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Resources and Public Realm Scrutiny Committee

Wednesday 17 July 2024 at 6.00 pm
Conference Hall - Brent Civic Centre, Engineers Way, Wembley, HA9 0FJ

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

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

Membership:

Members	**Substitute Members**
Councillors:	Councillors:
Conneely (Chair) Kennelly (Vice-Chair) Ahmadi Moghaddam S.Butt Dixon Georgiou Long Maurice Mitchell Molloy Shah	Aden, Afzal, Collymore, Ethapemi, Fraser, Mahmood, Rajan-Seelan, Ketan Sheth and Tazi Smith. Councillors: Kansagra & J.Patel Lorber & Matin

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

or

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

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

Agenda

Introductions, if appropriate.

8 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: Wednesday 4 September 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**

MINUTES OF THE RESOURCES AND PUBLIC REALM SCRUTINY COMMITTEE Held in the Conference Hall, Brent Civic Centre on Tuesday 23 April 2024 at 6.00 pm

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

Also Present: Councillor Krupa Sheth (Cabinet Member for Environment, Infrastructure & Climate Action) and Councillor Tatler (Cabinet Member for Regeneration, Planning & Growth)

1. **Apologies for Absence and Clarification of Alternate Members**

   Apologies were received from Councillors Aden (with Councillor Molloy attending as substitute) and Councillor Ahmadi Moghaddam (with Councillor Fraser attending as substitute).

2. **Declarations of Interests**

   Councillor S.Butt and Akram both declared a personal interest in respect of Agenda Item 6 – Regeneration in Brent as members of the Planning Committee.

   No other declarations of interests were made at the meeting.

3. **Order of Business**

   The Chair agreed to vary the order of business on the agenda to enable the Scrutiny Progress Update – Recommendation Tracker (Agenda Item 8) to be considered as the first main item of business on the agenda. The minutes therefore reflect the order in which the items were dealt with at the meeting.

4. **Minutes of the Previous Meeting**

   It was **RESOLVED** that the minutes of the previous meetings held on 27 February 2024 be approved as a correct record.

5. **Matters Arising (If Any)**

   None.

6. **Deputations (If Any)**

   There were no deputations considered at the meeting.

7. **Scrutiny Progress Update - Recommendations Tracker**

   Councillor Conneely (as Chair) introduced the report presenting an updated version of the Resources & Public Realm Scrutiny Committee recommendations Tracker.

Members were invited to comment on the updates provided, with the following issues raised:

(a) Shared Service Performance & Cyber Security

Having noted the additional response provided on 12 April 2024 regarding the progress in completion of the Data Protection Security Assessment by third party suppliers concern was expressed regarding the slippage in timescales, which the Committee AGREED should continue to be keep under review as part of the scrutiny work programme moving forward.

(b) Development of Brent Climate Action Data Dashboard

Having noted the response received on 10 April 2024 to the recommendations made by the Committee in February 2024 regarding clarification on the inclusion of additional monitoring information to provide wider comparisons to Inner and Outer London, Councillor Mitchell (in response to a request by the Chair) advised she would provide further detail on the additional measures being sought.

(c) Establishment of devolved Climate Advisory Forum

Having noted the response received on 10 April 2024 in relation to the proposed establishment of a devolved Climate Advisory Forum to monitor and provide feedback on delivery of the Climate& Ecological Emergency Strategy recommended by the Committee in February 2024, the Chair advised that whilst recognising the capacity and resources issues identified the Committee remained keen to advocate for more proactive involvement and engagement with residents around delivery of the strategy. On this basis, she advised the Committee would continue to monitor progress on the development of a more formal mechanism for resident engagement in the process.

(**d) Contribution of Controlled Parking Zones towards Council's climate commitments**

Having noted the response received on 5 April 2024 to the recommendations made in relation to the role of CPZs in contributing towards the Council's climate commitments, the Chair advised that the committee had felt further detail was required on the proposals raised and way in which it was felt CPZs could specifically contribute towards climate related objectives. As such it was AGREED that a further update be sought in relation to the originally issues raised by the Committee.

As no further issues were raised it was **AGREED** to note the updates provided within the Scrutiny Recommendation Tracker, subject to the actions detailed above.

8. **Regeneration In Brent**

Councillor Tatler (as Cabinet Member for Regeneration, Planning & Growth) was invited to introduce a report providing an outline and update on delivery of the Regeneration programme across Brent, including the challenges that had arisen over recent years in terms of the delivery of existing schemes and lessons learnt, focussed around the framework of the Council's eight growth areas and schemes within them. In presenting the report, Councillor Tatler highlighted the wide scope of regeneration activity across Brent and Council's role in setting the overall policy framework, context, capital programme and direction for growth, as part of the Local Plan with delivery subject to the necessary site assembly and construction procurement arrangements. The report had been focussed on a high-level approach towards delivery of the programme, with members advised that the Local Plan was supplemented by additional guidance in relation to issues such as affordable workspace, s106 obligations, sustainability and amenity space as well as related housing targets for each growth area supplemented by securing the necessary range of supporting grant funding.

In highlighting the overview of existing regeneration schemes across each growth area, including delivery against local plan targets for new homes, the Committee's attention was also drawn to the challenging financial and economic circumstances impacting on the ongoing viability of the programme, which members were advised also provided important context to the update and included issues relating to build cost inflation, interest rates, labour and construction skills costs and shortages, affordable housing grant rates, the overall funding landscape and constraints alongside the need for policy consistency from government. The position had been further impacted by additional requirements in relation to planning and building legislation and safety requirements and despite Brent being recognised as one of the largest areas for delivery of housing provision across London and seeking to learn and innovate in terms of its approach towards regeneration, these challenges had meant some schemes would not be able to proceed until financial viability improved.

Following on from presentation of the report, the Chair then invited Pete Firmin (representing local residents within the South Kilburn area) to address the Committee on progress with delivery of the estate regeneration programme in that area. Having thanked the Chair for the opportunity to speak, Mr Firmin advised that the update provided for the Committee was not felt to have addressed the current issues facing delivery of the programme within South Kilburn. Citing the original Masterplan adopted in 2017 for redevelopment of the South Kilburn Growth Area he raised concerns that the current development was providing less than 50% social housing, which was outside of the original target set and which it was noted had the potential, given concerns around viability, to be reduced further to 20%-30% social housing provision, which it was felt would make meeting the commitment to existing residents more difficult to achieve. In addition, concerns were also highlighted in relation to build quality given problems reported with cladding, mould and heating with specific reference made to Swift Court and the lack of meaningful communication with residents on delays in project delivery such as those involving the Carlton Boulevard development.

Councillor Conneely (as Chair) thanked Mr Firmin for his contribution and attendance at the meeting advising that the issues raised would be picked up as part of the Committee's review of the update provided. With no further questions from members, the Committee then moved on to consider the update provided by Councillor Tatler on regeneration activity with the following comments and issues discussed.

- Whilst recognising the high-level nature of the overview provided concerns were expressed at the limited detail provided relating to progress on the delivery of specific schemes and lessons learnt in relation to the delivery of individual schemes. In noting the case examples provided within Appendix 1 of the report relating to a selection of schemes, members advised they were also keen to explore the timescales for delivery and wider viability issues impacting each scheme. Further detail was also requested on the reference, within the lessons learnt section of the update report, to some schemes not being able to proceed until financial viability had improved and what impact it was felt this would have on the capacity to deliver the Council's current regeneration and housing targets and strategy.

  In response, Councillor Tatler felt it important to highlight the difficulties being experienced given the nature of the financial viability challenges identified not only in Brent but across the sector as a whole. Whilst committed to continue delivery against the affordable housing targets in Brent, she confirmed that this had meant some schemes had needed to be paused or reassessed involving consideration being given to the inclusion of different forms of tenure and affordable housing products and a wider range of development opportunities in order to maximise viability on schemes moving forward. Given the scale of the housing crisis it was no longer felt possible to address the challenges identified purely through the provision of social housing, with a wider approach required across all parts of the housing sector and more stability in terms of the governments overall policy framework. In terms of the specific reference to the South Kilburn Promise, confirmation was provided of the commitment towards the delivery of properties at affordable social rent, with over 60% of the programme having been completed, as well delivery of the Medical Centre, Carlton Boulevard scheme and green spaces. In response to a query regarding the figure of 44% included within the appendix of the report for affordable social rent, clarification was provided this only related to the Hereford & Exeter scheme. Reference was also made to specific site assembly and viability issues impacting on delivery of the Wembley Housing Zone scheme which had required a need for further agreement with the GLA on the grant funding provision under the Building Council Homes for London programme.

- Following on, the Chair advised that the Committee felt it would be useful if further details could be provided on the schemes which had been paused and those at risk due to the current viability assessment process, with Councillor Tatler explaining that the main schemes over which the Council had direct responsibility and control were the South Kilburn development and Wembley Housing Zone. As schemes within other growth areas involved land not directly owned by the Council these would be more difficult to provide status updates on. In terms of delivery of the New Council Homes Programme, the Committee were advised this fell under Councillor Knight's remit as Cabinet Member for Housing, Homelessness and Renters Reform with a report having recently been provided for Cabinet updating on delivery of that programme.

- In response to further clarification being sought on the breakdown of units being provided within the South Kilburn development at affordable rents, Councillor Tatler confirmed that the new units were all being provided at affordable social rent levels which Councillor Georgiou (as the member who raised the query) advised he would seek further detail to clarify following the meeting.

- Further details were sought on the potential impact the proposal put forward by the Mayor for London to create a publicly owned Development Corporation may have in terms of ongoing delivery of the Council's regeneration programme. In response, Councillor Tatler advised that whilst likely to have more benefit for boroughs with smaller scale development programmes anything that was likely to enhance the approach towards delivery on a London wide basis and reduce costs was welcomed, as long as Brent's needs were listened to, and Brent could meaningfully contribute.

- Whilst noting the examples of existing regeneration schemes provided within Appendix 1 of the report the Committee highlighted the limited details provided on individual scheme delivery highlighting, as an example, that the details provided on the Hereford & Exeter scheme within the South Kilburn development accounted for 250 out of a total of 2000 homes to be delivered under the overall South Kilburn growth area scheme. The Committee therefore requested that as part of their ongoing review further detailed breakdowns on individual scheme delivery and progress be provided. In response, Councillor Tatler felt it important to remind the Committee of the high-level nature of the update provided, with further details available, as and when specifically requested on individual schemes.

- Moving on, details were then sought as to whether (given the current economic climate) any alternative funding models had been considered outside of private developer contributions especially for schemes with potential viability issues in order to avoid compromising on the level of affordable housing and Community Infrastructure Levy (CIL) liability within individual schemes. In response, Councillor Tatler advised that alternative models of funding had been explored with the Council constantly looking to identify innovative solutions given the current economic pressures and challenges identified in order to ensure schemes remained viable and avoided the need for any compromise in terms of delivery and the investment return. Highlighting the Council's strong record in the generation and collection of CIL receipts, their importance in contributing towards wider community infrastructure projects across the borough as well as the Mayor of London's strategic responsibilities (including transport and infrastructure commitments) was also recognised as key requirements in delivery of the regeneration programme.

- Following on from the previous point, clarification was also sought on any benchmarking undertaken with other local authorities regarding the approach towards funding and viability impacting on the delivery of schemes, recognising that the issues were not unique to Brent and being experienced on a pan London basis. Whilst recognising the value of collaborative working and outlining the work being undertaken between the housing, regeneration and planning teams across the Council and also with other local authorities through organisations such as the West London Alliance and the Deputy Mayor for London, Councillor Tatler also felt it important to highlight the progressive and ambitious nature of the regeneration programme within Brent, which the Council remained keen to ensure they retained responsibility for delivery on at the same time as working to develop opportunities (such as the West London Orbital route) in partnership with other authorities and partners.

