Public Document Pack

# Resources and Public Realm Scrutiny Committee

## Wednesday 29 July 2026 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** Councillors: | **Substitute Members** Councillors: |
|---|---|
| A Patel (Chair) | Bajwa, Ibrahim, McLeish, De Souza and Thomas |
| I Ahmed | |
| Anderson | Councillors: |
| Blackman | Kansagra and Mishra |
| Burn | |
| Chowdhury | Councillors: |
| Dar | Lorber and Mulaisho |
| Georgiou | |
| Mitchell | Councillors: |
| Ryan | Alexandre and Malonga |
| Want | |

**For further information contact:** Rebecca Reid, Governance Officer
Tel: 020 8937 2469 Email: rebecca.reid@brent.gov.uk

For electronic copies of minutes, reports and agendas, please visit:
Council meetings and decision making | Brent Council

recycle for Brent

**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 Revitalising High streets** 307 - 332

This report provides an assessment of the performance, effectiveness, and impact of the Council's current approach to revitalising high streets and town centres. It seeks to equip the Committee with the evidence and early strategic insight needed to consider and comment on the direction of the emerging High Streets Strategy.

**9 Scrutiny Progress Update - Recommendations Tracker** TO FOLLOW

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

**10 Resources and Public Realm Scrutiny Committee Work Programme Report** 333 - 340

To provide an update on the changes to the Resources and Public Realm Scrutiny Committee's work programme.

**11 Any other urgent business**

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

**Date of the next meeting:** **Wednesday 2 September 2026**

- 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**

Agenda Item 4

# LONDON BOROUGH OF BRENT

**MINUTES OF THE RESOURCES AND PUBLIC REALM SCRUTINY COMMITTEE**
**Held in the Conference Hall, Brent Civic Centre on 24 February 2026 at 6.00 pm**

PRESENT: Councillor Conneely (Chair), Councillor Kennelly (Vice-Chair) and Councillors Dixon, Long, Maurice, Mitchell, Molloy and L. Smith

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

Councillor Conneely (as Chair) welcomed members of the Scrutiny Committee to the meeting.

Apologies for absence were received from Councillors Saqib Butt.

## 2. Declarations of Interests

There were no declarations of interest made during the meeting.

## 3. Deputations (If Any)

Members were asked to note that a deputation had been received from a local resident, Ms Sarah Archer, in relation to fly tipping and, unless otherwise indicated, members were asked to allow the speaker up to 5 minutes to present their deputation.

Ms Archer began her presentation by explaining that she was speaking on behalf of the residents of Brondesbury Villas who were concerned about flytipping and litter. She had met with some committee members and worked closely with Brent's Waste Enforcement Team to raise this issue. In detailing the issues residents were experiencing, Ms Archer advised that Brondesbury Villas connected to Kilburn High Road and experienced a lot of waste from there. The location had two shops and a fruit stall which all attracted a lot of waste and litter.

She drew members attention to Brent's Street Cleaning Programme which used a grading system from A to D, with A being extremely clean and D being heavily littered, and advised that Brent's aim as outlined on the website was to keep streets to a minimum standard of at least B, which was mostly free from litter except for a few items. In considering the level of litter and waste on Brondesbury Villas, she advised that she would grade it a D, with litter in the gutters amassing every two weeks. As such, she was addressing the Committee with the aim of discussing how Brent could move to a place where the street cleaning programme brought more streets in line with their aim of a grade B.

In addition to the litter amassing on the streets from commercial businesses, she highlighted flooding as a result of clogged drains from litter and an increase in fast food containers being littered where the Electric Vehicle Charging Points were used. As there were no residential bins, Electric Vehicle owners were generating a lot of litter, and, although Veolia had started to place bin bags around trees and lampposts near Charging Point locations, these were often full quickly and she did not feel this was a long-term approach. In comparison, when she had visited the borough of Camden, she had noticed Enforcement Officers on the streets and residential bins available, as well as regular pavement washes which was not included in Brent's contract with Veolia.

Further adding to the condition of the street was 'charitable tipping', which she described as residents taking waste such as electrical goods, ironing boards and books out of their home and placing them on the public pavement for others to take instead of taking them to a charity shop or skip. When she had queried this, Waste Enforcement had confirmed that this type of behaviour met the legal threshold to be defined as a fly tip. In 2024, Brondesbury Villas had 63 incidents of this, increasing to 527 in 2025.

In summing up, she hoped the Committee would work with residents, the Waste Enforcement Team, and relevant contractors, to address the issues raised by residents living in Brondesbury Villas and more broadly improve the streets in Brent as a whole.

The Chair permitted members to asked some brief questions of the resident, with the following queries and responses made:

- The Committee asked whether there were particular locations of the road that the issue was particularly acute or any patterns that residents had noticed. Ms Archer advised that tipping was consistent throughout the road, and rubbish and littering was more prevalent closer to Kilburn High Road. There was a 10 metre area where all shop fronts on Kilburn High Road were swept daily, with waste evident just outside of that 10 metre area. Rubbish also was worse in the areas where the Electric Vehicle Charging Points and garages were.

- Councillor L. Smith advised that, as a ward councillor for that area, she had asked for additional patrols in the West end and whether a mobile camera could be placed there some of the time.

- The Committee asked whether residents in Brondesbury Villas were making use of the Fix My Street app to report fly tips and waste and what level of response they received. Ms Archer confirmed that residents did use the app to report waste and it was removed swiftly, which she felt contributed to the issue because the perpetrators knew that the waste would be removed immediately, reinforcing that behaviour.

As no further issues were raised, the Chair thanked Ms Archer for her presentation and answering the Committees questions and advised that officers may address some of her comments during the discussion on fly tipping and littering in Brent.

## 4. Minutes of the Previous Meeting

It was **RESOLVED** that the minutes of the previous meetings held on 21 January 2026 be approved as a correct record.

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

There were no matters arising raised at the meeting.

6. **Fly Tipping and Littering in Brent**

Councillor Krupa Sheth (Cabinet Member for Public Realm and Enforcement) was invited to introduce the report relating to fly tipping and litter in Brent, which reviewed the effectiveness, performance and future development of the Council's arrangements for preventing, reporting, enforcing and cleaning up fly tipping and littering in Brent. She reassured the Committee that the Council was aware of how important these issues were to both residents and councillors, and confirmed that the Council was working hard to address the issues, particularly with the introduction of the Don't Mess With Brent campaign, and was being as creative as possible in tackling fly tipping and littering in the borough.

In continuing the presentation, Jehan Weerasinghe (Corporate Director Neighbourhoods and Regeneration, Brent Council) began by addressing the comments made by the resident and committed to reviewing the issues and situation in that particular location. In highlighting the work of the Council to address fly tipping and littering in Brent, he advised that, in the current reporting year alone, reports had increased to more than 38,000 by January 2026, with Veolia as the contractor out-performing the target for response times and clearance rates at 98.95% compared to a target of 95%. As such, he felt that the report showed a picture of improvement, compared to several years ago when Brent had been regarded as one of the poorest performing boroughs in the country for fly-tipping. He felt there was now swift action, a robust and well-managed contract in place, and good working relationships with the contractor.

In responding to the deputation made by Ms Archer, Chris Whyte (Director of Public Realm, Brent Council) acknowledged that the issues she raised in that area were very common, attributing them to a consequence of the many pressures faced in the very busy urban environment in and around Kilburn High Road. He hoped that the scrutiny undertaken that evening would provide an insight into the work the Council and its contractors undertook to keep control of those issues and keep Brent in good condition. He then led introductions of those present, which included representatives from the Council's Waste Enforcement Team and representatives from Veolia.

Having thanked Councillor Sheth, Jehan Weerasinghe and Chris Whyte for introducing the report, the Chair then moved on to invite questions and comments from the Committee, with the following points raised:

- The Committee asked to what extent systemic factors, such as bulky waste accessibility, commercial waste and non-compliance, housing density, and limited waste storage solutions, contributed to flytipping and littering, and how the Council was addressing any underlying issues contributing to flytipping and littering. Chris Whyte (Director of Public Realm, Brent Council) advised that all of the factors listed would contribute to the level of dumping in the borough, and the duty on the Council was to help resolve some of those issues at the source, including by making the bulky waste service as accessible as possible, which he felt the Council did. In relation to provision for waste storage, there was very clear planning guidance requiring landlords and developers to make appropriate provision for waste storage and the Council could challenge where that was not happening in the right way. Councillor Sheth added that the community skips had also been introduced to alleviate some of those factors that contributed to dumping, and the Council was considering how that could be improved to make them even more convenient and accessible.

- In relation to bulky waste collection, which was a paid service allowing the collection of up to 5 bulky waste items, the Committee highlighted that many residents using that service often did not have 5 items, and therefore were less willing to the pay the same for the removal of only one item compared to 5 items. Rashmi Agarwal (Head of Service Development and Contracts Performance, Public Realm, Brent Council) responded that the service collected up to a maximum of 5 items, and agreed that data showed many people were usually disposing of 1-3 items. Some households came together to pay the fee for bulky waste collection with waste then collected across households, which was something that could be promoted. The Council was currently procuring a new contract for bulky waste and would keep the Committee updated on that procurement. This was a separate contract to the waste contract with Veolia, with the West London Waste Authority leading the procurement of that.

