender submission deadline the Council had received two tender submissions (see Appendices A containing exempt information) with another two suppliers having registered interest in the tender opportunity but having elected not to submit bids.
- 3.22 Tender submissions received were checked by the Procurement Team to ensure compliance with the requirements of the tender instructions prior to the commencement of tender evaluations.

- 3.23 Tender evaluations were carried out by a panel of officers from the Council's Healthy Streets and Parking Team with support from the Council's Procurement Team.
- 3.24 Each member of the evaluation panel independently reviewed the tender responses and carried out an initial evaluation of how well they considered each of the evaluation criteria was addressed in the tender responses. Following this the evaluation panel and Procurement met to carry out consensus scoring which with each bidding supplier being awarded an agreed evaluation score for each quality evaluation criterion (see Appendix B). Consensus scoring was concluded on the 17/05/2024.
- 3.25 The organisation / supplier identified in Appendix A of this report as Supplier A was the highest scoring tenderer against the published evaluation criteria. Officers therefore recommend contract award to Supplier A, namely DSSL Group Ltd.

#### **4.0 Stakeholder and ward member consultation and engagement**

- 4.1 In view of the nature of the proposed contract, the procurement of these goods and services has not been subject to consultation or engagement with stakeholders or ward members.

#### **5.0 Financial Considerations**

- 5.1 The anticipated value of the contract including maintenance, systems and the installation of new CCTV enforcement cameras, is estimated at £9,746,610 over a six-year period, or approximately £1,624,435 per annum at today's prices.
- 5.2 The contract allows for up to 30 new CCTV cameras to be installed for each year of the contract. Depending on the Council's needs and funding availability, replacing the existing CCTV cameras to higher specification CCTV cameras will result in a saving on maintenance costs.
- 5.3 Parking and Traffic Enforcement CCTV services will be fully funded from existing revenue budgets within the Healthy streets and Parking Service. Any potential increased costs are expected to be covered by the increased revenue and outcomes from the new maintenance contract and additional cameras.

#### **6.0 Legal Considerations**

- 6.1 The value of this contract over its lifetime is in excess of the threshold for Supplies and Services and the award of the contract is therefore governed by the Public Contracts Regulations 2015 (the "PCR 2015"). The award is subject to the Council's own Standing Orders in respect of High Value Contracts and Financial Regulation.
- 6.2 The PCR 2015 allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised

and procured through a full procurement process. Call offs under the framework need to be carried out in accordance with the framework rules, to include using evaluation criteria specified in the framework and utilising the terms and conditions set out in the framework.

- 6.3 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority, where call off under the framework agreement is approved by the relevant Chief Officer and provided that the Corporate Director, Law and Governance has advised that participation in the framework is legally permissible. The Corporate Director, Law and Governance confirms that participation in the Framework in respect of the proposed procurement is legally permissible.
- 6.4 As the proposed Contract is classed as a High Value Contract pursuant to the Council's Contract Standing Order 86 (e)(f), Cabinet approval is required for the award of any High Value Contract as required by paragraph 9.5 of Part 3 of the Council's Constitution.
- 6.5 As the procurement of the Contract is from a framework, there is no requirement for the Council to observe a 10 day standstill period under the PCR 2015.
- 6.6 On the basis of the information received from the current contractor, it is not thought that TUPE will apply to this procurement.

## **7.0 Equity, Diversity & Inclusion (EDI) Considerations**

- 7.1 Pursuant to s149 Equality Act 2010 (the "Public Sector Equality Duty"), the Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,
- 7.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

7.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

7.5 The proposals in this report have been subject to screening and Officers believe that there are no adverse equality, diversity and inclusion implications arising from this report. Similarly, Officers do not believe that there are any adverse health equalities implications.

## **8.0 Climate Change and Environmental Considerations**

8.1 Effective parking and traffic enforcement of restrictions such as School Street zones supports modal shift active travel, including walking and cycling and the objectives of the councils Climate and Ecological Emergency Strategy 2021-2030 by reducing the harmful effect of emissions from road transport on the environment.

8.2 As detailed in section 3.4 of this report the evaluation criteria for this tender has given consideration to the emission levels of the tenderers fleets in order to encourage the provision of low emission vehicles. This has also been supported through Circular Economy evaluation criteria i.e. how tenderers will support the Circular Economy (reduce, re-use, repair, up-cycle and recycle).

## **9.0 Human Resources and Property Considerations**

9.1 There are no TUPE implications in relation to Council Staff. Additionally the Council's incumbent supplier has advised the Council that none of their staff are eligible to transfer should another supplier be awarded this contract.