- Clarification was also provided on the position regarding the CIL contribution generated through the Hereford & Exeter Scheme within South Kilburn with members advised of the ongoing viability challenges affecting the scheme. It was noted these included the requirement to include a second staircase in blocks over seven floors in height which had also increased pressures in relation to construction and design costs impacting on viability and also the number of housing units that could be included within a scheme. It was confirmed that work was ongoing with developers in relation to individual schemes to see whether proposals such as building higher (where appropriate) may be able to improve viability.

- Continuing on the theme of funding and viability, a query was raised in relation to the transparency of the commercial agreements and arrangements being entered into with developers, with particular reference to social value requirements. In terms of the planning application process, officers confirmed that details of the viability assessments supporting each application presented to Planning Committee were included within reports, although these details would need to exclude any information classified as commercial sensitive. Whilst keen to maximise the potential to deliver Affordable Housing and social value within each scheme, officers highlighted the balance needing to be achieved in order to ensure the largest number of developments were able to progress and remain viable in the current economic climate with Brent felt to have one of the most transparent processes in terms of the viability assessments undertaken.

  In response to examples provided of the original proportion of affordable housing proposed within schemes being reduced as schemes were progressed and to the increasing pressure on delivery targets, Councillor Tatler assured members of the Council's ongoing commitment towards its overall target for the delivery of affordable housing across the borough. In outlining the review process, officers advised that the initial requirements for delivery of affordable social housing within individual schemes would be included with the relevant s106 agreement with developments also subject to a review mechanism designed to secure the maximum possible contributions towards affordable housing as schemes were progressed, in order to recognise any change in position regarding their viability. Given the challenging nature of the current economic climate there had been a need, in some cases, for developers to reevaluate the viability of individual schemes and seek changes as a result in the proportion of affordable social housing included to enable the scheme to progress. In these circumstances there would be a need to seek approval to any change in the original permission granted.

- Referring to the requirements in relation to the time limited nature of grant funding being provided through the GLA Affordable Homes Programme and delays in delivery of schemes being created by the wider macro-economic and viability challenges identified, details were requested on a breakdown of individual schemes where the grant funding requirement had been impacted as a result of any delay in delivery. Given the detail required, Councillor Tatler advised this information would need to be provided following the meeting.

- Given the issues highlighted, the Committee advised they were also keen to explore whether there was need to reconsider the overall approach identified towards strategic regeneration in Brent with a focus, as an example on refurbishment rather than replacement across the growth areas identified. In response, Councillor Tatler felt the approach outlined in the report still remained viable highlighting that many of the schemes involved Infill or new developments rather than replacement of existing stock.

- Referring to section 3.4.1 of the accompanying report circulated with the agenda, members, whilst noting the breakdown of affordable housing units provided, felt it was difficult to assess delivery without the provision of further supporting benchmarking and contextual information including the number of properties being delivered as social housing against the targets and how that compared with other local authorities. In response the Committee were advised that it was Councillor Knight (as Cabinet Member for Housing, Homelessness and Renters Security) that would be best placed to advise on specific delivery against housing targets with the overall target in Brent based on requirements within the London and Brent's own Local Plan which related not only to social housing, but also a wide range of other tenures making it more difficult to benchmark against.

  Following on from this issue, members highlighted a need for what they felt was a more joined up approach between the relevant lead member portfolios in the presentation of detail to the Committee around the approach towards regeneration and delivery of housing targets. In addressing these concerns, Councillor Tatler clarified the distinction between both the Regeneration, Planning and Growth and Housing portfolios and high level of joined up working at both a policy, planning and operational delivery level between both lead Cabinet Members alongside the regeneration, housing delivery and planning teams.

- Continuing the focus on delivery of Affordable Housing targets, members advised they would be keen to seek a further breakdown of the figures in section 3.4.1 of the report in terms of targets and delivery against the different recognised sub sets of Affordable Housing across the borough which Councillor Tatler advised it would be possible to provide based on annual returns the local authority was required to produce.

- The Committee then moved on to focus on the effectiveness of regeneration schemes as a whole and impact more widely in terms of large-scale developments within growth areas working for local residents and communities and providing the necessary supporting infrastructure. In confirming that she remained proud of the Council's record in terms of the delivery of regeneration across the borough, Councillor Tatler highlighted a number of the wider associated benefits not only in terms of supporting infrastructure but also the creation of employment, skills and training opportunities. At the same time, however the need was recognised to ensure local residents were better aware and more fully engaged in the development of these initiatives and opportunities e.g. through the use of Resident Panels and other mechanisms such as the Church End Community Engagement project to capture views locally. In responding to concerns which it was reported had been expressed by local residents regarding delivery of associated infrastructure improvements, particularly in the Alperton and South Kilburn areas, relating to transport, the delivery and maintenance of public realm and health facilities Councillor Tatler highlighted that whilst the delivery of associated infrastructure was secured through planning and the relevant s106 and CIL agreements this would also rely on the relevant partners such as health and TfL. In terms of maintenance, whilst providing the necessary capital funding to deliver the improvements identified revenue funding support would also be required to support ongoing maintenance which remained an issue given the limited funding support being provided for the public sector as a result of the impact of the government's programme of austerity. In recognising the issues highlighted, the Committee identified what they felt was the need to explore in more detail the lessons learnt through the delivery of large-scale developments and management of associated infrastructure in order to inform future developments. In seeking to assure members, Councillor Tatler advised these were issues already being considered alongside wider challenges such as the impact of the climate emergency and current working patterns as part of a process of ongoing evaluation which also included the approach towards design, construction and funding of individual schemes, the management of estates and delivery of relevant employment and training opportunities.

- As part of the discussions details were also sought on the limited use of Compulsory Purchase Orders (CPO) to support site assembly and also on the impact of marketing being undertaken by local developers for new build developments given the potential concerns in relation to the impact in driving up property prices and rents. Whilst highlighting that the marketing of private developments was not something the Council had direct control over and would not have any impact on level of social housing being delivered, as this was secured through separate planning agreements, Councillor Tatler took the opportunity to highlight the ongoing work with developers to focus on the delivery of other elements of regeneration activity such as job and employment opportunities with the main influence on the delivery of numbers of affordable housing units remaining the viability issues currently impacting on delivery of individual schemes rather than the nature of different tenures included.

  In terms of CPOs Councillor Tatler highlighted the complex and lengthy nature of the process, which was why they had often only been used as a last resort for large scale development schemes and the need identified to streamline the process in order to make it more effective.

- In terms of the wider impact of development across the private rented sector at also increasing property value and rents, Councillor Tatler felt it important to recognise the contribution made by private developments in terms enhancing the supply of housing across the borough with the key issue remaining the need to address the pressures in supply and demand as a means of addressing affordability alongside the need to tackle inflation and impact on the cost of living and wages etc. Reflecting on the issues raised, members also highlighted a need to ensure the type of housing being provided represented identified demand.

- Reference was then made to the inclusion of community space and facilities within regeneration schemes including not only those on land owned by the Council but also in private schemes secured through planning agreement with members keen to encourage (wherever possible) that additional community space was incorporated into current and future regeneration plans. In terms of specific concerns relating to the Yellow Community facility in Wembley Park, members were advised that whilst the site was not owned by the Council alternative community space provision was due to provided within the site development.

- As a further issue, members welcomed the reference made to Affordable Workspace and sought details on the type of land use involved and consideration being given to the different types of workspaces required. In terms of the different types of employment space being secured, members were advised this would reflect the nature of the different employment sectors including the predominance of small and medium-term businesses supported through Town Centre Managers across the borough and also efforts made to encourage the arts and creative sector and to encourage the intensification of use in recognised industrial sites such as Park Royal.

- The opportunity was also taken to highlight issues relating to build quality not only in terms of schemes being delivered directly through the Council but also through private developers and how it would be possible to deliver the highest standards along with clear accountability for maintenance including Registered Providers. In recognising the importance of this issue, Councillor Tatler highlighted the work already being undertaken by Councillor Knight (under her housing remit) in seeking to work with Registered Providers and hold them to account alongside the work being undertaken through the Development Control and Building Enforcement Teams to secure a high standard of design and build quality through the planning process supported through the Local Plan and SPD on Sustainable Design. In terms of further action, the Committee was advised that any further ideas or proposals in order to support build quality would be welcome.

In closing the discussion, the Chair thanked officers and members for their contributions and in highlighting the process as the start of the discussion outlined the wide ranging nature of the issues to be covered in relation to individual scheme delivery, lessons learnt and challenges in relation to viability. In view of the issues highlighted during the discussion the actions agreed as an initial outcome of the scrutiny process were **AGREED** as follows:

Recommendations to the Executive

(1) Working alongside the Greater London Authority (GLA) and London Councils to develop a unified London building standard with stricter quality measures than required by current legislation and regulations.

(2) To call on London Councils to establish a unified agreement across London boroughs seeking a consistent methodology for assessing affordable housing.

(3) Lobby the next government to increase the obligation on the private sector to deliver more affordable homes

Suggestions for Improvement to Council Departments

(1) To incorporate plans for additional community spaces into current and future Council regeneration projects.

(2) Where appropriate, and consistent with the adopted Local Plan, to negotiate for additional community space within private developments in the borough.

(3) To identify opportunities for implementing additional mechanisms that ensure private developers meet high quality standards (as set out in the adopted Local Plan and associated SPD Design Guidance) and are more accountable to both residents and the Council.

(4) To provide a member briefing session on viability assessments, covering key topics such as affordable housing and social value.

(5) To review the viability assessment criteria for council-owned housing schemes to include consideration of the Council's reduced housing benefit costs (e.g. by not accruing Housing Subsidy Loss) as a result of residents being moved from temporary accommodation into permanent social housing accommodation.

Information Requests

(1) To provide a breakdown of the amount of affordable housing units (by housing product type) delivered since 2020/21.

(2) To provide further detail on the Council's affordable housing targets (broken down by affordable housing product type).

(3) To provide further detail (including examples) of where site assembly has presented challenges for the Council, and if possible, how much costs have been incurred over the last 10 years, as a result of these challenges.

9. Redefining Local Services (RLS) Contracts

Councillor Krupa Sheth (Cabinet Member for Environment, Infrastructure & Climate Action) was invited to present a report that updated the Committee on the first year (2023/24) performance of the Redefining Local Services (RLS) programme service contracts relating to Highways services, Parking enforcement, Integrated waste and recycling, street cleansing, grounds maintenance, winter gritting, and Grounds maintenance. In introducing the report, Councillor Krupa Sheth advised that the report included contextual background information on the RLS programme alongside details on the implementation and performance of each contract over their first year of operation.

Following the initial overview of the report, contributions, comments and questions were sought from the Committee, with the subsequent discussion summarised below:

- Having reviewed the performance data provided, details were sought on whether there were plans for this to be provided and made more accessible for the public in an open data format, which Councillor Krupa Sheth advised she would be willing to take away as a proposal for further consideration.

- Referring to section 5.1 of the report provided for the Committee, further details were sought on the original vision which had emerged alongside the RLS commissioning process to achieve greater integration of back-office functions in order to support the creation of a digitally and data-led, streamlined and customer focussed system involving more integrated working across services and how far this had been implemented across departments and systems. In response, the Committee was advised of the establishment of a new dedicated back-office support function across Public Realm designed to support the Grounds Maintenance and Street Cleansing contracts using data supplied through the Fix my Street App as a means of assisting to shape delivery of the service. It was confirmed that the system was also able to share data with other divisions and contractors.

- In highlighting the key priorities initially identified when establishing the RLS programme (as set out in section 3.1 of the report provided for the Committee) including the creation of a clean, green environment and to fully engage with local communities to understand their needs, members were keen to explore if it was felt the new contracts had been successful in achieving the stated objectives. Whilst recognising that the new contracts had required time to bed in, it was felt the time taken for this process had been effective with positive results now starting to be identified for example in relation to clean and green environmental and social value benefits including the planting of trees, sustainability projects, enhanced community engagement and greening of the Council's fleet vehicles. Councillor Krupa Sheth also highlighted work being undertaken to review the provision of enforcement activity and campaigns.