- In considering the new procurement for a bulky waste collection contract, the Committee asked whether the requirements of the contract would need to be replicated across all boroughs involved, or whether the Council had discretion to change the conditions so that residents could pay for the number of items that they were disposing of, instead of a blanket fee for up to 5 items. Chris Whyte advised that the Council could have bespoke arrangements with the provider, but highlighted that the fee should cover the cost of providing the collection and a single visit to the household, regardless of the number of items being collected. In response, the Committee asked what information officers were gathering to consider doing this differently. Officers highlighted that the bulky waste element was only one factor in flytipping and littering, but agreed that there was value in undertaking a cost-benefit analysis of providing a free bulky waste collection service compared to the cost of clearing the bulky waste, or a tiered approach based on the number of items for collection. He advised that the reason the Council originally moved away from providing free collection was due to the cost of the vehicles and staff required to do those collections, and the increase in demand for a free service. The waiting times for collection had been almost 8 weeks for a single item, which had now been reduced with the quality of service improved.

- The Committee asked what the Council was doing to improve waste storage inside properties, such as through planning enforcement for HMOs. Chris Whyte explained that where HMOs and other landlords were licensed, they were required to make appropriate arrangements for the storage and presentation of waste as a condition of their licence. An Enforcement Officer had recently been appointed with a specific focus on upholding those licence conditions, so where waste problems were emanating from a licenced property the Enforcement Officer could raise that directly with the tenants and landlords as necessary. In terms of the internal arrangements of waste storage within private dwellings, he advised that the instruction of that was beyond the Council, but the Council was clear on how that waste needed to be emptied, and the onus for that was on the tenants and landlords to ensure those arrangements were in place. Veolia also had a team responsible for educating tenants who may be disposing of waste incorrectly.

- Endorsing the appointment of an Enforcement Officer for licensed landlords, the Committee asked what more the Council could do so that landlords were not dumping mattresses for quick tenancy turnarounds. Dennis Lewis (Environmental Enforcement Manager, Brent Council) explained that NCIL funding had enabled the recruitment of the Enforcement Officer dedicated to licensing conditions related to waste, and other officers were also in post focused on other major licensing conditions such as mould. Housing was looking to contribute an officer to that team, as it was recognised that the waste issues emanating from HMOs specifically were contributing to flytipping and littering in the borough. he added that the appointed officer knew the area very well and it was hoped that by the end of the NCIL project an evaluation could be put together to show the success of the project.

- The Chair asked how the Council was closing the loop to ensure that the data collected which identified the HMOs and licenced landlords contributing to the waste issues in the borough was being used to revoke landlord licences. Dennis Lewis advised that the department was working through that process, working with colleagues in the Private Rented Sector team, to develop a fixed matrix on how and when action could be taken, but he added that the process for withdrawing a licence was very prescribed, so the service was focused on encouraging landlords to comply with the rules in the first instance. The framework was complex, as, legally, a dumping offense was done by an individual, which was difficult to link to a landlord, but with the new licensing scheme and NCIL project being implemented there was a way to start looking at that information more accurately. Chris Whyte added that the new licensing scheme allowed the Council to test a method to hold people to account in the right way for the first time. With the NCIL project, there was a requirement as part of NCIL funding to undertake a review of how effective the project had been and whether that represented value for money, as part of other projects being done through NCIL funding. It was expected that the project would run to October 2027, and the Committee asked that the evaluation was brought back to the Committee to see how the project had been delivered and whether it fulfilled its aims, including whether a business case would be put forward to continue the project as business as usual.

- The Committee commented that it was difficult for members to understand impact and improvements made to flytipping and littering in Brent when assertions were made in reports but were not consolidated by figures and indicators, such as how the data compared to previous years. Chris Whyte acknowledged that the report was missing some of those data comparisons, and agreed to provide further information showing year on year comparisons to the Committee. In relation to street cleansing waste volumes, he confirmed that those had significantly reduced over the last year with enforcement actions increasing, showing that impact. It was added that there were some year on year comparisons provided in section 5.2 of the report.

- Whilst recognising the number of fly tip reports had increased, Chris Whyte expressed that this was not necessarily a negative, as it implied that people were engaging more with the reporting system. He confirmed that the Council could evidence, using data, that there had been a significant reduction in the volume of street cleansing waste, which corresponded to an improvement in the number of enforcements undertaken and the revenue generated through taking that action.

- Whilst recognising that a 34% increase in street cleansing reports meant residents were engaging with the reporting system, the Committee highlighted that residents often expressed dissatisfaction to members about the condition of streets and often viewed those 38,000 reports as points of failure. Chris Whyte responded that he viewed the point of failure to be the moment someone dumped items on the ground when they should not, which was the point in which the Council would need to deploy resource to counter that dumping. He believed that the most effective way to do that was in collaboration with residents who lived in those areas and who could provide the relevant information, as well as through education campaigns. He expressed that there was also a proactive element of the contract through the work Veolia did to identify particular dumping hotspots. Due to the fact that the street cleansing volumes had gone down, there was a view that the increase in reports was a measure of people's engagement with the process and willingness to support the work the Council did to keep the borough clean. He also recognised that there were elements of the reporting system that could be improved, including the feedback provided when issues were resolved in order to improve satisfaction with the entire service.

- The Committee asked whether the service regularly analysed reports to see whether the initial response had been correct or whether there had been multiple and repeat reports. Rashmi Agarwal confirmed that the Council did track reporting metrics and discussed this with Veolia in the monthly contract monitoring meeting, with actions taken where required. Gisela Endres (Regional Manager – Brent Municipal and Wembley Stadium, Veolia) advised that there were a number of reasons the system may have duplicate events. The control room checked all reports, and closed those issues that had been resolved, with feedback provided to the resident on the resolution at that point, but where reports had incorrect information due to human error then the control room may need to close those ones and create a new report, and there were system limitations in providing that feedback. Reports were reviewed every week and where reports were closed incorrectly they were investigated and findings presented to the Council.

- The Committee asked what mechanisms were in place to hold the contractor to account and ensure robust monitoring arrangements were in place, particularly in relation to the accuracy of report closures. Councillor Sheth advised that the Council was always looking to make improvements, and felt that the commissioning and contract management team was very experienced and held contractors to account rigorously. Contract managers also attended her Lead Member Briefings to update her on the performance of the contracts and any current or ongoing issues. In response to members' concerns that, historically, KPIs for these contracts had been favourable towards the contractors, making it harder to leverage terms due to poor performance, Chris Whyte highlighted that there was no specific KPIs for system reporting errors, but the system could be tracked to show whether a report had been completed and establish that it was correct. Jamal Maharajh (Performance and Data Insight Manager - Environment Strategy Waste and Climate Action, Brent Council) advised that he personally reviewed all reports closed by Veolia Central Command to check that they were accurate, and there were also internal measures to check the status of when a report had been opened and closed, and photos showing before and after action.

- In relation to the North of the Borough, the Committee fed back that it was difficult for those residents to travel to the tip in Abbey Road, highlighting that Harrow tip was much closer for those residents. They asked whether any conversations had taken place allowing Brent residents to make use of the Harrow tip. Chris Whyte advised that conversations had taken place with the Leader of Harrow Council who had refused to open their skip to non-Harrow residents, which was a long-held position. Residents in the North of Brent had the opportunity to make use of the community skip programme to get rid of their waste.

- The Committee highlighted that the Brent recycling centre was closed for two days a week, which inhibited residents wanting to get rid of bulky items on certain days. Members were advised that the closure was initiated to create a cost saving from the operation, built on a good understanding of user data as to whether that could be done without detriment. The site was not used often due to its location in Brent.

- In response to members detailing cases where residents had received fines where paper may have fallen out of blue bags, officers highlighted that irrespective of how waste got to where it was, the individual still had overall responsibility for the discharge of that waste, and if waste was found on the street the Council would take strong enforcement action. The Council did have a representation process where people could write to the Council to explain the situation, and the Council could not issue fines without evidence or a witness to the offence. Members were advised to get in touch with the department if there were issues with individual cases.

- Rashmi Agarwal confirmed that the total value of the current Fix My Street contract was around £250,000 over a 4-year period, but the terms and estimated value of the incoming contract was not yet confirmed. Social value would be built in to the contract terms for both Fix My Street and the bulky waste contract.

- The Committee highlighted that there were different standards across departments and contractors for dealing with waste reported through Fix My Street. For example, waste was removed swiftly on public highways compared to waste reported in parks. Chris Whyte advised that was likely an issue with the contractor response rather than a system issue, as Veolia was not responsible for parks. He acknowledged that this should be addressed through the new procurement to ensure a standard response across all areas.

- Noting that different departments and contractors were responsible for different areas of land, the Committee highlighted the possibility of co-ordinating cleaning schedules across those areas more effectively. Chris Whyte advised that co-ordination in a more functional way would be a piece of work the Council's monitoring officers would need to do, working with contractors.

In seeking to bring consideration of the item to a close, the Chair thanked officers and members for their contributions to the discussion. As a result of the outcome of the discussion, the following information requests and suggestions for improvement were AGREED:

**SUGGESTIONS FOR IMPROVEMENT:**

1) Continue to explore other potential sources of funding (external grants, partnerships, regional or national streams) to support fly-tipping prevention, litter reduction, and related enforcement activity.

2) Where feasible, improve coordination between Housing, Public Realm teams and relevant partner organisations to provide a more joined-up cleansing and waste-management service across the borough, addressing inconsistencies caused by administrative boundaries/separate arrangements between estates and nearby streets.

3) Ensure the FixMyStreet and Bulky Waste retendering processes include clear, measurable social-value requirements that directly support the Council's environmental sustainability priorities, underpinned by a robust monitoring framework.

4) As part of the forthcoming retender of the FixMyStreet contract, explore options to improve the user experience. This should include assessing:

i) The feasibility of the system automatically signposting users to the correct responsible department/organisation where a report cannot proceed, rather than the current practice of closing reports that fall outside the contractor's remit (e.g. Housing Association land or Highways);

ii) Whether improvements to GPS and location accuracy functions could be incorporated under new contract arrangements to reduce incorrect land identification and unnecessary report closures; and

iii) The potential for the system to identify and record the stages at which users abandon report submissions, so that the Council can analyse barriers to engagement and improve the reporting journey.