9.2 There are no property implications in relation to this contract.

## **10.0 Communication Considerations**

10.1 There are no communication implications arising from this report.

### **Related document(s) for reference**

Approval to tender Report for this contract and the associated Public Space CCTV Surveillance contract

**Report sign off:**

**Alice Lester**  
Corporate Director of Neighbourhoods and  
Regeneration

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## Appendix B

<b>Evaluation Criteria and Weighting</b>	<b>Supplier A</b>	<b>Supplier B</b>
Quality (60% weighting)	41.0%	37.0%
Price (40% weighting)	40.00%	33.59%
Quality Sub-Criteria		
Social Value (10% weighting)	7.2%	8.6%
Useability of the evidence review system to be supplied (8% weighting)	6.4%	4.8%
Added value features of the enforcement cameras to be supplied (5% weighting)	5.0%	3.0%
Timely deployment of new enforcement cameras (5% weighting)	3.0%	2.0%
Fault resolution responsiveness (5% weighting)	3.0%	3.0%
Supplier helpdesk facility (5% weighting)	3.0%	3.0%
Staff training (5% weighting)	4.0%	3.0%
Sustainability and Circular Economy (5% weighting)	3.0%	3.2%
Capacity to handle large camera orders and camera relocation requirements (4% weighting)	2.4%	1.6%
Contract mobilisation (4% weighting)	1.6%	3.2%
Risk management in contract delivery (2% weighting)	1.2%	0.4%
Market developments and updates (2% weighting)	1.2%	1.2%
<b>Total Score</b>	<b>81.00%</b>	<b>70.59%</b>
Ranking	1 <sup>st</sup>	2 <sup>nd</sup>

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 <b>Brent</b>	<b>Cabinet Meeting</b> 15 July 2024
	<b>Report from the Corporate Director of Partnerships, Housing and Residents Services</b>
	<b>Lead Member - Cabinet Member for Public Safety &amp; Partnerships – (Councillor Harbi Farah)</b>
<b>Community Grants Fund (NCIL) 2023-24 – Projects over £100k</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Non-Key Decision
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	One Appendix A: Community Grants Fund 2023-24 assessment process
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Janet Latinwo, Head of Strategy and Partnership 020 8937 4104 <a href="mailto:Janet.Latinwo@brent.gov.uk">Janet.Latinwo@brent.gov.uk</a>  Angela Collins, Community and Social Infrastructure Lead 020 8937 2897 <a href="mailto:Angela.Collins@brent.gov.uk">Angela.Collins@brent.gov.uk</a>

## 1.0 Executive Summary

1.1. This report seeks approval for those projects recommended to receive a Community Grants Fund (NCIL) award over £100,000.00 in value. In line with the constitution, all recommended grant awards over £100k require Cabinet approval.

## 2.0 Recommendation(s)

2.1 Cabinet approval is sought for the funding awarded to:

- Step Up Hub - £114,000

- Forest United (1973) Youth Football Club Limited - £146,976 subject to additional funding being secured for the total amount of the project cost of £1.2m.

### **3.0 Cabinet Member Foreword**

- 3.1 Community Grants are of significant benefit to the community as they provide opportunities for both the community and voluntary sector to help create better economic opportunities and stronger, more connected communities.
- 3.2 Community grants (NCIL) are funded from monies collected from the Community Infrastructure Levy. This is a non-negotiable charge developers pay to the council on most new developments. It allows for money to go back into communities and address the impact development has on local infrastructure.
- 3.3 This is because in Brent we want to ensure that our communities can thrive, and that economic resilience is built up with a wide range of opportunities and facilities for residents. In line with the CIL regulations, NCIL can be used to fund a broad range of facilities and must be spent on priorities agreed in consultation with the local community.
- 3.4 To assess the applications to the Community Grant (NCIL) fund and their impacts for the community, a five-stage assessment process was introduced. This process can be found in Appendix A. The councillor panels recommended a total of 35 projects with two, an application from Step Up Hub and Forest United, exceeding funding for over £100,000.
- 3.5 Both applications help to meet outcomes within the Borough Plan, namely Strategic Priority 3, Thriving Communities, and are seeking approval from Cabinet. Further details of these projects are outlined in the report.
- 3.6 Under the Thriving Communities outcome the council commits to allow the local community to be involved in and lead on activities for their communities. Both the community grants contribute towards this outcome.