- The Committee then moved on to focus on waste collection and recycling as part of the Integrated street cleansing, waste collection and winter maintenance contract and action being taken to address the high level of complaints regarding the poor quality of the blue sacks provided for paper and cardboard as part of the twin stream fibre recycling process along with operation of the service by the contractor. In acknowledging and recognising the initial concerns raised, Councillor Krupa Sheth supported by officers advised that in order to address the quality issues highlighted a new supplier had now been secured for provision of the blue sacks. Overall, the move to a twin stream fibre recycling process was still felt to have been appropriate given the cost-effective nature of the option, value provided in being able to reduce levels of contamination in the waste stream and associated opportunity to increase income from the sale of the recycled material. It was confirmed that whilst not all blue sacks had been replaced those residents who had reported or requested a new sack had been provided with them. Details were also sought on the trial previously recommended for consideration in relation to the provision of a wheelie bin rather than blue sack, where requested by residents as an alternative under the twin stream fibre recycling scheme. In response, Councillor Krupa Sheth advised that work was ongoing in relation to implementation of the trial which it was anticipated would commence in September.

In addition to concerns regarding the quality of the sacks provided, members sought further details on the action being taken to address issues regarding performance in relation to collection of the sacks by the contractor. Once again, these concerns had been recognised with Councillor Krupa Sheth advising that where complaints or issues were raised these were being fed back to the contractor with spot checks being undertaken supported by a programme of staff retraining to ensure the necessary process and practices were being followed. Members were encouraged to report any further specific issues so these could be reviewed and investigated.

- Highlighting an increase in the residual waste stream during October 2023 identified within Appendix 4b of the report to the Committee, and reduction in paper and card accepted during the same period, members sought further detail on whether this was related to introduction of the twin recycling scheme and, if so, how it had been addressed. In response, members were advised that this involved a number of different factors with it noted that during the first year of the contract less recycling had been extracted from collections than in previous years. Whilst partly related to the change in contract and service, other factors which members were advised needed to be taken into account included the cost-of-living crisis meaning people were spending and buying less therefore generating less packaging with producers also being more environmentally conscious and selling their goods with less packaging. Another key change had involved the switch to a different Material Recovery Facility (MCF) which operated on a different and stricter set of acceptance criteria to the previous MCF, meaning that more recycling had initially been rejected before it went through the processing stage. This had also been accentuated with paper and card being removed from the total recyclable material presented, therefore making the contaminants within the recycling stream become more apparent as the paper and card made up a significant percentage of the tonnage. To counter this, the contractor (Veolia) had been asked to split communal collections from kerbside collections as the bulk of the contamination came from communal rounds supported by an active behavioural change program to work on communal rounds designed to improve recycling rates. In terms of the impact on costs, members were advised that as a result of the reduction in contamination of paper and card going to an alternative specialist re-processor, it had been possible to mitigate for any additional costs incurred from higher rejected loads. The rise in yields now being experienced had also provided a higher rebate value than if it were to go through a regular MRF with costs associated with residual waste managed through existing revenue streams meaning the new arrangements had met budget requirements.

  In response to a query regarding the current income being generated through the sale of recycled paper and card members were advised that whilst overall waste tonnage had decreased it had still been possible to generate improved income for the levels of recycled material collected given the low levels of contamination and reduced processing costs meaning the scheme was still able to operate within budget.

- In noting the details provided within the report on plans to address the behavioural change required to support improvement in recycling rates and to reduce contamination in waste collections further details were sought on the approach being taken and targeted resident engagement strategies. As a starting point, members were advised of the move towards a more data led approach involving a focus on key contaminates identified within the waste stream at the MRF, bins being tagged as contaminated by collection crews, repeat offenders being highlighted and contacted or visited by recycling officers and work to address communal contamination within flats or HMOs in partnership with the managing agents/caretakers. In terms of developments planned for 2024-25 members were advised these included round by round contamination checks using a camera at the recycling facility to provide data on those rounds highly contaminated in order to target outreach and communications, a bespoke communication plan for HMO's, the introduction of bin lid stickers with key contaminants and QR codes for further information and call to action, the development of data to identify and target hot spots as well as a targeted communication campaign to identify common contaminants with the use of AI also being considered to support the overall approach towards mapping and targeting future campaigns.

- Reflecting on the issues highlighted in relation to communal housing and HMOs members queried whether better utilisation of data held through the Landlord Licensing Scheme may be able to assist improving waste management associated with those properties for example through the targeted provision of access to the relevant number and type of collection bins and to identify landlords in breach of their agreements. In response, the Committee was advised that available data was already subject to review supported by a system of site visits and work with the relevant managing agents to understand capacity needs. It was confirmed that use of data available through the Landlord Licensing Scheme to support that process could also be considered working in conjunction with the Cabinet Member for Housing, Homelessness and Renters Security, which the Committee advised they would, as previously highlighted, be keen to see progressed.

- As a further issue, details were sought on the information available for households living in flats above retail premises regarding waste management and recycling arrangements. In response, members were advised that guidance and information was already available and provided for those households living above retail premises with further work and research already identified in relation to waste management and recycling behaviour in and around commercial and retail properties.

- Highlighting the changes made in relation to outsourcing of the Bulky Waste service and new eligibility criteria being established for free collections an update was sought on whether it had been possible to expand the criteria beyond those claiming Council Tax Support. In response, Councillor Krupa Sheth advised that it had been possible to expand the criteria which now included a wider range of welfare benefits including those claiming Housing

Benefit, Income related Job Seekers Allowance, Pension Credit, Income Support and the housing element of Universal Credit.

- The Committee then moved on to focus on street cleansing with members referring to previous concerns raised on the move to an intelligence led approach and additional concerns highlighted in relation to the current cleanliness of streets across the borough. As a result, an assessment was sought as to how effective it was felt the current intelligence led approach had been in terms of street cleansing performance. In reminding members of the objective behind introduction of the new approach in relation to providing a more cost effective, flexible and responsive service, the Committee was advised the new arrangements had involved not only changes to street cleaning frequencies but also the introduction of six rapid response teams covering the five Brent connects area with cleansing performance in line with the expected standards compared to the previous regime. The approach was supported by Neighbourhood Managers undertaking "proactive inspections" to assess street cleansing standards and flag any areas that needed improvement. To help facilitate the Intelligence led street cleansing approach, a new reporting tool Fix My Street (replacing Love Clean Streets) had been introduced. Based on the information being received through Fix My Street and from proactive inspections, the cleansing schedule was being regularly reviewed to target hot spot areas. As a result, the new intelligence led approach was felt to be working effectively involving a system of data capture that enabled a focus on areas receiving the highest number of reports as a means of targeting the most efficient use of street cleansing resource supported by the introduction of the Rapid Response Teams to provide a more flexible, proactive, and rapid response.

  In noting the reliance on reporting to focus the targeting of resources, members queried whether this was likely to benefit more affluent areas of the borough based on residents access and use of the Fix my Street App, which officers did not feel to be the case based on the areas in which resources were being deployed as a result. Members were also reminded of the use of Neighbourhood Managers to proactively identify issues in addition to data generated through the App. In support of the issue highlighted, members felt it would be useful to receive a heat map outlining report locations with breakdowns by issue type, user type (e.g. resident, councillor, neighbourhood manager etc), and ward being reported through the Fix my Street App, which Councillor Krupa Sheth advised officers would be asked to investigate providing.

- Focussing on the user friendliness of the Fix My Street App members took the opportunity to highlight the number of outstanding jobs compared to the number of reports raised, as detailed within Table 9 of Appendix 4b within the report provided for the Committee and sought further details on the reasons for any blockages along with a breakdown of data on reports initiated but not submitted on the 'Fix My Street' application. In clarifying the position, officers advised that the completed jobs listed involved cases which had been resolved and closed with those not completed often involving the case being transferred to a separate department for action, which was not recorded in the data. In terms of overall user experience of the Fix my Street App members highlighted varying feedback which officers advised would be included as part of a more comprehensive review being undertaken and on which further member input would be welcome, including ways to improve data utilisation to enhance street cleaning operations.

- In response to a query regarding the recent publication of data showing Brent as one of the boroughs with the highest levels of fly-tipping Councillor Krupa Sheth advised that this was partly explained by an increase in reporting alongside the way data was collected and reported by other comparable local authorities with officers also continuing to evaluate and refine the approach towards enforcement supported by associated communication campaigns.

- Moving on to review performance on the Parking Enforcement contract, reference was made to the service improvements outlined in Appendix 1 which included (as part of a new enforcement plan for the borough) areas with a higher number of contraventions being visited on a more frequent basis for enforcement activity. As a result, further details were sought on the impact this had had on the number of Penalty Charge Notices (PCNs) being issued with numbers expected to increase from 182,000 in 2022-23 to over 220,000 in 2023-24 along with the accompanying impact on income being generated as a result. In response, members were advised of the improvements which it had been possible to deliver through the enforcement plan including an increase in the number of enforcement hours across the borough which had led to an overall increase in income generated (including all sources) for the Parking Place Revenue Account (PPRA). In response to a further query regarding enforcement activity outside of normal hours, members were advised that arrangements were in place to regularly target specific locations including those areas with a night time or weekend economy or town centres, such as Kingsbury.

  In clarifying the basis on which the contract for parking enforcement had been awarded, confirmation was provided that payments were not structured around the number of PCNs issued and had been based on rates for specific enforcement activity and performance standards. Referring to the other London Boroughs for which Martson (NSL) also worked as parking enforcement contractor, details were sought on the potential for any cross-boundary activity which members were advised would require specific reciprocal arrangements with Brent having their own dedicated team.

- In commenting on the robustness of current parking enforcement measures, the difference in practices operated across other London Boroughs was highlighted including PCNs becoming enforceable as soon as completed (enabling then to be served via post) rather than having to be physically issued, as was the current position in Brent ,and which it was felt may improve adherence to parking restrictions across the borough. In confirming that the issue of PCNs via post was permissible members were advised that the current approach towards the enforcement regime across Brent operated in accordance with the London Code of Practice for Parking Enforcement with the use of postal PCNs also reliant on the DVLA for the supply of relevant details. In view of the issues raised, however, members advised they would be keen to receive further detail on the comparison of postal PCNs being issued by other London boroughs along with a review on the potential to issue postal PCNs within Brent when they could not be issued physically incorporating data on the number of PCNs initiated but not issued and the most common reasons for not issuing them along with opportunities for improvement.

- In response to further details being sought on the tender process undertaken for award of the cashless parking service contract clarification was provided on the reasons behind the contract needing to be reprocured which had followed a legal challenge on the original award, with RingGo subsequently being awarded the final contract. The use of reminder emails for permit renewals and enhancements to the purchase of permits and visitor parking were also clarified alongside continued use of on-street payment parking services.

- Turning attention to the Grounds Maintenance contract, concerns were raised regarding specific examples of poor performance by the current contractor in maintaining sports facilities as part of the contract which appeared to contradict with the statement in Appendix 3 of the report provided for the Committee regarding the positive feedback received on the quality of the service. As a result, the Committee requested further detail on how resident and user feedback was incorporated into monitoring the performance of the Grounds Maintenance Contract, particularly regarding the upkeep of football, rugby, cricket, Gaelic football pitches, and bowling greens within Brent Parks with Councillor Krupa Sheth advising that whilst feedback had been based on comments provided through Friends of the Park Groups she would ask officers to investigate the specific example raised during the meeting regarding the East Lane sports pitch.