5) Where feasible, improve coordination between Housing, Public Realm teams and relevant partner organisations to provide a more joined up cleansing and waste management service across the borough, addressing inconsistencies caused by administrative boundaries/separate arrangements between estates and nearby streets.

6) Ensure the FixMyStreet and Bulky Waste retendering processes include clear, measurable social value requirements that directly support the Council's environmental sustainability priorities, underpinned by a robust monitoring framework.

7) As part of the forthcoming retender of the FixMyStreet contract, explore options to improve the user experience. This should include assessing:

**INFORMATION REQUESTS:**

1) Provide an evaluation of all relevant NCIL-funded projects delivered under the Public Realm Improvement Programme 2025–2026 aimed at improving waste management, fly-tipping and littering. The assessment should set out the effectiveness and performance of each intervention, and identify which projects delivered sufficient benefits to justify a business case for continuation, including evidence of income generation and/or cost savings.

2) Where possible, provide details on the proportion of abandoned FixMyStreet submissions over the past 12 months, broken down by reason for abandonment and by device type (mobile, desktop, tablet).

## 7. Quarter 3 Financial Forecast 2025-26

Councillor Patel (as Deputy Leader and Cabinet Member for Finance and Resources) introduced the report, which set out the financial forecast for the General Fund revenue budget, the Housing Revenue Account (HRA), the Dedicated Schools Grant (DSG) and the Capital Programme as at Quarter 3 2025-26. In outlining the report, she advised that the forecast outturn showed a net overspend of £12.5m against the approved budget, and the Council's revenue budget was revised to approximately £431.4m. She advised that the report detailed the demands and service pressures causing an overspend, particularly highlighting Adult Social Care (ASC) as an area that continued to be a major cost driver as the number of complex cases increased, Housing which was significantly above budget expectations due to the increase in housing demand and reduced supply of affordable housing, the DSG which was projecting an overspend due to increased demand in the High Needs Block, and children's residential care and secure placements which had emerged as additional pressures.

Councillor Nerva (as Cabinet Member for Adult Social Care, Public Health and Leisure) provided an update on the Adult Social Care funding challenges. He advised many of these challenges were not limited to Brent but experienced across the country, with the Association of Directors of Adult Social Care signalling a £300m overspend across England. He advised that Adult Social Care budgets were not static, and often savings plans were written into future years that required actions during the reporting year to achieve. As a demand-led service underpinned by the Care Act, the local authority was under an obligation to provide support, but also wanted to ensure good value for money and the promotion of prevention and early intervention where possible to avoid escalating costs.

Having thanked Councillor Patel and Nerva for introducing the report, the Chair then moved on to invite questions and comments, with the following comments and issues discussed:

- The Committee acknowledged the significant Adult Social Care (ASC) overspend of £8m, but felt that throughout the years very little progress had been made to address recurrent overspends. Rachel Crossley (Corporate Director Service Reform and Strategy, Brent Council) responded that ASC closed the year on budget in 2024-25 and built additional growth into next year (2026-27) to account for additional spend, meaning the years either side of 2025-26 had more positive positions and next year had a more realistic position in terms of growth. She advised that 2025-26 had been difficult in relation to the care analytics work and, through benchmarking across London with the West London Alliance, a £20m pressure was forecast based on inflation and the changes to National Insurance, meaning there were a number of savings that ASC was required to make to hold its placement costs within a smaller growth envelope. Much of the pressure was also driven by the cost of care, and the department was looking at changing some commissioning models to address those challenges. For example, where ASC had not traditionally used block contractors, there were some new providers coming on stream which may lead to opportunities to do block contract work and reduce costs. In addition, the Council was looking to do more in the prevention space and with tech enabled care which would reduce costs for ASC.

- Claudia Brown (Director of Adult Social Care, Brent Council) added that the Council was working on recouping some money, with the majority of money owed from NHS the previous year now recouped and some funding for the current year. There had been work with NHS partners around Section 22 of the Care Act, in terms of the sharing of ASC responsibilities across the Council and NHS, with a joint policy now developed which was clear about the dividing line between who should provide what, particularly considering social care was a chargeable service and the NHS was free. That policy was due to be presented to NHSE and ADASS for approval.

- The Committee asked whether there were any structural or systemic levers the Council could employ to improve the budget position of ASC. Claudia Brown informed members that there was a significant focus on prevention going forward. For example, ASC was working with Public Health to develop prevention at the front door for adults coming in following a fall. The reablement service also tried to capture individuals as early as possible to prevent deterioration, with new equipment providers in place to support that. More therapies had been introduced into the Reablement Service, and this was seeing an increase in the numbers approaching ASC who no longer required care, resulting in cost avoidance. ASC was also starting to review those clients requiring an increase in ASC to see if they could benefit from going through reablement first to prevent that increase in ASC.

- As Lead Cabinet Member, Councillor Nerva assured the Committee that he consistently challenged and queried the overspend to understand what was driving it, particularly the increase from £2.1m in the first quarter to £8.1m mid-year. He advised that the budget had been affected by a series of practice and service issues, and as Lead Member he wanted to be confident that the portfolio was receiving robust financial reporting that enabled ASC to work with the data and make the best use of it, highlighting a need for unity and closer working between finance colleagues and ASC. In discussing the overspend with colleagues, he had learned that the savings not delivered this year were hoped to be delivered in future years. He also reminded members of the challenges with the equipment contract which significantly delayed work on telecare, and which could be attributed to just over £1m of the projected overspend. The local authority had also been impacted by the changes to National Insurance, which the local authority had not automatically received 100% recompense for, meaning the year started worse off due to the need to respond to providers seeking large cost increases to cover their National Insurance increases. Despite the challenges faced, he felt Brent had done well in approving a viable budget for ASC, and the next steps in improving the position would be to ensure robust and accurate reporting mechanisms were in place and encourage senior managers to work in the most collaborative way possible to ensure frequent reporting that was easy to understand by all relevant stakeholders.

- In noting the comments regarding financial reporting both by the Lead Member and during the Budget Scrutiny Task Group discussions, the Committee asked why this had not been identified sooner and what was structurally preventing good reporting from happening. Rachel Crossley advised that ASC undertook an external review of how the local authority was making use of its data, including around budget monitoring, as there were a number of different systems in use for the monitoring of data, and Mosaic was now being reviewed to understand the data and activity happening within that system. Traditionally, detailed budget monitoring had taken place quarterly, but she felt that ASC needed to do this on a monthly basis. Due to turnover of Heads of Finance for ASC this had not been possible, but a new Head of Finance for ASC was due to start which she hoped would bring about that regular reporting regime. In response to when ASC might see the impact of improved monthly monitoring, Councillor Nerva assured the Committee that he had stressed the importance of moving away from the current position, and he was reassured that there was improved budget monitoring and scrutiny with high level meetings for senior managers that involved Lead Members as appropriate. There would also need to be tracking mechanisms in place to review other savings programmes that were planned to enable future forecasting. He hoped to be in a position to have those mechanisms in place by April 2026.

- Noting the significant national risks from recruitment and retention challenges within ASC, the Committee commended the work done in converting agency staff to permanent and 'grow your own' initiatives through apprenticeships which they felt was a good long-term approach to addressing staff shortages. They asked how those roles were being funded and whether there was scope to do more of that. Claudia Brown explained that apprenticeships were partly funded by the apprenticeship levy, and 8 Assessed and Supported Year in Employment (ASYE) social workers were funded by vacant posts. Due to the complexity of cases, there was a limit on how many learners ASC could take, as there was a need for experienced practitioners to manage some of that complexity, so ASC was keeping to a quota of new practitioners to there were still experienced practitioners in post.

- The Committee asked to what extent ASC was considering using AI in homecare and how much of the approved budget was committed to AI efficiencies. Rachel Crossley advised that £250k of the ASC budget had been allocated to digital, including tech enabled care. The savings made the previous year were made through Magic Notes which recorded ASC assessments and made notes and assisted with the production of care plans. There were other opportunities that had been identified for automation including triaging through the front door, wearable tech, and upgrades to the website, as well as improving complaints work through the use of technology and streamlining email systems. She advised that there was more to do in that space over the next year to design a full plan for digital and technology and bring on board a partner in that space.

- In response to the information provided on digital and technology, the Committee highlighted a preference for the Council to build capacity and capabilities in-house wherever possible as opposed to outsourcing, working on the relationships between different services and the Council's overall capabilities. Rachel Crossley confirmed that digital skills were a priority upskilling area in-house, with the Digital Technology Roadmap recently brought to Cabinet having a big focus on investing in the automation team and getting structures in place for the future. She highlighted that reference to partners was in relation to larger strategic partners, such as Microsoft, where the Council could maximise opportunities.

- The Committee emphasised their recommendation to ensure social value spend was invested in prevention opportunities and community-led work, with the upcoming homecare contract highlighted as a good opportunity to do some of that work. The Committee was pleased to hear that departments were thinking about social value opportunities for upcoming contracts at an early stage, instead of as an 'add-on' at the later stages of commissioning.