### **4.0 Background**

- 4.1 In April 2023 Cabinet agreed to pause the 'You Decide' Participatory Budgeting initiative and agreed a revised approach to the delivery of the Neighbourhood Community Infrastructure Levy (NCIL) with a name change to Community Grants.
- 4.2 The Community Grants is funded from monies collected from the Community Infrastructure Levy (CIL), a non-negotiable charge developers pay to the council on most new developments, to address the demands placed on an area.
- 4.3 At least 15 percent of the money we collect from new, eligible developments in the borough must be spent on priorities following consultation with the local community every three years.

- 4.4 Brent is divided into five Brent Connects Neighbourhood areas Harlesden, Kilburn, Kingsbury and Kenton, Wembley, and Willesden. The value of grant funding available may vary between Neighbourhoods.
- 4.5 The Community Grants is distributed using a formula agreed by cabinet.
- 4.6 The table below sets out this approach ensuring that the Council maintains its obligations to apportion the money accurately in line with statutory guidance.

Brent Connects Area	Number of wards	NCIL Project Spend (£m)
Wembley	8	0.365
Harlesden	3	0.136
Kilburn	3	0.136
Kingsbury and Kenton	5	0.227
Willesden	3	0.136
<b>Total</b>	<b>22</b>	<b>1</b>

- 4.7 As part of the revised process, a five-stage assessment process was introduced (as detailed in **Appendix A**) which concluded with Councillor Panels recommending a total of 35 projects to be awarded funding: with two projects exceeding funding for over £100,000.00. These projects are:

1. **Step up Hub** with a grant award of £114,000.
2. **Forrest United** with a grant award of £146,976.

## 5.0 Projects

- 5.1 The aim of the **Step-Up Hub** is to improve the quality of life of disadvantaged people through providing support to further equality, social justice, social mobility, and community cohesion. One of their key objectives is to promote a strong work ethic as a key tool to break the poverty cycle and support achievement of young people through education, training, and mentoring.
- 5.2 Step-Up Hub are proposing a social infrastructure project to provide a community leadership programme through the School of Oriental and African Studies (SOAS) for 50 beneficiaries. The course is open for 50 Brent residents to complete a one-year course consisting of both academic learning and practical exercises.
- 5.3 The programme combines academic learning, with practical tasks, helping learners address real-world problems. The structured course will be supplemented by mentoring and coaching support. Course content will focus on community cohesion and crime reduction and include delivering interventions to address anti-social behaviour.
- 5.4 The aim of the project is to educate and enable underrepresented groups to become future community leaders, by addressing crime and anti – social behaviour, reduce community conflicts resulting from regeneration, and advance the education and employability of beneficiaries.

- 5.5 The attendees for this programme will come from two diverse groups who are underrepresented in leadership positions. The first is members of the Somali, Caribbean, Arab, and Afghan communities as young people from these ethnic groups are disproportionately involved in crime and anti-social behaviour. The second group is from the emerging Brazilian, Romanian and Ukrainian communities.
- 5.6 The internal department review at stage 2 of the assessment process noted that community leadership projects had been successful in previous projects and this project meets the additional and growing needs of the community. The project was recommended to progress to stage 3 of the process to be reviewed by Councillors.
- 5.7 The project was reviewed by the Brent Connect chairs borough-wide Panel held on Monday 4 March 2024. The decision was made to recommend the full funding award of £114,000. It should be noted that the project has also secured additional external funding to the value of £70,000. to meet the full cost of the project.

### Councillor Assessment Average Scoring and Recommendation

Project Name	The application clearly outlines how it supports strategic borough plan and neighbourhood priorities	The Project benefits diverse communities in Brent, reflecting the demographics of the neighbourhood you wish to deliver in.	The application outlines a clear description of the project and its overall impact?	Does the project demonstrate value for money?	Total
Step-Up Hub	3	3.5	3.5	3	13

- 5.8 **Forest United (1973) Youth Football Club Limited** are proposing a physical infrastructure project to benefit the Wembley and, Kingsbury and Kenton areas.
- 5.9 Forest United are proposing to develop a new football pavilion suitable for a grass roots level football club. The hope is that the building will provide changing facilities to host two teams and associated officials as well as a social space for both club and the wider community to use.
- 5.10 It is proposed that the building is to be re-sited in the approximate location of the previously demolished pavilion. The location was chosen due to the minimal impact it would have on the existing playing fields and the existence of the previous access road as well as the existing service trenches and ducts from the previous building.
- 5.11 The target audience are young people and adults, between the ages of 6 and 35 years old. Forest United's current membership is approximately 400 users and 1200 affiliated parents. The intention is to double membership and affiliated users with the creation of the new pavilion.