- As a final issue, attention was also drawn to the performance of the Highways Maintenance contractor (O Hara Bros) in relation to the percentage of category 2 defects being repaired on time with further details requested on the action being taken to address the issue. Details were also sought on the escalation process that could be followed when reporting concerns regarding damage and repairs required to footways, with the example provided of concerns relating to Willesden Hight Street. Officers confirmed that members could raise these issues direct however, given the constraints on resources, each request would need to be assessed on the basis of high, medium or low risk and repairs actioned accordingly. Whilst those assessed as high risk would receive an immediate response the funds available to deal with the remainder of repairs would be allocated based on the risk identified.

At this stage in proceedings, the Committee agreed to apply the guillotine procedure under Standing Order 62(c) in order to extend the meeting for a period of 5 minutes to enable conclusion of the item and remaining business on the agenda.

In bringing the consideration of the item to a close, the Chair thanked officers and members for their contributions towards scrutiny of the item and as a result of the outcome of the discussion the requests for additional information and suggestions for improvement identified as a result were **AGREED** as follows:

<u>Suggestions for Improvement to Council Departments</u>

(1) To explore utilising data from the Landlord Licensing Scheme in order to provide the correct amount/types of bins needed per household.

(2) To investigate incentive programmes for parking enforcement officers in comparison with other local authorities to establish whether this has led to more effective parking enforcement.

(3) Consideration be given to optimising resource allocation on the 'Fix My Street' application to facilitate timely responses to complaints and case closure.

(4) To list instructions on the 'Fix My Street' application for users to escalate/challenge responses that they are unsatisfied with.

Information Requests

(1) To provide detail on whether there are any plans to make performance data for all RLS contracts more accessible to the public in an open data format, and if so, by when.

(2) To provide more detailed information on the action the Council is taking to address O Hara Bros' poor performance in repairing category 2 defects.

(3) To provide data comparison of postal penalty charge notice (PCN) issuance volumes with other London boroughs.

(4) To provide information on the approach taken by Brent for posting PCNs when enforcement officers cannot issue (e.g. the vehicle drives away), data on the number of PCNs initiated but not issued and the most common reasons for not issuing them, and opportunities for improvement.

(5) To explain how resident and user feedback is incorporated into monitoring the performance of the Grounds Maintenance Contract, particularly regarding the upkeep of football, rugby, cricket, Gaelic football pitches, and bowling greens within Brent Parks

(6) To provide data on the reports initiated but not submitted on the 'Fix My Street' application and to provide a 'Fix My Street' heatmap visualising report locations with breakdowns by issue type, user type (e.g. resident, councillor, neighbourhood manager etc), and ward.

10. Committee Work Programme 2023/24

As this was the final meeting of the current Municipal Year members noted that Committee Work Programme without comment.

11. Any Other Urgent Business

No items of urgent business were identified. Prior to closing the meeting the Chair took the opportunity to thank all members of the Committee for their efforts and support over the previous year noting that the date of the next meeting would be Wednesday 17 July 2024.

The meeting closed at 9.05 pm

COUNCILLOR RITA CONNEELY
Chair

Brent	**Resources & Public Realm Scrutiny Committee** 17 July 2024
	Report from the Corporate Director of Finance & Resources
	Cllr Mili Patel

Budget update – Medium Term Financial Strategy

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	Three Appendix 1: Financial Outturn 2023/24 Appendix 2: Quarter 1 Financial Forecast 2024/25 Appendix 2a: Appendix A – Q1 Savings Delivery Tracker Appendix 2b: Appendix B – Prudential Indicators Appendix 3: Medium Term Financial Outlook Appendix 3a: Appendix A – Productivity Plans
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel, Corporate Director of Finance and Resources Tel: 020 8937 4043 Minesh.Patel@brent.gov.uk Rav Jassar, Deputy Director of Finance Tel: 020 8937 1487 Ravinder.Jassar@brent.gov.uk

1.0 Executive Summary

1.1. This report provides an update on Brent's overall financial position by examining the financial outturn position for 2023/24, the Q1 financial forecast for 2024/25 and the medium-term financial outlook, which is part of the committee's role in undertaking budget scrutiny throughout the year.

2.0 Recommendation(s)

2.1 That the committee note the report.

3.0 Contribution to Borough Plan Priorities & Strategic Context

3.1 The Medium Term Financial Strategy provides 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.

4.0 Detail

Financial Outturn 2023/24

4.1 This report (attached as Appendix 1) 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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 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.

4.7 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. 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.

4.8 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.

4.9 The in-year collection rate for Council Tax was 92.2%, 2.1% lower than the amount achieved in the previous year. The in-year collection rate for Business Rates was 93.2%, this is higher than the amount collected in the same period last year at 93.0%.

Q1 2024/25 Financial Forecast

4.10 This report (attached as Appendix 2) 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. 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 2(a).

4.11 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 of the report included as Appendix 2. 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 of the same report. 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. Once again, further details can be found in section 7 of the same report.

Medium Term Financial Outlook

4.12 This report (attached as Appendix 3) 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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

4.18 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.

4.19 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.

4.20 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.

4.21 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.

5.0 Stakeholder and ward member consultation and engagement

5.1 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.

6.0 Financial Considerations

6.1 The financial implications are set out throughout the report.

7.0 Legal Considerations

7.1 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.

8.0 Equity, Diversity & Inclusion (EDI) Considerations

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

9.0 Climate Change and Environmental Considerations

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

10.0 Human Resources/Property Considerations (if appropriate)

10.1 There are no human resources/property considerations arising out of this report.

11.0 Communication Considerations

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

<u>Report sign off:</u>

Minesh Patel
Corporate Director of Finance & Resources

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Brent	**Cabinet** 15 July 2024
	Report from the Corporate Director of Finance and Resources
	Lead Member - Deputy Leader, Cabinet Member for Finance & Resources (Councillor Mili Patel)

Financial Outturn 2023-24

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	None
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel Corporate Director of Finance and Resources Email: Minesh.Patel@brent.gov.uk Tel: 020 8937 4043

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)
General Fund (GF) Budgets / Outturn	**0.0**	**0.0**	**0.0**
DSG Funded Activity	0.0	0.0	0.0
Housing Revenue Account (HRA)	0.0	(2.0)	(2.0)
Total (GF, HRA, DSG)	**0.0**	**(2.0)**	**(2.0)**

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
Grand Total	**220.8**	**3.3**	**224.1**	**213.0**	**(11.2)**	**(8.6)**	**(2.6)**

2.0 Recommendation

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

3.0 Cabinet Member Foreword

3.1 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.

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. 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
Total	**134.0**	**135.9**	**1.9**

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.

4.2. Children and Young People (General Fund)

Summary

Table 4 – Children and Young People Outturn 2023/24

Children and Young People (GF)	Revised Budget	Outturn	Over/(Under) Spend
	£m	**£m**	**£m**
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)
Total	**72.5**	**73.6**	**1.1**

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.

4.3. Communities and Regeneration

Summary

Table 5 – Communities and Regeneration Outturn 2023/24

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

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.

4.4. Finance & Resources

Summary

Table 6 – Finance and Resources Outturn 2023/24

Finance & Resources	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
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
Total	**13.1**	**13.0**	**(0.1)**

*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.

4.5. Governance

Summary

Table 7 – Governance Outturn 2023/24

Governance	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
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)
Total	**14.6**	**14.2**	**(0.4)**

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.

4.6. 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
Total	**84.8**	**96.0**	**11.2**

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 though 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.

4.7. 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

DSG Funding Blocks	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
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)
Total	**220.8**	**220.2**	**(0.6)**

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
Grand Total	**220.8**	**3.3**	**224.1**	**213.0**	**(11.2)**	**(8.6)**	**(2.6)**

7.1 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.

7.2 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

7.3 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

7.4 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

7.5 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

7.6 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

7.7 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

7.8 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

7.9 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

Brent	**Cabinet** 15 July 2024
	Report from the Corporate Director of Finance and Resources
	Lead Member - Deputy Leader, Cabinet Member for Finance & Resources (Councillor Mili Patel)

Quarter 1 Financial Forecast 2024- 25

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

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.

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

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

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

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

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

Directorate	Original Budget	Revised Budget	Current Forecast	FY Variance	
	£m	**£m**	**£m**	**£m (Under) / Over**	**£m Slippage / 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
Total	**318.3**	**322.8**	**322.8**	**0.0**	**0.0**

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

Community, Health and Wellbeing	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
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
Total	**146.8**	**146.8**	**0.0**

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.

Key Assumption	Downside if worse	Upside if better	Mitigations
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
Total	**85.7**	**85.7**	**0.0**

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.

Key Assumption	Downside if worse	Upside if better	Mitigations
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)
Public Realm	25.7	25.7	0.0
Strategic Housing	1.5	1.5	0.0
Inclusive Regeneration & Employment	1.2	1.2	0.0
Total	**28.4**	**28.4**	**0.0**

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
Total	**12.6**	**12.6**	**0.0**

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

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

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

Partnerships, Housing and Resident Services	Budget (£m)	Forecast (£m)	Overspend /(Underspend) (£m)
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
Total	**40.7**	**50.7**	**10.0**

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

Key Assumption	Downside if worse	Upside if better	Mitigations
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 in 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
Schools Block	121.6	121.6	0.0
High Needs Block	77.1	77.1	0.0
Early Years Block	35.7	35.7	0.0
Central Block	2.1	2.1	0.0
Total DSG	**236.5**	**236.5**	**0.0**

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 progamme 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)

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

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
Total	**318.3**	**322.8**	**322.8**	**0.0**	**0.0**

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.

<u>Report sign off:</u>

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
Subtotal					**1,551**		
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
Subtotal					**806**		
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
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
Subtotal					**1,102**		
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
Subtotal					**1,946**		
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
Subtotal					**1,116**		
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
Subtotal					**272**		

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
Subtotal					**1,218**		
Overall total					**8,010**		

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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.

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

(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**
Opening CFR	**1,146.1**	**1,246.7**	**1,429.8**	**1,629.1**	**1,656.3**	**1,657.0**
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
Closing CFR	**1,246.7**	**1,429.8**	**1,629.1**	**1,656.3**	**1,657.0**	**1,634.3**

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
Total External Debt Liabilities	**825.6**	**942.3**	**1,110.3**	**1,130.2**	**1,126.3**	**1,110.0**
Internal Borrowing	**421.1**	**487.5**	**518.8**	**526.1**	**530.6**	**524.3**
Capital Financing Requirement	**1,246.7**	**1,429.8**	**1,629.1**	**1,656.3**	**1,657.0**	**1,634.3**

(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)
Net Loan Requirement	**776.2**	**959.4**	**1,158.6**	**1,185.9**	**1,186.5**	**1,163.8**
Plus Liquidity Allowance	20.0	20.0	20.0	20.0	20.0	20.0
Liability Benchmark	**796.2**	**979.4**	**1,178.6**	**1,205.9**	**1,206.5**	**1,183.8**

(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
Closing External Debt	**814.3**	**930.6**	**1,098.9**	**1,120.6**	**1,116.3**	**1,099.0**
PFI & Lease Liabilities	11.4	11.7	11.5	9.6	10.0	11.0
Operational Boundary	**1,500**	**1,500**	**1,600**	**1,700**	**1,700**	**1,700**

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.