The Chair moved on to the housing budget, and invited Councillor Donnelly-Jackson, as the Cabinet Member for Housing, to comment on the current strain in the HRA. In outlining the pressures, Councillor Donnelly-Jackson highlighted the self-referral to the Housing Regulator and the subsequent rating of C3 for Brent Council, which identified issues with compliance and governance, and the project in place to address improvements projecting around £1m in spend. Some of the pressures to the HRA were offset by income due in from new housing coming onstream, but she highlighted the importance of balancing the different areas of pressure. Another strong focus for Housing was on reducing void turnaround times to ensure minimum void rent loss which was due to be scrutinised at the next Community and Wellbeing Scrutiny Committee. The Chair then invited members to contribute to the discussion on the HRA, with the following points raised:

- The Committee queried whether a HRA Business Plan would be presented. Spencer Randolph advised that the Council had a 30-year Business Plan for the HRA, which was updated every year to provide a forecast for the next 30 years, including projected rent levels, void levels, and predicted income over that 30-year period to provide a budget.

- The Committee asked what the investment plans for the future were within the business plan, and what might need to be re-prioritised to balance the budget. Spencer Randolph confirmed that there were capital investment plans for new builds but there were balances to consider. For example, in the Capital Programme there had been some high-rise refurbishments carried out in Kilburn Square, with the second phase of that focused on refurbishing Windmill Court, but there was a decision to be made on whether to pause that plan and scale it back to allow investment into the current housing stock to carry out capital repairs and improvements needed elsewhere. He emphasised that there was a constant balance needed within the HRA budget, particularly in light of the interest rates paid on borrowing for building, which had increased compared to what had been forecast at the start of the year. He added that the forecast was not too far from the original forecast at the start of the year and so no drastic changes had been made to the budget, with the majority of expenditure going towards repairs and maintenance. The Council was also prioritising compliance and Fire Risk Assessment (FRA) actions which had been possible within the existing budget.

- Noting the comment that most expenditure had gone towards reactive works, the Committee asked whether the budget allowed for any proactive planned works. Spencer Randolph advised that most of the proactive works until recently had been on specific large blocks rather than investment in the entire portfolio, but an analysis of the Council's programme had recently been completed in order to address repairs to existing stock. Councillor Donnelly-Jackson drew members attention to the figures detailed within the report, allocating £18.3m to major repairs and fire safety, £2.9m to energy efficiency works which she highlighted as proactive works to support the longevity of buildings and the Council's commitment to climate action, and £500k towards Lynton Close which she detailed as a long overdue spend to ensure the site supported the growth of residents there.

- The Committee asked what checks and balances were in place to ensure the HRA Business Plan was being delivered. Minesh Patel advised that the HRA 30-year business plan was a financial model setting out assumptions for expenditure and income over a 30-year period, and encompassed major repairs, assumptions around when refurbishments would be needed in new builds or new acquisitions, and other areas of HRA income and expenditure, which was reviewed every year. This ensured that yearly rent setting was factored in, and there was now consistency over rent increases for the next 5 years, adding some stability to those assumptions. He emphasised that only money generated in the HRA could be spent in the HRA and there were no subsidies from the General Fund possible. One of the major challenges for HRAs across the country in recent years had been around fire safety and cladding, meaning any capacity HRAs did have for major works had been used to resource fire safety works. Brent itself had prioritised that safety element in large blocks before putting additional investment into the stock.

- Noting that it was not possible to borrow from the General Fund for the HRA, the Committee asked whether there were any other opportunities to generate more income, such as investment opportunities for stock through grants, and how much more funding would be necessary in order to get to where the Council wanted to be. Minesh Patel advised that some investment was going into the green energy element through the use of specific grants. One area that it was hoped would make a difference was the introduction of rent convergence, which the Council had wanted to ensure was incorporated into the budget under the belief that it would be implemented in 2026-27 as it would have generated an additional £1.9m, but as that had been delayed there had been a need to rework the business plan and reprioritise. That additional income would have made an immediate impact on the budget and also grown each year, but the delay in introducing that further delayed that immediate relief for another year. In terms of how much money he felt was needed to be satisfied, he felt this was difficult to answer. He emphasised that the Council's immediate priority was ensuring all stock was safe, and, as long as that priority was met with the investment available, everything else depended on additional funding. Officers continued to lobby government for different ways to generate income within the HRA but there were limited opportunities. The point was also made that this was a difficulty across the country and in London, with the City of London and Lambeth Council's receiving a capitalisation directive for their HRAs recently. Overall, he expressed a feeling of pride for what Brent had been able to acheive over the last 10 years by bringing new and improved stock into the HRA, regenerating areas with improved quality stock.

- The Committee raised the point that there was a debt within the HRA but they had not been advised what that was. Minesh Patel agreed to confirm the overall debt position in the HRA outside of the meeting. In relation to new build debt, that was self-contained, with a proportion of the rental income from new builds going towards paying off the borrowing undertaken to purchase those builds, and the Council would only pursue buying or building where there was confidence that the rents would generate sufficient income to manage that debt over the borrowing period. He agreed to provide a document setting out what proportion of HRA income went towards debt servicing, repairs, maintenance and other spend in the HRA.

- Noting that the Council had referred itself to the Housing Regulator and that there was work now required to improve the subsequent C3 rating, in addition to the Council's commitments around fire safety, damp and mould, disrepair cases, the Committee asked for reassurance that the HRA was enough to do all the work required in order to maintain the Council's stock. Tom Cattermole responded that the demand for repairs remained high and significantly elevated due to the increase in complex cases and referrals for damp and mould. There was also increased costs on materials and labour putting additional pressures on the HRA, and those pressures accounted for a large proportion of the overspend. Councillor Donnelly-Jackson further emphasised the demand, with 40,000 repairs done in 2024-25. Going forward, the aim was to get into properties earlier before the issues became more complex repairs. To do that, Area Tenancy Managers would be engaging with tenants to collect that information, and she felt that ensuring an effective cycle of repairs was in place was essential.

- In relation to the implementation of interventions aimed at increasing the supply of alternative arrangements for clients currently in the most expensive temporary accommodation placements, outlined in 8.3 of the report, the Committee asked how that could be replicated across all temporary accommodation in the final quarter to avoid further overspend. Tom Cattermole advised that the curve was not yet changing in relation to housing need. It was still an unknown, but the Council was hoping for the Renters Rights Act to pass through parliament to avoid unnecessary evictions by landlords which further impacted housing need and the temporary accommodation demand. The most expensive temporary accommodation was nightly paid Bed and Breakfast, and the Director of Housing Need was designing a plan to end that nightly paid programme to reduce costs. The Council was also focused on making cross-border placements with other local authorities and subregional partners. There were tensions with other local authority colleagues around out of area placements, due to their own capacity pressures, but there was a need to work with others on this and with the GLA particularly around emergency accommodation.

- Moving on to Public Realm, the Committee highlighted a juxtaposition between School Streets and the number of Fixed Penalty Notices (FPNs) issued, highlighting that if School Streets were successful they would expect there to be very few FPNs. Minesh Patel responded that the model did make assumptions that the initial phasing of School Streets would see an increase in income that would drop off over time. He emphasised that the budget should not rely on that income to balance the budget and would need to investigate why those numbers were not decreasing. The Committee made an information request for that to be investigated. Alongside this, they suggested that signage locations and visibility were reviewed to ensure they were not impacting the number of FPNs issued.

In seeking to bring consideration of the item to a close, the Chair thanked officers and members for their contributions. As a result of the outcome of the discussion, the following information requests and suggestions for improvement identified were AGREED:

**SUGGESTIONS FOR IMRPOVEMENT:**

1) Explore business investment and grant funding opportunities to help mitigate pressures on the Housing Revenue Account (HRA), including costs linked to building safety and decarbonisation programmes such as retrofitting.

2) Maximise the use of social value spend to achieve greater outcomes in prevention and community-led programmes, and to direct investment towards apprenticeship pathways and education and training opportunities delivered through the Social Care Academy.

3) Review and strengthen processes to better support the conversion of apprenticeships into permanent posts, helping to reduce reliance on agency staff.

4) Strengthen financial monitoring processes for Adult Social Care, ensuring robust monthly budget management reporting is in place.

5) Undertake a review of School Street signage throughout the borough to ensure it is sufficiently visible, accessible, and clearly understood by all road users.

**INFORMATION REQUESTS:**

1) Provide a narrative analysis to accompany the summary of the 30-year HRA Business Plan, explaining how current HRA performance aligns with, corresponds to, and may impact the long-term financial forecasts.

2) Provide a detailed assessment of the impact that actions underway are having on reducing the forecast overspend in Adult Social Care, and outline the plans for managing budgets in-year for 2026/27, including how emerging pressures will be identified early and mitigated. The assessment should include:
    i) Clear delivery timelines and milestones
    ii) Evidence of effectiveness to date, where available
    iii) Identification of any actions that are off track or at risk of delay, with explanations and associated recovery plans

3) Provide data and analysis on Fixed Penalty Notices issued in School Street locations, including year-on-year trends and comparisons where available, together with accompanying narrative commentary explaining what the data shows and whether any identifiable patterns or changes in compliance can reasonably be inferred.

**8. Complaints Annual Report 2024-25**

The Committee received the Annual Complaints Report 2024-25 from the Corporate Director of Finance and Resources which provided a breakdown of complaints received by departments and the top five issues of complaint for those respective departments, including the number of upheld, partly upheld, not upheld, rejected or withdrawn for each department.

The Chair invited questions and comments from the Committee in relation to the report, with the following comments and issues discussed:

- In relation to complaints about repairs, the Committee highlighted that the number of complaints had not formed part of the KPIs for the contractors delivering repairs. Emphasising the officer time that went into investigating complaints and the extent of upheld complaints in that area, the Committee suggested KPIs relating to complaints should be incorporated into relevant contracts. Spencer Randolph (Director of Housing, Brent Council) responded that this was something he would want to look at implementing with the two new contractors, Wates and Mears, as well as how the Council could be recompensed when complaints were upheld. The new contracts were still being embedded, and this was something he would take forward to contractor meetings by April 2026. As he had not been in post when the contract terms and conditions were agreed, he did not know if these mechanisms were available, but if they were he would want to make use of those. Members made the point that the Committee had recommended incorporating complaints into contractor KPIs at the previous annual complaints review and re-emphasised that recommendation. Officers present agreed that there were contracts in place that would benefit from those additional KPIs if they were not already included.