- 5.12 The internal department review at stage 2 of the assessment process noted that this project supports, A Healthier Brent and Thriving Communities through social cohesion and access to sporting activities. The values of the club (Family, Excellence, Growth, Proactivity and Humility) align with those of Brent's borough plan. The new facility will support community cohesion and provide facilities for Brent residents to access.
- 5.13 This is a multi-Brent Connects area project. The project was reviewed by the Brent Connect ward members for Wembley, and Kingsbury and Kenton Brent connect areas.
- 5.14 At the Kingsbury and Kenton Panel meeting held on Tuesday 12 March 2024 the decision was made to recommend funding in the amount of £146,976. The Wembley Panel meeting held on 20 March 2024 decided not to award any funding to this project.
- 5.15 The total cost of this project is £1,200,000. The project was seeking £400,000 from the Community Grants fund but received a funding award of £146,976.00. The project has sought additional external funding to value of £800,000. However, the Kingsbury & Kenton Panel stipulated that should the project not secure the deficit of £253,024. to meet the full cost of the project the Community Grant funding award should not be released.

### **Councillor Assessment Average Scoring and recommendation**

<b>Project Name</b>	<b>The application clearly outlines how it supports strategic borough plan and neighbourhood priorities</b>	<b>The Project benefits diverse communities in Brent, reflecting the demographics of the neighbourhood you wish to deliver in.</b>	<b>The application outlines a clear description of the project and its overall impact?</b>	<b>Does the project demonstrate value for money?</b>	<b>Total</b>
<b>Forest United (1073) Youth Football Club Limited Step-Up Hub</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>2.5</b>	<b>13</b>

## **6.0 Stakeholder and ward member consultation and engagement**

- 6.1 It should be noted that as part of the Community Grant Funds assessment process all stakeholders have had extensive consultation and engagement, and Ward members were also well engaged.

## **7.0 Financial Considerations**

- 7.1 The projects, if agreed, will be funded through the Neighbourhood Community Infrastructure Levy, and have met the criteria at stage 2 of the Community Grants Fund assessment process. The Step-Up Hub has been allocated £114,000 and Forest United (1973) Youth Football Club Limited have been allocated £146,976.
- 7.2 If the Forest United (1973) Youth Football Club Limited does not secure the remaining fund required of £253,024. to meet the full cost of their project, the Community Grant funding award will not be released. The funding set aside will be returned to the central pot.
- 7.3 The funds for both projects will need to be spent in accordance with their agreed project plan. This will be strictly monitored with the view to identify issues early and provide support where required to avoid any possible overspends that will impact the project's completeness. The failure to maintain spend in alignment with the project plan may result in a return of the funds. Any underspend will be returned to Council.

## **8.0 Legal Considerations**

- 8.1 Strategic CIL is limited to the provision, improvement, replacement, operation, or maintenance of infrastructure (reg. 59). By section 216 Planning Act 2008, infrastructure is defined as comprising (a) roads and other transport facilities; (b) flood defences; (c) schools and other educational facilities; (d) medical facilities; (e) sporting and recreational facilities, and (f) open spaces.
- 8.2 Regulations 59A and 59F authorises the application of NCIL by a local council. In either case such an application is limited by reg. 59C or as appropriate reg. 59F (3) to funding:
- (a) the provision, improvement, replacement, operation, or maintenance of infrastructure; or
  - (b) Anything else that is concerned with addressing the demands that development places on an area."
- 8.3 What is to be provided by the funding if it is not infrastructure has to be justified as addressing demands that are being placed or will be placed on the area by reason of the construction of new buildings or work to or changes of use of existing buildings. It is not enough that what is to be provided is for the general wellbeing of the area.
- 8.4 Legal advice was provided on the two projects recommended in this report at stage 2 of the Community Grants Funds assessment process.

## **9.0 Equity, Diversity & Inclusion (EDI) Considerations**

- 9.1 The Public Sector Equality Duty set out in Section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to the

need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not share that protected characteristic. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

- 9.2 The Community Grant approach has positive implications as it supports and empowers our communities to thrive. Both proposed projects seek to build community cohesion and inclusion which are core components of our EDI objectives. Additionally, equality impact assessments were completed as part of the assessment process at stage 3.