Upper Limits on one-year revenue impact of a 1% movement in interest rates on Maturing Debt at Q1 2024/25 (£m)	**2024/25**	**2024/25**
	Approved Limit	**Actual**
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 Actual Borrowing	2024/25 Actual Borrowing	2024/25 Actual Borrowing 31.03.2025	2024/25 Actual Borrowing 31.03.2025	2024/25 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 2024/25	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 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
Proportion of net revenue stream (%)	**10.2%**	**9.4%**	**10.9%**	**10.3%**	**9.9%**

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
Total Gross External Debt Interest	**30.3**	**37.2**	**42.7**	**47.3**	**48.1**	**47.9**
Total Interest Payable & Expenses (Including Reserve Contributions)	**33.6**	**39.5**	**44.6**	**48.6**	**49.3**	**49.0**
Total Interest Receivable	**(24.5)**	**(27.2)**	**(28.4)**	**(30.6)**	**(32.6)**	**(33.9)**
Net Interest	**9.1**	**12.3**	**16.2**	**18.0**	**16.7**	**15.1**
MRP (Excluding PFI & Service Loans)	13.4	15.5	18.0	20.3	21.5	22.9
Revenue Contributions to Capital Programme	**8.5**	**9.0**	**9.5**	**4.0**	**4.0**	**4.0**
Total Capital Financing Costs	**30.9**	**36.8**	**43.7**	**42.3**	**42.2**	**42.0**
Budget	25.0	26.2	27.4	28.6	29.8	29.8
Revenue Contribution from Service	0.5	0.5	0.5	0.5	0.5	0.5
Total Budget	**25.5**	**26.7**	**27.9**	**29.1**	**30.3**	**30.3**
Variance	**(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
Total Investments	**380.9**	**304.5**	**303.3**	**290.1**	**288.7**
Commitments to lend	50.0	50.0	50.0	51.0	51.0
Total Exposure	**50.0**	**50.0**	**50.0**	**51.0**	**51.0**

(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
Total	**285.6**	**284.5**	**283.3**	**269.1**	**267.7**

(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
Debt to net service expenditure ratio	**2.3**	**2.4**	**2.8**	**2.8**	**2.7**
Commercial income as a % of net service expenditure ratio	0.0	0.0	0.0	0.0	0.0

Brent	**Cabinet** 15 July 2024
	Report from the Corporate Director of Finance & Resources
	Lead Member- Deputy Leader, Cabinet Member for Finance & Resources (Councillor Mili Patel)

Medium Term Financial Outlook

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	One Appendix A: Productivity in Local Government
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel Corporate Director of Finance & Resources Tel: 020 8937 4043 Email: Minesh.Patel@brent.gov.uk Rav Jassar Deputy Director of Finance Tel: 020 8937 1487 Email: Ravinder.Jassar@brent.gov.uk

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 MTFS. These primarily relate to exceptional factors such as high levels of inflation, rising interest rates, increased demand for key services and uncertainty in government funding. In doing so, it must be recognised that the situation remains uncertain and it is extremely difficult to make a full, definitive and comprehensive assessment of the ongoing financial impact of these issues. As such, the figures in this report are based upon best estimates and forecasts and will therefore be subject to change. However, the significance of the financial challenge cannot be underestimated and over time, the Council will need to develop a response that continues to maintain a commitment to strong financial resilience and sustainability.

1.4. This report is structured as follows:

- Recommendations for Cabinet to approve
- Strategic overview of Local Government finance
- Future budget assumptions
- Proposed budget setting process for 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 31st 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 recyclate 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 crystalise 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 us 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
Grand Total	**220.9**	**3.3**	**224.1**	**213.0**	**(11.2)**	**(8.6)**	**(2.6)**

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.

Table 2 - Budget Adjustments Breakdown 2024/25 to 2028/29						
	2024/25	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
2023/24 Under/Spend	11.2					11.2
Additional New Budget						
Preston Library Fit Out Costs	0.6					0.6
Virements						
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)
Reprofiling						
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
Total	**4.5**	**(9.4)**	**3.9**	**12.5**	**0.0**	**11.8**

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

- Reprofiling of the St. Raphael's estate wide improvement programme to align with the updated project plan.

- Reprofiling 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.

Table 3 - Capital Programme Revised Budget 2024/25 to 2028/29

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

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**
Number of EHCP	2,426	2,784	2,938	3,251	3,500
Brent Year on Year % Increase	12%	15%	6%	11%	8%
National Year on Year % Increase	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.

<u>Report sign off:</u>

Minesh Patel
Corporate Director of Finance & Resources

Brent Civic Centre
Engineers Way
Wembley
Middlesex HA9 0FJ

EMAIL kim.wright@brent.gov.uk

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Minister for Local Government
2 Marsham Street
London
SW1P 4DF

Sent by email: productivityplans@levellingup.gov.uk

Dear

Productivity in Local Government

As you are aware, I was written to on 16th 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 16th 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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Brent	**Resources and Public Realm Scrutiny Committee** 17 July 2024
	Report from the Deputy Director, Democratic Services

Scrutiny Recommendations Tracker

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	One Appendix A: Recommendations Scrutiny Tracker
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Jason Sigba, Strategy Lead – Scrutiny, Strategy and Partnerships 020 8937 2036 Jason.Sigba@brent.gov.uk Amira Nassr, Deputy Director, Democratic Services 020 8937 5436 Amira.Nassr@brent.gov.uk

1.0 Executive Summary

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

2.0 Recommendation(s)

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

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 Borough Plan 2023-2027 – all strategic priorities.

3.2 Background

3.2.1 The Recommendations Tracker tabled at the 17 July 2024 meeting relates to the previous municipal year (2023/24).

3.2.2 In accordance with Part 4 of the Brent Council Constitution (Standing Orders of Committees), Brent Council scrutiny committees may make recommendations to the Full Council or the Cabinet with respect to any functions which are the responsibility of the Executive, or of any functions which are not the responsibility of the Executive, or on matters which affect the borough or its inhabitants.

3.2.3 The Resources and Public Realm Scrutiny Committee may not make executive decisions. Scrutiny recommendations therefore require consideration and decision by the appropriate decision maker; the Cabinet or Full Council for policy and budgetary decisions.

3.2.4 The Scrutiny Recommendations Tracker provides a summary of any scrutiny recommendations made in order to track executive decisions and implementation progress. It also includes suggestions for improvement and information requests, as captured in the minutes of the committee meetings.

3.2.5 Recommendations are removed from the tracker when they have been rejected or when implemented successfully and the review date has passed. This is the same for suggestions of improvement and information requests.

4.0 Procedure for Recommendations from Scrutiny Committees

4.1 Where scrutiny committees make recommendations to the Cabinet, these will be referred to the Cabinet (and/or relevant cabinet member) requesting an Executive Response. If relevant, the item will be published on the Council's Forward Plan.

4.2 Regarding recommendations to Full Council (e.g. in the case of policy and budgetary decisions), the same process will be followed, where a report containing the scrutiny recommendations will then be forwarded to Full Council alongside the Cabinet's responses to those recommendations.

4.3 Where scrutiny committees have powers under their terms of reference to make reports or recommendations to external decision makers (e.g. NHS bodies), the relevant external decision maker shall be notified in writing, providing them with a copy of the respective Committee's report and recommendations, and requesting a response.

4.4 Once responses are received, they will be added to the Recommendations Tracker for review and consideration.

5.0 Stakeholder and ward member consultation and engagement

5.1 None for the purposes of this report.

6.0 Financial Considerations

6.1 There are no financial considerations for the purposes of this report.

7.0 Legal Considerations

7.1 Section 9F, Part 1A of the Local Government Act 2000, *Overview and scrutiny committees: functions,* requires that Executive arrangements by a local authority must ensure that its overview and scrutiny committees have the power to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are or are not the responsibility of the executive, or on matters which affect the Authority's area or the inhabitants of that area.

7.2 Section 9FE, *Duty of authority or executive to respond to overview and scrutiny committee*, requires that the authority or executive;-
(a) consider the report or recommendations,
(b) respond to the overview and scrutiny committee indicating what (if any) action the authority, or the executive, proposes to take,
(c) if the overview and scrutiny committee has published the report or recommendations, publish the response, within two months beginning with the date on which the authority or executive received the report or recommendations.

8.0 Equity, Diversity & Inclusion (EDI) Considerations

8.1 There are no EDI considerations for the purposes of this report.

9.0 Climate Change and Environmental Considerations

9.1 There are no climate change and environmental considerations for the purposes of this report.

10.0 Communication Considerations

10.1 There are no communication considerations for the purposes of this report.

Report sign off:

Amira Nassr
Deputy Director, Democratic Services

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Appendix A

Resources and Public Realm Scrutiny Committee (RPRSC)
Recommendations Tracker 2024/25

The Recommendations Tracker is a standing item on committee agendas, and documents the progress of scrutiny recommendations, suggestions for improvement, and information requests made by the Resources and Public Realm Scrutiny Committee at its public meetings and as part of task and finish group reviews. Scrutiny recommendations, suggestions for improvement, and information requests will not be removed from the tracker until full responses have been provided to the Committee by either the Cabinet, council departments, and/or external partners.

Recommendations to Cabinet from RPRSC

Subject	Scrutiny Recommendation	Cabinet Member, Lead Officer/s, and Department	Executive Response	Review date
24 Jan 2024 – **Budget Scrutiny Task Group Findings (2024/25 and 2025/26)**	**Improve budget communications:** Include a concise, summary page in the Budget (and in future budgets), adopting more accessible language which makes it clear what its vision, aims, and priority protection areas are.	Cllr Muhammed Butt – Leader of the Council Cllr Mili Patel - Deputy Leader, Cabinet Member for Finance, Resources & Reform. Minesh Patel – Corporate Director, Finance & Resources Rob Mansfield – Head of Communications, Conference, & Events, Partnerships, Housing, & Resident Services	**Response received on 09/07/24:** This recommendation is agreed. The Chair of the Resources and Public Realm Scrutiny Committee will be invited to meet with the Head of Communications and the Leader of the Council, to provide feedback on the previous communications campaign to support the budget consultation. It will also provide an opportunity for members of the Scrutiny Committee to present any suggestions for improvements on future campaigns. The Cabinet Member foreword will summarise the budget proposals for 2025/2026 in a one-page format and additional materials such as an infographic will be produced to support Members.	05/11/2024

	Develop clearer and concise proposals: Review the proposals ahead of publication of the final Budget to ensure that the final proposals and their possible impact(s) can be clearly understood and are accessible to all Brent residents. This review could be actioned collaboratively with a lay-panel (e.g. resident focus group) and in future years by including additional questions in the consultation.	Cllr Muhammed Butt – Leader of the Council Cllr Mili Patel - Deputy Leader, Cabinet Member for Finance, Resources & Reform. Minesh Patel – Corporate Director, Finance & Resources	**Response received on 09/07/24:** This recommendation is agreed. An additional step in the budget process will be added to further review accessibility ahead of publication. In addition, the categorisation of proposals will be made clearer for members and residents to understand proposals that are either difficult to deliver and/or have the highest impact on the community.	05/11/2024
	Alignment with climate action commitments in Borough Plan 2023-27: Adopt a 'green budget' which clearly outlines the climate and environment implications of each proposal.	Cllr Muhammed Butt – Leader of the Council Cllr Mili Patel - Deputy Leader, Cabinet Member for Finance, Resources & Reform. Minesh Patel – Corporate Director, Finance & Resources Peter Gadsdon – Corporate Director, Partnerships, Housing, & Resident Services	**Response received on 09/07/24:** As part of a future budget setting process, when new proposals are developed additional screening will be put in place to outline the climate and environmental considerations of each proposal. These proposals will then be published for public consultation and scrutiny purposes.	05/11/2024
	Shared Outcomes Framework: Explore a shared-outcomes framework with the voluntary sector for the benefit of residents/service users. As part of this work, the Council should urgently discuss and collaborate with the Voluntary and Community Sector (VCS) in relation to budget proposals that involve them and/or may have an impact on their service provision.	Cllr Muhammed Butt – Leader of the Council Cllr Mili Patel - Deputy Leader, Cabinet Member for Finance, Resources & Reform. Cllr Fleur Donnelly-Jackson – Cabinet	**Response received on 09/07/24:** We are in the early stages of reviewing the (independently) proposed Community Engagement Framework and related recommendations on how we can work more closely with the community, including the voluntary sector in co design, collaboration, and consultation.	05/11/2024