- The Committee acknowledged the high level of upheld complaints within housing and asked how they were being managed and responded to. Councillor Donnelly-Jackson responded that complaints were an opportunity to learn and improve services. The Council did not want residents to be in a position where they had to complain, and wanted to adopt a culture where all feedback in any forms was accepted, heard, learned from, and actioned, in order to improve services. In 2024-25, housing initiated a full review of complaints handling and promoted learning reviews from that. Training had also been reviewed. The service was also logging compliments in order to collate best practice where services were getting things right. Where a complaint was serious enough, the service would look into compensating the resident for their distress, so it was important there was robust financial oversight of complaints handling to ensure this was not excessive but proportionate to the issue raised.

- The Committee felt that there was a significant proportion of complaints that were escalated to Stage 2 that were upheld, and asked why these had not been filtered and upheld at Stage 1 and whether training would be delivered to assist with that. Tom Cattermole advised that training had initially supported officers in how to deal with improving first time resolutions and embedding the complaints code of conduct. Staff were being trained on understanding and working to new statutory requirements, particularly around timeliness and quality of responses. Often, when a complaint was upheld, it was due to timeliness. Staff training also looked to ensure a culture of empathy, fairness and respect towards tenants and leaseholders in dealing with complaints. Spencer Randolph added that part of staff training also involved helping staff recognise and identify a complaint was being made and ensuring it was logged as such as opposed to an enquiry, in order to ensure they were being learned from. Amira Nassr added that the Complaints Team undertook quality checks on Stage 1 complaints and kept a spreadsheet where the written quality or other aspects of the response was not up to standard and went back to departments in order to ensure the quality of the response improved going forward. For some areas where there was poor quality handling of complaints, the Complaints Team required a Head of Service to sign-off the Stage 1 response.

- The Committee raised concerns that Brent was the joint 11th highest Council for upheld complaints investigated by the LGSCO. Councillor Donnelly-Jackson explained that the LGSCO investigated complaints relating to Housing Need, Adult Social Care (ASC), education, children and young people and healthy streets. Complaints from Social Housing Tenants around Housing Management were investigated through the Housing Ombudsman. She further explained that of those complaints investigated by the LGSCO, 9 had been for Housing Need and 4 for ASC, and the figures in the report represented the combined total which were not purely for Housing Need. She advised members that Housing Need were often dealing with very vulnerable individuals and families who may struggle to understand the parameters of homelessness legislation, and often the Housing Need Team was having difficult conversations with clients as many did not understand why they could not get a home. Some of the upheld complaints related to acceptance of the main duty, quality and suitability of the accommodation offered, including its location, and the discharge of cases. As such, she explained that the number of upheld complaints was due to the significant demand for homelessness assistance and the lack of accommodation supply available.

- Noting the comments about timeliness often being one of the reasons a complaint was upheld, the Committee asked whether the department was well placed to improve that given the turnover of staff in the area. Tom Cattermole advised that additional resource had been assigned in order to deal with the volume of complaints and a team had been recruited that sat between the Housing Need and Complaints departments to address the increased volume.

- Members raised some suggestions for presentation of the data in future reports, including year on year comparisons and more upfront narratives to understand trends.

In seeking to bring consideration of the item to a close, the Chair thanked officers and members for their contributions and invited members to make recommendations and information requests. As an the outcome of the discussion, the following suggestions for improvement and information requests were made:

**SUGGESTIONS FOR IMPROVEMENT**

1) Incorporate complaints performance as a core performance indicator in the procurement and renewal of Council contracts, with appropriate measures included in contract monitoring frameworks where feasible.

**INFORMATION REQUESTS**

1) Provide further details on the Residents' Complaints Group, including:
    i) when it was established and its purpose;
    ii) its terms of reference;
    iii) current activity and planned future work; and
    iv) an estimated timeframe for reporting back to the Resources and Public Realm Committee on the impact of its work.

## 9. Scrutiny Progress Report – Recommendations Tracker

The Committee noted the recommendations tracker.

## 10. Resources and Public Realm Scrutiny Committee Work Programme

The Committee noted the work programme.

## 11. Any other urgent business

No items of urgent business were identified.

The meeting closed at 9:00 PM

COUNCILLOR RITA CONNEELY
Chair

This page is intentionally left blank

| | |
|---|---|
| Brent | **Resources and Public Realm Scrutiny Committee**<br>29 July 2026 |
| | **Report from the Corporate Director, Neighbourhoods and Regeneration** |
| | **Cllr Promise Knight, Cabinet Member for Cleaner Streets, Transport and Public Realm** |

# Highways Maintenance Report

| | |
|---|---|
| **Wards Affected:** | All |
| **Key or Non-Key Decision:** | N/A |
| **Open or Part/Fully Exempt:**<br>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act) | Open |
| **List of Appendices:** | Appendix A – DfT Transparency Report (Local Highways Maintenance Transparency)<br>Appendix B – Highway Maintenance Benchmarking Dashboard<br>Appendix C – Highway Structural Condition over time<br>Appendix D – Highway Maintenance Contract Benchmarking<br>Appendix E – Analysis of Customer Reports<br>Appendix F – Highway Defect Investigation Levels<br>Appendix G – Insurance Claims<br>Appendix H – Trends in Reactive Maintenance Carriageway repairs<br>Appendix I – Contract Key Performance Indicators<br>Appendix J – Trends in Highway Reactive Maintenance defects identified<br>Appendix K – Highways Inspection Regime<br>Appendix L – Carriageway & Footway Resurfacing 2021- 2026 |
| **Background Papers:** | None |
| **Contact Officer(s):**<br>(Name, Title, Contact Details) | Jonathan Westell, Highways Contracts & Delivery Manager<br>jonathan.Westell@brent.gov.uk<br><br>Tony Kennedy, Head of Service, Highways Management<br>tony.kennedy@brent.gov.uk<br><br>Chris Whyte, Director, Public Realm<br>chris.whyte@brent.gov.uk |

## 1.0 Executive Summary

This report provides the Resources and Public Realm Scrutiny Committee with a comprehensive review of Brent Council's highways maintenance service, including its performance, effectiveness and value for money. It responds to the Committee's request for a detailed assessment of the Council's approach to maintaining the borough's highway network, including carriageways, footways and associated highway assets.

The report explains how the Council balances reactive safety repairs with planned and preventative maintenance, the arrangements in place for managing and monitoring the highways maintenance contracts, and the outcomes being achieved through the Council's asset management approach. It also considers the condition of the highway network, investment levels, customer experience, compensation claims, and the challenges associated with managing tree root damage.

The report demonstrates that Brent has significantly increased investment in planned highway maintenance in recent years and has adopted a modern, evidence-led asset management approach consistent with the recommendations of the UK Roads Leadership Group's Well-Managed Highway Infrastructure: A Code of Practice and the Department for Transport's Highways Maintenance Incentive Funding framework. This has enabled the Council to deliver substantial improvements to the highway network whilst seeking to maximise the value obtained from available resources.

The report also identifies a number of opportunities for further improvement, including strengthening customer communication, enhancing performance reporting and benchmarking, continuing the development of the Council's Highway Asset Management Plan, and making greater use of digital technologies to support future investment decisions.

The Committee is invited to note the contents of the report and the progress made in improving the highways maintenance service, whilst considering the future challenges and opportunities identified.

## 2.0 Recommendations

1) Notes the contents of this report and the progress made in improving Brent's highway maintenance service through increased investment and adoption of an asset management approach.
2) Notes the continued shift from reactive to planned and preventative maintenance as the most cost-effective means of improving the condition and resilience of the highway network.
3) Notes the opportunities identified to strengthen customer communication, resident engagement and performance reporting.
4) Supports the continued development of the Council's Highway Asset Management Plan, including enhanced use of condition data and benchmarking.

## 3.0 Detail

## 3.1 Contribution to Borough Plan Priorities & Strategic Context

The effective maintenance of Brent's highway network makes a significant contribution to the delivery of the Council's Borough Plan and wider corporate priorities. Safe, well-maintained roads and footways support economic growth, improve access to employment, education and local services, encourage active travel, enhance the quality of the public realm and contribute to healthier, more sustainable communities.

The Council's approach to highways maintenance supports a number of the Borough Plan priorities, including:

- **A Cleaner, Greener Future** by maintaining the highway network in a way that supports active travel, improves the public realm, protects and enhances street trees where practicable, and reduces carbon emissions through the adoption of sustainable maintenance practices and low-carbon construction materials.
- **A Prosperous Brent** by maintaining reliable transport infrastructure that supports businesses, freight, public transport and access to town centres, helping to sustain economic activity across the borough.
- **Thriving Communities** by providing safe and accessible streets that enable residents to travel confidently, access local services and participate fully in community life.
- **A Healthy Brent** by maintaining safe footways and cycle routes that encourage walking, wheeling and cycling, reduce the risk of injury and improve accessibility for all highway users.

The Council's highways maintenance service is delivered in accordance with the principles of its Highway Asset Management Plan, which adopts a risk-based, evidence-led approach to managing one of the Council's most valuable infrastructure assets. The service also supports delivery of the Council's Climate and Ecological Emergency Strategy by extending the life of highway assets through preventative maintenance, reducing waste, promoting the use of recycled and lower-carbon materials, and protecting the borough's urban tree canopy wherever practicable.