## **10.0 Climate Change and Environmental Considerations**

10.1 N/A

## **11.0 Human Resources/Property Considerations (if appropriate)**

11.1 N/A

## **12.0 Communication Considerations**

12.1 N/A

### **Related document(s) for reference**

[Cabinet 17 April 2023 - Community Grants NCIL Programme](#)

#### **Report sign off:**

***Peter Gadsdon***

Corporate Director of Partnerships, Housing  
and Resident Services

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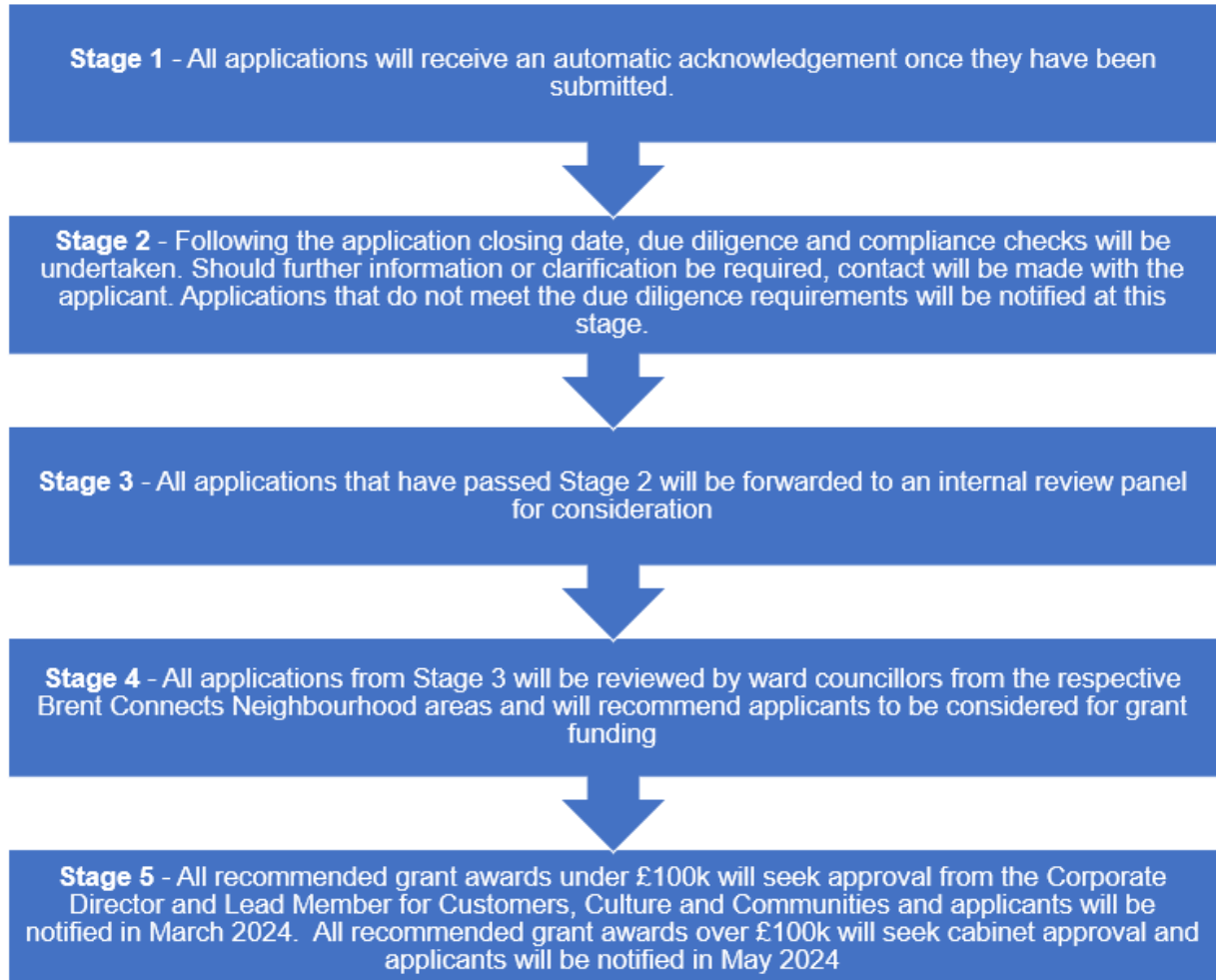


# Community Grants Fund (NCIL) 2023/24


## Application Process

## 1. Assessment process

The assessment process is split into five stages.