	This discussion could build on the Task Group's recommendation from the Budget Scrutiny Task Group Review 2023/24 which suggested a collaborative strategy with the VCS to enable these organisations to identify and secure new income streams.	Member for Customer, Culture & Communities Minesh Patel – Corporate Director, Finance & Resources Peter Gadsdon – Corporate Director, Partnerships, Housing, & Resident Services	We will utilise existing quarterly VCS forums to ensure the Council has an opportunity to communicate current and near future initiatives to ensure engagement and feedback from the sector. To address the urgent request – it is proposed that an event, with the support of CVS is arranged, to deliver an outline of budget 2024/25 recommendations to support the sector better understand the impact the budget savings will have on them. It is suggested that a mandatory sharing of all planned consultations with the voluntary sector is introduced as part of the wider best practice Consultation at Brent to create a consistent model of engagement cross council with the VCS.	
	Establish a strategic approach to income generation: Develop a longer-term, strategic approach to income generation (accompanied with yearly action plans) rather than focusing on piecemeal proposals year to year. The strategy should include a robust monitoring process that enables holistic working across all departments to create synergies for income generation. Specifically, allocating a dedicated, cross-departmental resource to work across the Council to investigate and identify additional opportunities for income generation e.g. compliance with mandatory HMO licensing, compliance with	Cllr Muhammed Butt – Leader of the Council Cllr Mili Patel - Deputy Leader, Cabinet Member for Finance, Resources & Reform. Minesh Patel – Corporate Director, Finance & Resources	**Response received on 09/07/24:** The Council has an Income and Debt board that reviews all income and debt across the Council. It is proposed to amend the terms of reference of this board to ensure there is a consistent approach to income generation across the Council, consider opportunities for new income generation and benchmarking. As always, if members have any areas where they wish Cabinet Members to explore alternative areas that could lead to additional income generation, please let us know.	05/11/2024

	council tax on empty properties, and business rates evasion.			
	Rent out Civic Centre meeting rooms: Make available additional space, specifically meeting rooms, in the Civic Centre for external hire given that staff no longer work 5 days per week in the office. To complement this suggestion, some council meetings could be moved outside of the Civic Centre to be held in other community assets in the borough.	Cllr Muhammed Butt – Leader of the Council Cllr Mili Patel - Deputy Leader, Cabinet Member for Finance, Resources & Reform. Minesh Patel – Corporate Director, Finance & Resources Amira Nassr – Deputy Director, Democratic Services, Law & Governance Rob Mansfield – Head of Communications, Conference, & Events, Partnerships, Housing, & Resident Services	**Response received on 09/07/24:** Currently there is limited evidence from the Events Team to suggest that bookings for committee meetings have impacted on the Council's ability to generate additional income through event bookings. The Democratic Services team have also explored the use of community venues for council meetings. Given the requirement to live-stream/record a number of the meetings and the additional security measures required, hosting council meetings externally is disproportionately more expensive than utilising our existing facilities in the Civic Centre and Willesden Green Library. Whilst the default venue for council meetings will remain the Conference Hall, meetings will be relocated to the Boardrooms, as required by the Events Team to prioritise external bookings. This will mean that income from the Conference Hall could still be maximised whilst retaining use of the facilities and support available at the Civic Centre.	05/11/2024
	Implement additional shared service arrangements: Explore further opportunities for shared service arrangements, learning lessons from current arrangements and from good practice of the shared service models that already exist across the country.	Cllr Muhammed Butt – Leader of the Council Cllr Mili Patel - Deputy Leader, Cabinet Member for Finance, Resources & Reform.	**Response received on 09/07/24:** A good example of a successful shared service arrangement in Brent is the Shared Technology Service. A report that sets out lessons learned from current arrangements and good practice will be organised so that it can be shared with senior management.	05/11/2024

		Minesh Patel – Corporate Director, Finance & Resources	Where appropriate, any opportunities for considering such arrangements can be considered as part of future budget challenge meeting.	
	Housing Subsidy Loss: Work with neighbouring local authorities, London Councils, and the Local Government Association (LGA) to lobby for positive change to the Housing Benefit subsidy rules which currently caps the amount the Council can claim back from the Department of Work & Pensions (DWP) to 90% of the 2011 LHA rates per household for TA provided, and which places financially onerous restrictions on the types of TA the Council can provide to be eligible for housing benefit subsidy.	Cllr Muhammed Butt – Leader of the Council Minesh Patel – Corporate Director, Finance & Resources	**Response received on 09/07/24:** This will continue to be a key part of the council's public affairs approach, lobbying for changes at the highest level which address the historic disconnect between what the council is obliged to spend to house residents in Temporary Accommodation, versus what it can claim back in subsidy. Public Affairs work is underway at London Councils and the Local Government Association to continue to press this case forward to the new government over the coming months ahead, as this continues to be a key contributor to financial pressures across a number of councils.	05/11/2024
	Retain use of New Millennium Day Centre: Explore options to retain the building for community use.	Cllr Muhammed Butt – Leader of the Council Cllr Mili Patel - Deputy Leader, Cabinet Member for Finance, Resources & Reform. Cllr Fleur Donnelly-Jackson – Cabinet Member for Customer, Communities & Culture Cllr Neil Nerva – Cabinet Member for Public Health & Adult Social Care	**Response received on 09/07/24:** This recommendation is agreed. Brent Council is working on a new, more flexible social care offer partly in response to a fall in usage of traditional day services such as New Millennium. The move of the Community Shop and Cafe to the New Millennium Centre, while keeping the Robson Avenue centre open with a new purpose based on residents' feedback, shows a commitment to adapt and improve services. As well as moving existing services from Bridge Park into the New Millenium Centre, local people will also be able to benefit from	05/11/2024

		Minesh Patel – Corporate Director, Finance & Resources Peter Gadsdon – Corporate Director, Partnerships, Housing, & Resident Services Rachel Crossley – Corporate Director, Community Health & Wellbeing	additional facilities such as an arts space, garden and advice and support services. Existing users of the day centre can still also make use of the facilities. The move – which is set to happen later this year – allows the council and its partners to provide short and long-term support to residents, which is crucial while pressures on low-income families are at an all-time high.	
	Wembley Stadium: 'Community Impact' Ticket Levy: Explore options with the Stadium for a ticket levy, whereby the Council receives a proportion of each ticket sale in order to fully recover costs incurred or to provide for further enhancement of the Council's event day operations.	Cllr Muhammed Butt – Leader of the Council Cllr Mili Patel - Deputy Leader, Cabinet Member for Finance, Resources & Reform. Kim Wright – Chief Executive Minesh Patel – Corporate Director, Finance & Resources	**Response received on 09/07/24:** As part of our partnership working with Wembley Stadium, the council does receive funding to ensure that our highways, enforcement, and clean-up costs are reimbursed. A proportion of the income derived from ticket sales is also awarded to Wembley National Stadium Trust, who in turn invest in and around Brent. The Leader of the Council and the Chief Executive, Kim Wright will also raise this recommendation with the senior Leadership team at the Wembley Stadium/Football Association and Ovo Arena. We are reviewing the announcements of Cambridge City Council and Manchester City Council relating to a Tourism Levy to understand whether the initiative could be replicated, with our existing legal powers in Brent and more widely across London, as this might be better suited to a regional rather than local approach.	05/11/2024

	Delegation of budgets and decision making to Brent Integrated Care Partnership (ICP): Continue to advocate and make the case to North West London Integrated Care Board (NWL ICB) for both a better alignment of NHS resources to population need and for an increased delegation of budgets and decision making to Brent Integrated Care Partnership (ICP).	Cllr Muhammed Butt – Leader of the Council Cllr Mili Patel - Deputy Leader, Cabinet Member for Finance, Resources & Reform. Cllr Neil Nerva – Cabinet Member for Public Health & Adult Social Care Minesh Patel – Corporate Director, Finance & Resources Rachel Crossley – Corporate Director, Community Health & Wellbeing	**Response received on 09/07/24:** NWL ICB are continuing to develop common-core specifications for all health services across NWL. Brent ICP are involved through various routes in developing these specifications. Whilst Brent is anticipated to be a net beneficiary in terms of investment resulting from this work, it is expected that only new funding will flow disproportionately to Brent, which is likely to mean that any significant improvement will be slow. Brent ICP has developed detailed business cases for investment into key gaps in provision. In particular for special school nursing, mental health access in NW2 and NW10 and childhood continence where there are significant immediate gaps in provision. NWL MH Exec have agreed to fund £850,000 new investment in MH (pending ICB Exec approval), and Brent ICP have agreed to use non-recurrent S256 funding to meet the gaps in provision pending decisions from NWL. Our focus for 2024/25 will be for additional investment into community health services, where there are significant gaps in provision, including district and community nursing, as well as securing existing additional investment through the Better Care Fund. We will also continue to work locally through ICP Executive around the additional NWL investment into health inequalities, and use of locally held S256 funding.	05/11/2024
23 Apr 2024 –	Work alongside the Greater London Authority (GLA) and London Councils to develop a unified London building standard with stricter quality	Cllr Muhammed Butt – Leader of the Council	**Response received on 05/07/2024:** London Councils is a cross-party membership organisation for advancing the position of	17/07/24

Regeneration in Brent	measures than required by current legislation and regulations.	Cllr Shama Tatler- Cabinet Member for Regeneration, Planning & Growth Alice Lester – Corporate Director, Neighbourhoods & Regeneration	London's local government on a national stage. While it may deliver some operational services, it does not take on responsibility for London's spatial planning framework; this power is with the Mayor of London and the Greater London Authority. The Mayor of London has adopted the London Plan, setting out statutory guidance in relation to Housing Design Standards in the London Planning Guidance document found here: https://www.london.gov.uk/sites/default/files/2023-06/Housing%20design%20standards%20LPG.pdf We will continue to work with the GLA particularly when they come to review this document, and welcome any feedback from members on areas where the current London Planning Guidance could go beyond the current legislation.	
	Call on London Councils to establish a unified agreement across London boroughs seeking a consistent methodology for assessing affordable housing.	Cllr Muhammed Butt – Leader of the Council Cllr Shama Tatler- Cabinet Member for Regeneration, Planning & Growth Alice Lester – Corporate Director, Neighbourhoods & Regeneration	**Response received on 05/07/2024:** London Councils is a cross-party membership organisation for advancing the position of London's local government on a national stage. While it may deliver some operational services, it does not take on responsibility for London's spatial planning framework; this power is with the Mayor of London and the Greater London Authority. The Mayor of London has adopted the London Plan, setting out statutory guidance in relation to Affordable Housing, which all applicants must consider when submitting a planning application in London. The Council works within this framework when assessing planning applications and take decisions accordingly. The Council also works in accordance with	17/07/24

			National Planning Policy Guidance, and the industry accepted RICS guidance when doing financial viability assessments on the amount of affordable housing provided in developments. The outgoing Housing Secretary, Michael Gove has ordered a review of the London Plan, suggesting that it could hold back delivery of new homes in London. As a result, the Mayor of London must review all housing policies set out in the plan and report back to the Secretary of State by the end of September. The government's last review of the London Plan, published at the beginning of the year found no fundamental issues. If any amendments to the London Plan are brought forward for consultation, Brent Council will submit a response outlining the need to bring forward more affordable housing. The current London Planning Guidance setting out the London standard for assessing affordable housing and viability can be found here: https://www.london.gov.uk/sites/default/files/ah_viability_spg_20170816.pdf	
	Lobby the next government to increase the obligation on the private sector to deliver more affordable homes.	Cllr Muhammed Butt – Leader of the Council Cllr Shama Tatler- Cabinet Member for Regeneration, Planning & Growth	**Response received on 05/07/2024:** The United Kingdom is in the midst of a housing crisis, with demand for housing outstripping supply. The knock-on effect of this is plain to see: rents are rising faster than inflation and any real growth in workers' wages. Construction costs continue to also outpace inflation, and more affordable housing schemes than ever simply do not	17/07/24

		Alice Lester – Corporate Director, Neighbourhoods & Regeneration	financially stack up; even over the multiplier of decades of rent to the council. Building in London faces unique barriers, with higher priced land, stiff competition for usage, ageing infrastructure and the complexity of developing on brownfield sites. The delivery of affordable housing via private sector planning applications is dealt with by national, regional and local planning policies and is closely linked to an assessment of the viability of individual schemes. The Council will lobby regional and national government to ensure that the affordable housing targets are adhered to, on the basis that land owners are aware of these targets when purchasing land and designing schemes, and should plan accordingly.	