The Council's approach is aligned with the national asset management principles set out in the UK Roads Leadership Group's Well-Managed Highway Infrastructure: A Code of Practice and the Department for Transport's Highways Maintenance Incentive Funding framework. These promote lifecycle planning, preventative maintenance, robust asset data, risk-based decision making and continuous improvement as the most effective means of delivering safe, resilient and financially sustainable highway networks.

This report supports those objectives by providing Members with an assessment of current service performance, identifying areas of good practice and highlighting opportunities to further improve the effectiveness, efficiency and resilience of Brent's highways maintenance service.

## 3.2 Highways Maintenance Overview

### 3.2.1 Overview of Brent's Highway Network

Brent Council is the Highway Authority for the majority of the public highway within the borough and has a statutory duty under Section 41 of the Highways Act 1980 to maintain the highway in a safe condition for all users. The highway network is the Council's largest and most valuable physical asset, with an estimated replacement value of approximately £4.5 billion. It supports residents, businesses, public transport, emergency services and active travel, making effective maintenance essential for economic activity, accessibility and public safety.

The Council is responsible for maintaining a diverse range of highway assets including:

| Asset | Quantity |
|---|---|
| Roads | 505 km |
| Footways | 847 km |
| Cycleways | 19 km |
| Highway bridges and structures | 90 |
| Road gullies | 20,700 |
| Street trees | 10,000 |
| Street lighting columns and illuminated assets | 22,800 |

These assets vary considerably in age, construction, condition and strategic importance. While principal roads carry the highest traffic volumes and support London's transport network, residential streets and footways represent the majority of the asset and require different maintenance approaches based on risk, usage and deterioration characteristics.

Brent maintains its highway network using the principles of asset management, seeking to maximise the life of existing infrastructure through timely intervention, preventative maintenance and risk-based investment rather than relying solely on reactive repairs.

### 3.2.2 Types of Highway Maintenance

Highway maintenance activities broadly fall into two categories:

***Reactive Maintenance***

Reactive maintenance addresses defects that present an immediate or developing safety risk. These defects may be identified through scheduled safety inspections, reports from members of the public, councillors, utility companies or Council officers. Typical reactive activities include:

- Pothole repairs;

- Footway trip repairs;
- Damaged kerbs;
- Blocked gullies;
- Defective ironwork;
- Damaged signs, bollards and street furniture;
- Emergency responses following severe weather or collisions.

Reactive maintenance is primarily concerned with managing safety risk and meeting the Council's statutory obligations. Intervention times are determined through a formal risk assessment process which considers both the severity of the defect and the likelihood of harm occurring.

***Planned and Preventative Maintenance***

Planned maintenance involves interventions identified through condition surveys and asset management analysis before defects become safety hazards. Rather than waiting for roads to fail, planned maintenance aims to preserve asset condition, reduce whole-life costs and minimise disruption.

Examples include:

- carriageway resurfacing;
- surface dressing and thin surfacing;
- preventative patching;
- reconstruction of footways;
- renewal of road markings;
- bridge maintenance;
- drainage improvements;
- public realm improvements.

Preventative maintenance extends asset life by treating roads while deterioration remains relatively limited, reducing the likelihood that more expensive reconstruction will be required in future years. This approach reflects national best practice contained within the UK Roads Leadership Group's *Well-Managed Highway Infrastructure* Code of Practice.

### 3.2.3 Decision-Making and Intervention Strategy

Brent follows a risk-based asset management approach when determining the most appropriate maintenance intervention.

Reactive repairs are undertaken where defects exceed the Council's published investigatory levels and are assessed as presenting an unacceptable risk to highway users. Safety inspectors undertake scheduled inspections at frequencies determined by the hierarchy of each highway, ranging from weekly inspections on the busiest roads to annual inspections on lower-risk highways. Each defect is assessed using a formal risk matrix that considers both the consequence of failure and the likelihood of an incident occurring before determining the required response time.

Longer-term investment decisions are informed by the Council's Highway Asset Management Plan and supported by annual condition surveys of the carriageway and footway network. Brent has increasingly adopted digital survey technology, using vehicle-mounted cameras and artificial intelligence to identify defects rapidly across the highway network. This enables condition information to be collected across the borough within a matter of days and translated quickly into prioritised maintenance programmes.

The Council's asset management software evaluates each road using a combination of engineering condition data and wider prioritisation criteria, including:

- Structural condition;
- Whole-life treatment benefit;
- Highway hierarchy;
- Frequency of defects;
- History of compensation claims;
- Councillor nominations;
- Traffic volumes and network importance; and
- Engineering judgement following site inspections.

The software generates prioritised maintenance programmes designed to achieve the greatest improvement in overall network condition within the available capital budget. Officers review these outputs before finalising annual maintenance programmes to ensure local knowledge and engineering judgement are appropriately reflected.

This evidence-led approach aligns with Department for Transport expectations for highway asset management and forms an important component of the Government's Highways Maintenance Incentive Funding assessment process.

### 3.2.4 Balance Between Reactive and Planned Maintenance

National best practice recognises that highway authorities achieve the greatest long-term value by investing in preventative maintenance before assets deteriorate to the point where expensive reconstruction or continual reactive repairs become necessary. The annual Asphalt Industry Alliance (ALARM) Survey consistently concludes that preventative investment delivers significantly lower whole-life costs than a predominantly reactive maintenance approach.

Brent's investment strategy reflects this principle. The majority of funding is capital, directed towards planned maintenance programmes, including resurfacing, preventative treatments, drainage improvements and asset renewal. Reactive maintenance remains essential to fulfil the Council's statutory duty to maintain highway safety but is intended primarily to address individual defects rather than widespread asset deterioration.

The Council also seeks to reduce future reactive demand through targeted preventative interventions such as injection patching, which enables large numbers of deteriorating defects to be repaired quickly before they develop into larger potholes requiring more expensive repairs. Although injection patching does not replace conventional resurfacing, it has proved to be an effective complementary treatment for extending carriageway life and reducing defect growth across residential roads.

Despite this strategic approach, maintaining the optimum balance between reactive and planned maintenance remains challenging. Highway assets naturally deteriorate over time, while inflation, increasing traffic volumes, utility reinstatements, climate change and severe weather events continue to increase maintenance pressures. Consequently, Brent's asset management approach seeks to maximise the effectiveness of available resources through evidence-based prioritisation, continual condition monitoring and timely preventative intervention rather than attempting to address deterioration after failure has occurred.

#### 3.2.5 The Department for Transport Highways Maintenance Transparency Report

The Department for Transport (DfT) introduced the Highways Maintenance Transparency Report in 2025 as part of wider reforms to increase accountability for local highway maintenance funding in England. The annual report demonstrates how the Council is managing its highway assets in line with national best practice by providing information on highway condition, investment, asset management policies and performance.

It enables residents, elected Members and Government to understand how maintenance funding is being used, supports benchmarking between local highway authorities, and demonstrates that Brent is adopting a risk-based, evidence-led approach to maintaining its highway network in accordance with the principles of “Well-managed Highway Infrastructure: A Code of Practice”.

Brent’s 2025 report makes up Appendix A.

### 3.3 Reactive Highway Maintenance

#### 3.3.1 Overview

Reactive highway maintenance forms an essential part of Brent Council's statutory duty under Section 41 of the Highways Act 1980 to maintain the public highway in a safe condition. Whilst the Council's long-term strategy is to maximise investment in planned and preventative maintenance, reactive maintenance remains necessary to address defects that present an immediate or developing risk to highway users or arise unexpectedly through deterioration, severe weather, traffic loading, utility works or accidental damage.

Reactive maintenance complements the planned maintenance programme by ensuring that safety defects are addressed promptly while longer-term asset renewal programmes continue to improve the overall condition of the highway network. The objective is not to eliminate reactive repairs entirely, as this would be neither achievable nor cost-effective, but to reduce reliance upon them through sustained investment in preventative maintenance and timely intervention before assets fail.

### 3.3.2 Managing Reactive Maintenance

Brent operates a risk-based approach to reactive highway maintenance which is consistent with the principles contained within the UK Roads Leadership Group's Well-Managed Highway Infrastructure Code of Practice. Potential defects are identified from several sources including:

- scheduled highway safety inspections;
- reports submitted by residents via the Council's online reporting system or Contact Centre;
- enquiries from Ward Members and Members of Parliament;
- reports from Council officers undertaking routine duties;

Each reported defect is inspected and assessed against the Council's published investigatory criteria. Officers consider the nature, dimensions and location of the defect together with traffic conditions, pedestrian usage, the likelihood of deterioration and the potential risk to highway users before determining the appropriate response.

Where a defect presents an unacceptable safety risk, it is programmed for reactive repair within the appropriate response time. Defects which do not meet the intervention criteria are either monitored through future inspections or incorporated into planned maintenance programmes where this represents a more effective long-term engineering solution.

This approach enables finite resources to be directed towards defects presenting the greatest risk while ensuring that planned investment remains focused on improving the long-term condition of the network.

It should be noted that, whilst all high priority highway defects are repaired within the available revenue budget, current funding levels mean that only around 35% of medium priority defects (although this varies depending on demand and available resources) can also be repaired. As a result, defects that meet the Council's investigation criteria may not be addressed immediately if they do not present the highest level of risk. This can lead to understandable frustration amongst residents and Members, who despite messaging may perceive that repairs are being delayed due to poor contractor performance or inadequate oversight by the Council. In reality, these decisions reflect the need to prioritise limited resources towards the defects that present the greatest risk to highway users, in accordance with the Council's risk-based approach to highway maintenance.

### 3.3.3 Trends in Reactive Maintenance

The demand for reactive maintenance varies considerably from year to year and is influenced by a range of factors including weather conditions, ageing infrastructure, traffic volumes, utility reinstatements and the level of planned maintenance investment.