*Extract from taken from the Community Grants Fund application guidance.*

 <b>Brent</b>	<b>Cabinet</b> 15 July 2024
	<b>Report from the Corporate Director of Partnerships, Housing and Resident Services</b>
	<b>Lead Member – Cabinet Member for Resident Support &amp; Culture (Councillor Fleur Donnelly- Jackson)</b>
<b>Uncollectable Debt: Write-Off</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix 1 is exempt from publication as it contains exempt information as specified in Paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of any particular person (including the authority holding that information.
<b>List of Appendices:</b>	One Appendix 1: Individual debt write off 1 October 2023 – 31 March 2024 (exempt)
<b>Background Papers:</b>	Write-off procedure Ethical Debt Recovery Policy
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## 1.0 Executive Summary

- 1.1 The purpose of the report is to inform Cabinet of the debts written off between 1 October 2023 and 31 March 2024 that exceed £20,000.00 in relation to council tax, sundry debts, adult social care client contributions, and housing benefit overpayments as detailed in the appendices to this report. The aggregate total value of these debts is £606,101.94 as set out in Appendix 1 of this report.

1.2 All debts selected for write-off have been pursued for collection in line with the Council's Ethical Debt Recovery Policy. This means that all avenues have been pursued and exhausted before a debt is proposed for write-off. The subsequent write-off is then carried out in accordance with the Council's Write-Off Procedure.

## 2.0 Recommendation(s)

2.1 The Cabinet notes the debt written off as listed in Appendix One.

2.2 Cabinet notes a total write of £606,101.94 of debt for the period October 2023 to March 2024.

## 3.0 Detail

### Cabinet Member Foreword

3.1 This report sets out the write-offs completed in the second half of the 2023/24 financial year. The financial regulations require a write-off procedure be in place and that write-offs are completed in accordance with that procedure. The write-off procedure requires that any single or aggregated write-offs over the value of £20,000.00 are reported to the Cabinet bi-annually. This report therefore fulfils the reporting requirement of the write-off procedure.

### Background

3.2 5 debts over £20,000.00 with a total debt value of £272,552.91 were written off between 1 October 2023 and 31 March 2024. These are listed in Appendix One of the report (containing exempt information).

3.3 Between 1 October 2023 and 31 March 2024, a total debt value of £606,101.94 was written off as below:

1 October 23 - 31 March 24	
Debt Type	Amount
National Non-Domestic Rates	£165,458.00
Council Tax (incl costs)	£41,004.14
Housing Benefit Overpayments	£33,933.80
Sundry Debt	£365,706.00

**£606,101.94**

3.4 The Council is committed to taking all appropriate and ethical recovery action necessary before considering a debt for write off. This includes issue of dunning notices at the start of the recovery process, telephone and email engagement, senior management dialogue with counterparts and, where necessary, legal service, court and enforcement agent action.

3.5 Despite our best endeavours, it is inevitable that a small percentage of debt will not be collected and will ultimately have to be written off. Writing off debt is standard practice and recommended as part of good budget management.

3.6 The write-off procedure as formulated under financial regulation 8.3.1 is adhered to. The write-offs are reported to Cabinet in accordance with financial regulation 8.3.2 whereby write-offs over £20,000 agreed by the Corporate Director of Finance and Resources are reported to Cabinet biannually.

#### **4.0 Stakeholder and ward member consultation and engagement**

4.1 None

#### **5.0 Financial Considerations**

5.1 The bad debt provision is reviewed annually. Amounts identified for write off are contained within the bad debt provision assigned to Revenue & Debt.

5.2 Not writing-off debt would result in uncollectable debts continuing to be shown as outstanding with an inaccurate bad debt provision apportioned to these balances. Once a debt is no longer collectable it should be written off in the Council's accounts and the debt provision adjusted accordingly.

#### **6.0 Legal Considerations**

6.1 At present, in respect of the amounts listed there are no further implications. , Operations will cease associated with additional debt recovery.. Where the Council are provided with information which provides options for successful recovery, the amount will be written back onto the Council's systems and accounts for collection action to resume.

#### **7.0 Equality, Diversity & Inclusion (EDI) Considerations**

7.1 There are no equality act or health equality implications arising from this report.

#### **8.0 Climate Change and Environmental Considerations**

8.1 None

#### **9.0 Human Resources/Property Considerations (if appropriate)**

9.1 None

## **10.0 Communication Considerations**

10.1 To outline relevant considerations in relation to any required communication strategy or campaigns.

### **Related documents:**

**Report sign off:**

***Peter Gadsdon***

Partnerships, Housing and Resident Services

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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