Suggestions for improvement from RPRSC to Council departments/partners

Meeting date and agenda item	Suggestion for improvement	Council Department/External Partner	Response / Status
6 Sept 2023 – **Planning Enforcement**	Undertake an audit to determine the wards with the highest amount of planning breach complaints, and the wards with the highest amount of enforcement activity. This intelligence should be used to develop a targeted strategy to prevent planning breaches e.g. targeted planning education and/or communications campaigns etc. The Audit should also categorise the types of breaches receiving enforcement notices.	Gerry Ansell – Director, Inclusive Regeneration & Employment, Neighbourhoods & Regeneration	**Response received on 24/10/23:** ~~We will look to do this but are currently waiting for our new software to be introduced. Currently scheduled for April 2024.~~ **Updated response received on 11/04/24:** There has been a delay on the implementation of the new software. Testing is now not going to take place until June 2024 and go live is unlikely to take place until Autum 2024. Therefore we will not be in a position to produce this information until February 2025.
27 Feb 2024 – **Draft Property Strategy**	Upon completion, sight the Committee on the draft Corporate Social Benefits Assessment Methodology for feedback.	Tanveer Ghani – Director, Property & Assets, Finance & Resources	**Response received on 12/04/2024:** The Council is currently reviewing its social value approach at an organisational level and the property strategy will fit into the wider organisational approach to community wealth building and social value. This ensures consistency and enables the property strategy to align with broader council objectives. The development of the assessment methodology itself falls outside of the Property and Assets Team's direct remit, consequently, at this stage we do not have immediate access to the specific details of the methodology. However, once the approach becomes clearer, we will get back in contact with further information about who can consider the recommendation.
	Upon completion, publish the final Corporate Social Benefits Assessment Methodology for the benefit of residents, businesses, and community organisations.	*To be confirmed.*	**Response received on 12/04/2024:** Please see above response.

27 Feb 2024– **Climate & Ecological Emergency Strategy Update (Winter 2024)**	Explore whether the current controlled parking zones (CPZs) are assisting the Council to achieve its climate commitments, and if not, explore whether an expansion to the zones could in fact help achieve these goals.	Chris Whyte – Director, Public Realm, Neighbourhoods & Regeneration	**Response received on 05/04/24:** Parking management is an important tool that contributes towards achieving the Council's wider transport, economic and planning policy objectives, including the Brent Long Term Transport Strategy (LTTS), Air Quality Action Plan, and Climate and Ecological Emergency Strategy. Parking policies and effective enforcement can influence travel patterns, sustain the local economy, balance competing demands for road space, relieve congestion and contribute to sustainable outcomes. The purpose of CPZs is to protect parking for residents, businesses and their visitors through providing permit holder parking in the area. They also provide an opportunity to improve safety through regulating parking through introducing yellow lines in the area. CPZs were first introduced in the 1990's initially focusing on areas near stations to prevent commuter parking and encourage sustainable travel. New CPZ's are introduced where there is evidence of on-street parking pressure and of support from the local community, usually from a petition. This approach is to ensure the efficient use of resources in developing schemes for public consultation, the results of which are considered in the decision whether or not to implement a scheme. **Additional response (providing further detail) received on 29/04/24:** The Brent LTTS provides information on the importance of parking controls in encouraging modal shift to greener travel and recognises the need to balance needs to support the local economy, for example, for local retail. Parking controls, particularly at destinations, can play a significant role in influencing travel choice and therefore in encouraging trips to be carried out by sustainable modes. CPZs help to prevent commuter parking and there is also a limit on the number of permits. Less on-street parking enables highway space to potentially be re-allocated to other user groups for example, cycle lanes, cycle parking, or wider pavements and green infrastructure. The Climate and Ecological Emergency Strategy 2021-2030 identifies that road transport is the third biggest contributor to carbon emissions in Brent,

			representing 22% of the total. Moving away from private car usage and towards public transport, electric vehicles, walking and cycling will have huge implications not only for the climate but also for improving air quality and public health. It also recognises the promoting the use of zero emission vehicles will have significant benefits. The Air Quality Action Plan 2023-2027 further recognises the need to tackle pollution in the borough and the need to improve transport ad encourage sustainable travel. A key theme is cleaner transport and the delivery of the LTTS to reduce emissions including; more electric vehicle charging point (EVCP) infrastructure, options for at home charging for residents with no off street parking, more greener car clubs bays and the use of Parking Policy and pricing to encourage motorists to consider alternative transport and switch to less polluting vehicles. The Parking Policy 2020 has been developed to provide a strategic foundation for the council's parking policies and operational practice. Priorities and objectives have been developed by the Council over time to reflect the priorities and objectives set out in the Long Term Transport Strategy, the Council's Local Plan, the Borough Plan and the Mayor of London's Transport Strategy. This will be reviewed in 2024 and a new Policy developed for 2025. Parking schemes are subject to public and statutory consultation, and may not be supported by the majority of respondents. We would only usually consider new CPZ's or making changes to CPZ's schemes where there is evidence of demand, this is as we have limited resources and budgets available and avoids unnecessary costs. In areas where there is development, schemes are usually progressed when there is occupancy and increased parking pressure. A programme to contact residents to review the operation of existing schemes or offer new schemes would require a significant budget and may be limited in terms of schemes supported following consultation and progressed.
23 Apr 2024 – **Regeneration in Brent**	Incorporate plans for additional community spaces into current and future Council regeneration projects.	Gerry Ansell – Director of Inclusive Regeneration & Employment, Neighbourhoods & Regeneration	**Response received on 19/06/24:** This is possible and for example has been included in the Cecil Avenue scheme in Wembley Housing Zone. It will not be appropriate in every circumstance as is dependent on the size and financial position of the site. For example a small garage site scheme would not generally be able to support community space

	Where appropriate, and consistent with the adopted Local Plan, negotiate for additional community space within private developments in the borough.	Gerry Ansell – Director of Inclusive Regeneration & Employment, Neighbourhoods & Regeneration	**Response received on 19/06/24:** This will be sought in line with the adopted local plan and where appropriate schemes can support this.
	Identify opportunities for implementing additional mechanisms that ensure private developers that meet high quality standards (as set out in the adopted Local Plan and associated SPD Design Guidance) and are more accountable to both residents and the Council.	Gerry Ansell – Director of Inclusive Regeneration & Employment, Neighbourhoods & Regeneration	**Response received on 19/06/24:** Pre application and application processes will offer opportunities for Council officers to seek better quality developments. This is supplemented by the Council's Quality Review Panel and Community Review Panel provide challenge to emerging scheme towards better outcomes.
	Provide a member briefing session on viability assessments, covering key topics such as affordable housing and social value.	Gerry Ansell – Director of Inclusive Regeneration & Employment, Neighbourhoods & Regeneration	**Response received on 19/06/24:** This is currently offered to members of the planning committee as part of their training and can be extended to all members. David Glover Head of Planning and Victoria McDonagh Development Management Manager have been tasked with bringing this action into effect and this is targeted for Sept 2024.
	Review the viability assessment criteria for council-owned housing schemes to include consideration of the Council's reduced housing benefit costs (e.g. by not accruing Housing Subsidy Loss) as a result of residents being moved from temporary accommodation into permanent social housing accommodation.	Amanda Healy – Deputy Director of Finance - Infrastructure & Investment, Finance & Resources	**Response received on 17/06/24:** The viability assessment is a cash flow based assessment of affordability for a particular project and confirms the council has the necessary cash flows to cover the development/capital costs. The saving for the public sector isn't a direct cash flow for the project so it is not possible for this to be incorporated into the viability assessment however the cost avoidance achieved from moving the household from temporary accommodation to social rent is acknowledged within the wider benefits of any projects.
23 Apr 2024 – **Redefining Local Services (RLS)**	Explore utilising data from the Landlord Licensing Scheme in order to provide the correct amount/types of bins needed per household.	Chris Whyte – Director, Public Realm Neighbourhoods & Regeneration	**Response received on 13/06/24:** Since the Scrutiny meeting, the team have gained access to the system, Acolaid to view key housing data including- license details, managing agent details, dwelling type, number of bedrooms etc., which will enhance the Waste and Recycling Officers visits and bin audits carried out across the borough. The Recycling Team is working with the Private Housing Service to explore options

Contracts - Year 1			on better utilisation of data held on private landlords and how we can use the Landlord Licensing scheme conditions to put more emphasis on waste and recycling and take enforcement actions where required.
	Investigate incentive programmes for parking enforcement officers in comparison with other local authorities to establish whether this has led to more effective parking enforcement.	Chris Whyte – Director, Public Realm Neighbourhoods & Regeneration	**Response received on 13/06/24:** The Council enforces parking and traffic contraventions in accordance with legislation and statutory guidance. Civil parking enforcement should contribute to the Councils wider transport objectives and based on quality-based standards, clear and legally enforceable controls, with the aim of improving compliance. Enforcement authorities need to forecast revenue in advance, but raising revenue should not be an objective of civil parking enforcement, nor should authorities set targets for revenue or the number of Penalty Charge Notices (PCNs) they issue. Working in partnership with the Councils enforcement contractor, effective contract management, monitoring of KPIs, compliance audits, and enforcement plans enable the efficient and effective use of resources. NSL are a leading company in the UK for the provision of parking and traffic enforcement services, with contracts in London including, Barnet, Camden, Westminster, Kensington and Chelsea, Hammersmith and Fulham. Recruitment and retention of staff is an important factor, and NSL have a number of incentives in place; • Staff are paid fairly, currently x% above the London Living Wage a contractual requirement) subject to the LLW % increase annually. • Full time and part time employment opportunities and opportunities for additional hours, for example, Wembley Stadium event enforcement plans. • Two bases in the borough accessible by public transport, new uniforms, body worn video and handheld devices. • There are opportunities in the structure with enhanced rates for seniors and the use of e-scooters etc. • The structure supports operations, with on street supervisors, including virtual briefings, live messaging and a performance management framework.

			• Success in role reviews (Appraisals) and one to ones providing regular feedback, along with a recognition and reward scheme for overall performance (attendance, punctuality, customer service, quality of PCNs). • Social events and refreshments for staff working on Wembley Event days. • A focus on staff training, NSL are an Investors in People (IIP) accredited company. • A dedicated on-contract Performance Manager and Performance Analyst. A KPI framework and monthly contract management meetings to address any performance related issues.
	Optimise resource allocation on the 'Fix My Street' application to facilitate timely responses to complaints and case closure.	Chris Whyte – Director, Public Realm Neighbourhoods & Regeneration	**Response received on 13/06/24:** The majority of the Fix My Street platform is automated as when residents raise issues, the system automatically directs the report to the relevant contractor. The contractor then actions / updates the report which in turn provide a corresponding update on Fix My Street. Therefore, the resource required for Fix My Street is at its optimum allocation and enables the service to be run efficiently. Depending on what the report is, it will go to the respective contract and will be dealt within the agreed service level agreement. Not every report will have the same timescale, however each report if monitored against its respective service level agreement to ensure it has been actioned accordingly.
	List instructions on the 'Fix My Street' application for users to escalate/challenge responses that they are unsatisfied with.	Chris Whyte – Director, Public Realm Neighbourhoods & Regeneration	**Response received on 13/06/24:** There is a function to provide updates on the reports made. But the system currently does not allow to escalate/ challenge response. Officers will explore the option with Fix My Street developers to review potential solutions, if any.