.

See also Appendix E - Analysis of Customer Reports and Appendix J - Trends in Highway Reactive Maintenance defects identified.

### 3.3.4 Repeat Defects

Repeat defects are an issue faced by all highway authorities and do not necessarily indicate poor-quality repairs. In many cases they reflect wider structural deterioration within the carriageway or footway rather than failure of the repair itself. Common causes include:

- ageing road construction reaching the end of its design life;
- water penetration beneath the road surface;
- repeated excavation by statutory undertakers;
- increasing traffic volumes and heavier vehicles;
- tree root growth affecting footways;
- continued illegal vehicle overrun on footways;
- drainage defects; and
- freeze-thaw weather cycles.

Where repeated repairs are identified at the same location, officers review the site to determine whether continued reactive intervention remains appropriate or whether the location should instead be prioritised for patching planned maintenance. The distribution of recent reactive maintenance repairs is also taken account of in the planned maintenance resurfacing prioritisation process.

This feedback loop between reactive maintenance and asset management is an important element of Brent's evidence-based approach to investment.

### 3.3.5 Resident Experience

Residents most commonly experience the highways maintenance service through the reporting of defects.

Brent provides several reporting routes, with the Council's online reporting portal being the primary mechanism for reporting highway defects. Reports are geographically referenced and automatically allocated for inspection, enabling efficient management and monitoring. Resident satisfaction is influenced by several factors, including:

- How quickly defects are inspected;
- The speed with which repairs are completed;
- The durability of repairs;
- Communication regarding inspection outcomes; and
- Confidence that recurring problems are being permanently addressed.

The necessary reactive and planned maintenance processes can result in a negative resident experience because the demand for highway maintenance significantly exceeds the funding available.

As a result, many roads and pavements that residents consider to be in poor condition may not meet the threshold for immediate repair or may not be prioritised for planned maintenance. This can leave residents feeling that reported issues are not being addressed quickly enough, particularly where defects affect the appearance or comfort of the highway rather than presenting an immediate safety risk.

The need to prioritise limited resources also means that some locations may continue to deteriorate before they are selected for repair, leading to frustration and a perception that the highway network is not being maintained to the standard residents expect.

Trends in Customer Reports received by the Council are covered in Appendix E.

### 3.3.6 Reactive Maintenance Expenditure

Reactive maintenance expenditure is influenced by both network condition and external events such as severe weather. The principal areas of expenditure include:

- Carriageway pothole repairs;
- Footway safety repairs;
- Street furniture maintenance
- Drainage maintenance; and
- Emergency response works

See also Appendix A for details of Revenue expenditure over time

### 3.3.7 Compensation Claims

Compensation claims provide an additional indicator of network performance and customer impact, although claim volumes should be interpreted with caution as they are affected by many factors beyond highway condition alone. Where claims are received, the Council investigates whether:

- The defect met the Council's investigatory criteria;
- Inspections had been undertaken in accordance with policy;
- The Council knew, or ought reasonably to have known, of the defect; and
- Repairs were completed within the required response times.

The Council's documented inspection regime provides an important statutory defence under Section 58 of the Highways Act 1980 where it can demonstrate that it has taken reasonable steps to maintain the highway.

Information on claims received and settlements are presented in Appendix G.

### 3.3.8 Benchmarking and Continuous Improvement

Brent's reactive maintenance service reflects current national asset management practice by adopting a risk-based approach supported by digital condition surveys, structured inspection regimes and increasing investment in preventative maintenance. Compared with many neighbouring London boroughs, Brent has several notable strengths:

- Sustained investment in planned highway maintenance over recent years;
- extensive use of AI-enabled condition surveys and asset management software;
- Significant use of preventative treatments such as injection patching;
- Continued development of transparent highway asset reporting; and
- Alignment with the Department for Transport's Highway Maintenance Incentive Funding requirements.

The annual Asphalt Industry Alliance (ALARM) Survey consistently concludes that highway authorities achieving the best long-term outcomes are those that prioritise preventative maintenance, maintain robust asset management systems and invest consistently over many years. Brent's current strategy reflects these principles.

There remain opportunities to strengthen the service further. These include developing a more comprehensive highways performance framework, increasing benchmarking with comparable London boroughs.

The Committee should therefore note that Brent's direction of travel is consistent with national best practice. The challenge for the Council over the coming years will be to sustain investment levels, continue improving network condition alongside operational performance.

See also Appendix B - Highway Maintenance Benchmarking Dashboard.

## 3.4 Planned Highway Maintenance

### 3.4.1 Overview

Planned highway maintenance is the principal mechanism through which Brent Council manages the long-term condition of its highway assets. Unlike reactive maintenance, which responds to individual defects presenting an immediate safety risk, planned maintenance seeks to intervene before significant deterioration occurs, thereby extending asset life, reducing future maintenance liabilities and delivering better value for money.

The Council has adopted an asset management approach that aligns with the recommendations of the UK Roads Leadership Group's *Well-Managed Highway Infrastructure: A Code of Practice* and the Department for Transport's (DfT) Highways Maintenance Incentive Funding framework. This approach recognises that investing in preventative maintenance at the appropriate time significantly reduces whole-life costs and improves the resilience of the highway network.

The Council's planned maintenance programme therefore forms the cornerstone of its long-term investment strategy and is intended to reduce the need for costly reactive interventions whilst maintaining a safe and serviceable network.

### 3.4.2 Planned Maintenance Programme

Each year the Council delivers a comprehensive programme of planned maintenance covering the full range of highway assets. The principal programmes include:

- carriageway resurfacing;
- preventative carriageway treatments,
- carriageway patching programmes;
- footway reconstruction and resurfacing;
- renewal of road markings;
- bridge and highway structure maintenance;
- highway drainage improvements;
- public realm improvements; and
- condition surveys and asset data collection.

These programmes are delivered through the Council's Highways Term Maintenance Contracts and are coordinated with utility works and other highway improvement projects wherever possible to minimise disruption to residents and businesses.

### 3.4.3 Investment Levels and Funding

Brent has significantly increased investment in planned highway maintenance during recent years.

Historically, the Council relied upon a combination of Council capital funding and Transport for London (TfL) maintenance allocations. However, TfL funding for principal road maintenance has reduced significantly since 2018 and no TfL maintenance allocation was received for the 25/26 programme period. To compensate, the Council has increased its own investment and has also begun receiving direct highways maintenance funding from the Department for Transport.

For 2025/26, Brent's planned highways maintenance programme comprised approximately £13.8 million of capital investment, including:

| Programme | 2025/26 (£000) |
|---|---:|
| Carriageway resurfacing and preventative maintenance | 2,425 |
| Short section carriageway repairs | 150 |
| Highway structures and drainage | 450 |
| Public realm improvements | 125 |

| Programme | 2025/26 (£000) |
|---|---|
| Footway short sections | 150 |
| Road marking renewals | 100 |
| Condition surveys and asset management | 100 |
| DfT Highways Maintenance Funding | 759 |
| SCIL Carriageway | 4,764 |
| SCIL Footway | 4,779 |
| **Total Programme** | **13,802** |

In addition to the base £3.5m annual highways capital maintenance programme, the Council has delivered a significant multi-year investment programme through the previously implemented £20 million (footway) and £15 million (footway and A-road) highways improvement programmes, substantially increasing the scale of planned maintenance undertaken across the borough. The £15m was divided into £4m of Principal Road Resurfacing and £11m footway reconstruction A £9.543 million Strategic Community Infrastructure Levy (SCIL) programme of Carriageway and Footway improvement programmes were also implemented in 2025/26.

Funding currently (26/27) comprises:

- Brent Council prudential borrowing to fund the annual programme;
- Department for Transport Highways Maintenance Block Funding;
- additional DfT Highways Maintenance Incentive Funding; and
- occasional external grant funding for specialist bridge and infrastructure schemes.

This sustained investment has enabled Brent to undertake substantially larger resurfacing and reconstruction programmes than would otherwise have been possible.

Whilst recent investment has significantly improved network condition, highway assets continue to deteriorate over time. Consequently, current funding levels remain below the level that would be required to eliminate the maintenance backlog entirely. Maintaining recent levels of investment will therefore remain critical if improvements in network condition are to be sustained over the longer term.

The funding levels over five years and the amount of planned maintenance that can be carried out is discussed in Appendix L - Carriageway & Footway Resurfacing 2021- 2026.

### 3.4.4 Scheme Prioritisation

The Council uses a structured asset management methodology to determine which roads and footways should receive planned maintenance each year.

Annual condition surveys are undertaken across the network using independent survey technology that measures structural condition in accordance with nationally recognised standards. Survey information is imported into the Council's Highway Asset Management System, which evaluates each highway section and recommends the most appropriate treatment based on engineering need and available funding. In determining priorities, factors considered are:

- Structural condition;
- Asset deterioration rates;
- Lifecycle cost analysis;
- Highway hierarchy;
- Traffic volumes and strategic importance;
- Frequency of reactive repairs;
- History of compensation claims;
- Coordination with utility companies;
- Ward member nominations; and
- Engineering judgement following site inspections.