Information requests from RPRSC to Council departments/partners

Meeting date and agenda item	Information requests	Council Department/External Partner	Responses / Status
6 Sept 2023– **Planning Enforcement**	Provide a breakdown of: 1. Planning breach complaints by ward and; 2. Types of breaches that have received enforcement notices by ward	Gerry Ansell – Director, Inclusive Regeneration & Employment, Neighbourhoods & Regeneration	**Response received on 24/10/23:** ~~Need to await for new software to be installed. This is scheduled for April 2024.~~ **Updated response received on 11/04/24:** There has been a delay on the implementation of the new software. Testing is now not going to take place until June 2024 and go live is unlikely to take place until Autum 2024. Therefore we will not be in a position to produce this information until February 2025.
24 Jan 2024 – **Safer Brent Partnership Annual report 2022/23**	The timeframe for implementing the response at Wembley Stadium and Wembley Arena to support the victims of sexual violence.	Kibibi Octave – Director, Communities & Partnerships, Partnerships, Housing, & Residents Services	**Response received on 15/02/24:** A meeting was held with the Football Association (FA), the Police and the Community Safety Team in November 23 to discuss better supporting victims of sexual violence. One of the key initiatives was to train Wembley Stadium stewards to better understand the behaviours associated with sexual violence. The department is awaiting a follow up meeting from the FA to develop the initiatives and timeline for completion (likely to be June 2024). **Updated response received on 08/07/24:** The project completion date has been revised due to staffing changes within the FA. Brent Council and the Police have requested a meeting with FA, to be held in July 2024 to agree a timeline for all Wembley Stadium Stewards, to be trained by October 2024.
23 Apr 2024 – **Regeneration in Brent**	Provide a breakdown of the amount of affordable housing units (by housing product type) delivered since 2020/21.	Gerry Ansell – Director of Inclusive Regeneration & Employment, Neighbourhoods & Regeneration	**Response received on 07/07/24:** Data and details have been requested and are presently being verified. These will be available in time for September's committee meeting.

	Provide further detail on the Council's affordable housing targets (broken down by affordable housing product type).	Gerry Ansell – Director of Inclusive Regeneration & Employment, Neighbourhoods & Regeneration	**Response received on 07/07/24:** Please see above.
	Provide further detail (including examples) of where site assembly has presented challenges for the Council, and if possible, how much costs have been incurred over the last 10 years, as a result of these challenges.	Gerry Ansell – Director of Inclusive Regeneration & Employment, Neighbourhoods & Regeneration	**Response received on 19/06/24:** Data does not go back as far as 10 years. Recent examples of where site assembly has taken place are: a) **Chippenham Gardens** in South Kilburn, where the compulsory purchase of some neighbouring land was required; this was heard at a public inquiry and the Council was successful (2017) but the costs of following this legal process are not available. b) **Acquisition of Ujima House** on Wembley High Road (2017) as part of the Wembley Housing Zone project; using GLA grant allocation, the cost of this was £4.759m. c) **Bridge Park leisure centre**. This involves part disposal of Council-land (leisure centre) to an adjacent private landowner though the Conditional Land Sale Agreement (CLSA) and acquisition of the car breaker's yard from a third-party landowner to enable the delivery of the new Bridge Park Centre. Some of the key challenges experienced were: - Legal challenges from previous users regarding ownership status - Changes in market conditions re: interest rates, inflation, affecting viability - Changes in legislation re: fire, building safety regulations, that require enhanced provisions/mitigations - Project delays e.g. from squatters/illegal occupiers - Land contaminants e.g. Japanese Knotweed that stem from Network Rail's land are not treatable outside of the Network Rail regime Cost impact will not be known until we have secured planning and appointed a contractor.

23 Apr 2024 – **Redefining Local Services (RLS) Contracts - Year 1**	Provide detail on whether there are any plans to make performance data for all RLS contracts more accessible to the public in an open data format, and if so, by when.	Chris Whyte – Director, Public Realm Neighbourhoods & Regeneration	**Response received on 13/06/24:** There are several Contract Performance indicators within the Integrated Street Cleansing, Waste Collection and Winter Maintenance Service. Due to commercial sensitivity, it is not possible to disclose all the key performance data. However, we are currently working on a public facing dashboard which will contain data relevant to the performance of the waste and recycling service. We aim to have the information up on Brent Open data by the end of the calendar year. There are also a number of KPIs that are monitored for the Parking Services contracts and reviewed at Contract management Meetings. The Council publishes Parking Service Annual Report each year in accordance with legislative requirements: https://www.brent.gov.uk/parking-roads-and-travel/parking/parking-service-annual-report This report provides an overview and there are currently no plans to publish KPIs.
	Provide more detailed information on the action the Council is taking to address O Hara Bros' poor performance in repairing category 2 defects.	Chris Whyte – Director, Public Realm Neighbourhoods & Regeneration	**Response received on 13/06/24:** Interrogation of the data highlighted the following: • many of the late or incomplete repairs were for road markings • failure to update the database on time for completed repairs • Volume of high priority repairs requiring completion in 7 days could not be met due to need for permitting/traffic management or delay/ shortage in materials. • Fluctuations in different types of work i.e. road, footway, street furniture provided difficulties to resourcing correct specialist gangs. Agreed Action Plan • Contractor has increased resources to cover fluctuations. • Dedicated road marking contractor in borough to deliver refresh programme and reactive road marking repairs. • Complete jobs updated on database from site by operatives using handhelds

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- Early notice from contractor for 7-day repairs requiring permitting / or traffic management or delay with obtaining materials.

The Action Plan has provided immediate improvement with performance in April at 81% rising in May to 92%. Current performance for June (10days) is at 96%
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<td>Provide data comparison of postal penalty charge notice (PCN) issuance volumes with other London boroughs.</td>
<td>Chris Whyte – Director, Public Realm Neighbourhoods & Regeneration</td>
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Response received on 13/06/24:

Penalty charge notices can be issued by post, for example, when vehicles drive away (VDA) or Civil Enforcement Officers are prevented from issuing (PFI).

NSL record these instances and have provided the information in the table below;

<table>
<tr><th>VDA/PFI PCNs</th><th>Service Method</th><th></th><th></th></tr>
<tr><th>Month</th><th>Prevented From Issuing (PFI)</th><th>Vehicle Drove Away (VDA)</th><th>Grand Total</th></tr>
<tr><td>Jul ‘23</td><td></td><td>34</td><td>34</td></tr>
<tr><td>Aug ‘23</td><td>1</td><td>31</td><td>32</td></tr>
<tr><td>Sep ‘23</td><td></td><td>31</td><td>31</td></tr>
<tr><td>Oct ‘23</td><td></td><td>30</td><td>30</td></tr>
<tr><td>Nov ‘23</td><td>1</td><td>39</td><td>40</td></tr>
<tr><td>Dec ‘23</td><td>2</td><td>28</td><td>30</td></tr>
<tr><td>Jan ‘24</td><td>1</td><td>33</td><td>34</td></tr>
<tr><td>Feb ‘24</td><td>2</td><td>51</td><td>53</td></tr>
<tr><td>Mar ‘24</td><td>3</td><td>38</td><td>41</td></tr>
<tr><td>Apr ‘24</td><td>1</td><td>49</td><td>50</td></tr>
<tr><td>May ‘24</td><td>1</td><td>8</td><td>9</td></tr>
<tr><td>Grand Total</td><td>12</td><td>372</td><td>384</td></tr>
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This represents a very small proportion of PCNs issued on-street, currently around 13,000 PCNs are issued for on street parking contraventions per month.
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<td>NSL have provided information on other London contracts and advised that the following boroughs issue postal PCNs and provided the information below for the last 12 months.

<table>
<tr><th></th><th>VDA</th><th>PFI</th></tr>
<tr><td>Waltham Forest</td><td>994</td><td>10</td></tr>
<tr><td>*Hounslow</td><td>354</td><td>3</td></tr>
<tr><td>Enfield</td><td>581</td><td>32</td></tr>
<tr><td>Barnet</td><td>1213</td><td>36</td></tr>
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*Hounslow figures from contract commencement in December 2023

This indicates that other boroughs are issuing postal PCNs, however, we do not have information on successful challenges or appeals.</td>
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<td>Provide information on the approach taken by Brent for posting PCNs when enforcement officers cannot issue (e.g. the vehicle drives away), data on the number of PCNs initiated but not issued and the most common reasons for not issuing them, and opportunities for improvement.</td>
<td>Chris Whyte – Director, Public Realm Neighbourhoods & Regeneration</td>
<td>Response received on 13/06/24:

Brent do not currently issue postal PCNs as a decision was made some years ago not to do so due to allegations of misuse and a high level of appeals and cancellations at the time. Civil Enforcement Officers may not be able to issue PCNs to vehicles, commonly because a vehicle drives away before they can do so, or they are prevented from issuing, usually where there are threats.

However, there are areas of the borough that are difficult to enforce, and officers recognise that postal PCNs may be useful in improving levels of compliance.

Therefore, arrangements are being made to reintroduce postal PCNs in areas such as town centres.

A new process will also be introduced within the next few months to reduce the risk of allegations of misuse and potential challenges and cancellations. This is to include; authorisation from supervisors, body worn video being used to record events, and monitoring arrangements.</td>
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	Explain how resident and user feedback is incorporated into monitoring the performance of the Grounds Maintenance Contract, particularly regarding the upkeep of football, rugby, cricket, Gaelic football pitches, and bowling greens within Brent Parks.	Chris Whyte – Director, Public Realm Neighbourhoods & Regeneration	**Response received on 13/06/24:** Fix My Street Reports can be made by residents for any park or highways verge. These reports are fed directly into the Contractors IT system, allowing for direct monitoring of response times and identifying any areas for repeat reports which may require further investigation by the Parks Team as well as the team monitoring contract performance. Any concerns are raised at a monthly Contract review meeting, which is attended by Council Officers from Housing and the Performance Team, the Head of Parks and the Contracts Manager for Continental. There are improvements to be made to this data to allow for heat maps to be produced to clearly and visually identify areas of multiple reports. All feedback from service users regarding sports pitches is received directly by the Parks Service and any issues relating to quality of pitches over the previous weekend are raised and passed to the contractor for investigation and remedy if required.
	Provide data on the reports initiated but not submitted on the 'Fix My Street' application.	Chris Whyte – Director, Public Realm Neighbourhoods & Regeneration	**Response received on 13/06/24:** We raised this with Fix My Street developers. We have been informed that the system only collects data when a report is submitted because the submission function is the trigger to capture the information. Therefore, any reports that are initiated but not submitted cannot be captured by the Fix My Street portal.
	Provide a 'Fix My Street' heatmap visualising report locations with breakdowns by issue type, user type (e.g. resident, councillor, neighbourhood manager etc), and ward.	Chris Whyte – Director, Public Realm Neighbourhoods & Regeneration	**Response received on 13/06/24:** We will provide a summary report to the Committee on Fix My Street for the period April 2023 - March 2024 with a breakdown as requested by the end of July 2024. Fix My Street also have a heatmap functionality available for members & relevant council officers to use. At present ward members and neighbourhood managers can access raw data reports broken down by issue / user type to gather insight on their own wards. Residents do not have access to this level of functionality. They only have access to Aerial and Road map views. They can, however, view reports by wards, category and status. The attached link Brent Council - Summary reports :: FixMyStreet provides access to reports by wards which could be further broken down by status and categories.