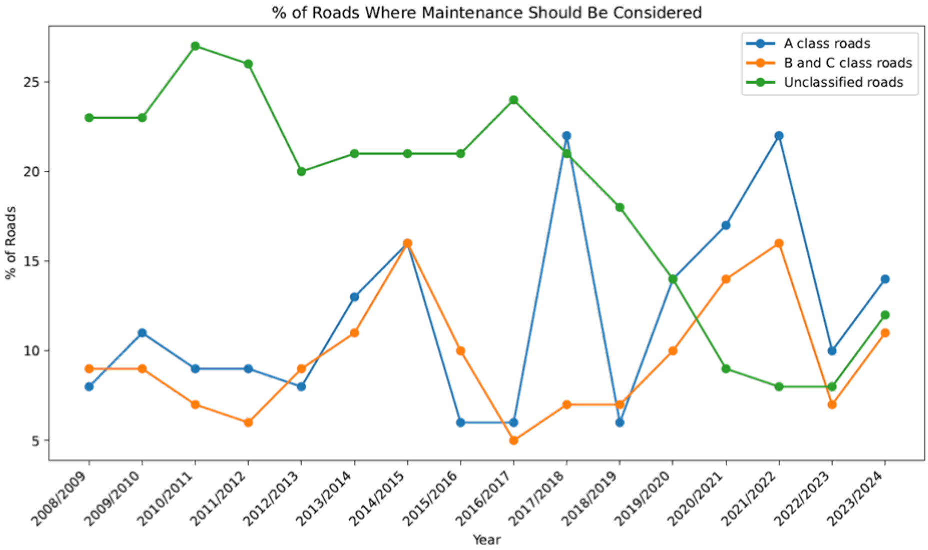
The programme is reviewed by experienced highway engineers before being finalised, ensuring that data-driven decision making is supported by local knowledge and operational experience.

This evidence-based methodology enables the Council to target investment where it will deliver the greatest overall improvement in network condition and best long-term value for money.

### 3.4.5 Network Condition

The Council monitors the condition of its highway network through comprehensive annual condition surveys. Road condition is assessed using nationally recognised condition indices and classified into Red, Amber and Green condition bands.

We have presented below a number of years of data, of the percentage of roads where maintenance should be considered (i.e. in “Red” condition).




This visualization helps highlight trends, such as:

- A class roads showing significant fluctuations, especially in 2017/2018 and 2021/2022.
- B and C class roads generally staying within a narrower range.
- Unclassified roads showing a steady decline in maintenance needs, (that is, a steady improvement in the condition) over the years.

The condition data demonstrates a significant long-term improvement in Brent's unclassified road network, with the proportion of roads requiring maintenance reducing from around one-quarter of the network in 2008/09 to approximately one in twelve roads by 2022/23. This reflects sustained investment in residential road maintenance over many years.

In contrast, the condition of the A road network has shown greater year-to-year variation, reflecting the impact of traffic loading and the timing of major resurfacing schemes. Classified B and C roads have remained relatively stable overall, with periodic fluctuations associated with cyclical maintenance programmes.

Overall, the trends indicate that long-term investment has delivered substantial improvements in network condition, although continued investment will be required to maintain these gains and address deterioration on the strategic road network.

Highway Structural Condition trends over time are covered in more detail in Appendix C.

### 3.4.6 Impact of Planned Maintenance

The principal objective of planned maintenance is to improve the overall condition of the highway network whilst reducing future maintenance liabilities.

The Council's recent investment programme has already demonstrated measurable benefits, including:

- improved structural condition across substantial sections of the network;
- longer asset life through preventative treatments;
- reduced whole-life maintenance costs; and
- improved resilience of the highway network.

Increased preventative investment is improving the overall condition of the network, although it will continue to fluctuate depending upon weather conditions and many other external factors.

Investment has also enabled the Council to adopt a more preventative approach, shifting expenditure from emergency repairs towards planned resurfacing and asset preservation, consistent with modern highway asset management principles.

Continued investment will be necessary to sustain these improvements and prevent deterioration returning as assets continue to age.

### 3.4.7 Benchmarking and Best Practice

Brent's planned maintenance strategy is consistent with current national best practice and compares favourably with many local highway authorities.

The Department for Transport's Highways Maintenance Incentive Funding framework increasingly rewards authorities that demonstrate mature asset management, robust condition data, lifecycle planning and evidence-based investment decisions. Brent has made significant progress in each of these areas, including:

- Comprehensive annual condition surveys;
- Use of AI-enabled survey technology;
- Asset management software to optimise investment;
- Increasing transparency through publication of maintenance information; and
- Alignment with the principles of the *Well-managed Highway Infrastructure* Code of Practice.

The annual Asphalt Industry Alliance (ALARM) Survey consistently concludes that highway authorities delivering sustained preventative maintenance achieve lower long-term maintenance costs, improved network condition and greater resilience than authorities relying predominantly upon reactive maintenance.

Brent's investment strategy reflects these findings and demonstrates a clear shift towards preventative asset management over recent years.

Whilst this represents good practice, opportunities remain to strengthen the service further. These include continued development of the Highway Asset Management Plan, enhanced performance reporting, greater benchmarking with comparable London boroughs, and further refinement of lifecycle planning as new condition survey technologies and Department for Transport requirements evolve.

A Highway Maintenance Benchmarking Dashboard, showing how Brent compares with London Borough good practice, makes up Appendix B.

## 3.5 Deep Dive – Carriageways (Road Defects)

### 3.5.1 Overview

Brent Council is responsible for maintaining approximately 470 km of adopted carriageways, comprising principal (A), classified (B and C) and unclassified residential roads. Carriageways are the most heavily trafficked element of the highway network and are subjected to continual deterioration from vehicle loading, weathering, utility excavations and the ageing of the underlying road construction.

Whilst potholes are the defect most visible to residents, they represent only one category of carriageway deterioration. Effective highway asset management therefore focuses on identifying and addressing deterioration before individual potholes develop.

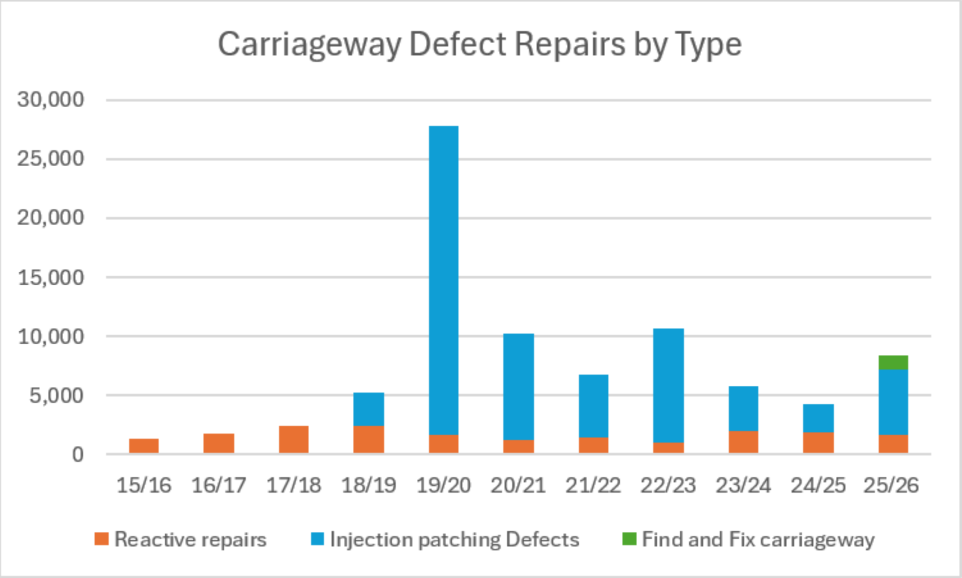
### 3.5.2 Scale and Distribution of Carriageway Defects

The principal categories of carriageway defects encountered across Brent include:

- potholes;
- fretting and surface ravelling;
- cracking;
- rutting and deformation;
- failed utility reinstatements;
- edge deterioration;
- depressions and settlement;
- rocking or sunken ironwork;
- carriageway drainage defects; and
- loss of skid resistance.

These defects vary considerably in severity and risk. Whilst individual potholes often require reactive repair, more widespread deterioration is generally indicative of structural failure and is more effectively addressed through planned resurfacing or reconstruction.

The number of potholes repaired provides one indicator of network performance.




The data demonstrates a significant change in Brent's approach to carriageway maintenance over the last decade. Rather than relying principally on reactive pothole repairs, the service has increasingly adopted preventative maintenance techniques such as injection patching and, more recently, Find and Fix operations. These methods enable a substantially greater number of defects to be repaired within existing budgets, helping to prevent deterioration and reduce the future maintenance backlog.

While annual repair numbers fluctuate according to weather conditions, funding and network need, the overall trend reflects a shift towards more efficient, preventative asset management in line with the principles of the Well-managed Highway Infrastructure Code of Practice.

Injection patching is used not only to repair defects that have reached the Council's investigation levels but also to treat smaller defects before they deteriorate to intervention level. As such, it serves both as a reactive repair method and a preventative maintenance treatment, helping to extend the life of the carriageway and reduce future deterioration. These techniques enable a substantially greater number of defects to be addressed within existing budgets, helping to prevent defects from becoming hazardous, reduce the future maintenance backlog and improve overall network resilience.

The introduction of the Find and Fix programme in 2025/26 represents a further evolution of this approach, combining proactive inspections with immediate repair of defects identified on site, supporting a more efficient and preventative asset management strategy consistent with the principles of the “Well-managed Highway Infrastructure Code of Practice”.

The high number of injection patching repairs does *not* indicate a dramatic increase in safety defects but rather reflects a deliberate policy of treating many lower-level defects before they become potholes requiring reactive intervention. That is an important distinction in considering the performance data.

See also Appendix H – Trends in Reactive maintenance Carriageway repairs.

### 3.5.3 Identification and Prioritisation

Carriageway defects are identified through several complementary mechanisms:

- Scheduled highway safety inspections;
- AI-enabled condition surveys;
- Reports submitted by residents;
- Member enquiries;

Safety inspections identify defects requiring immediate attention, whilst condition surveys identify wider deterioration suitable for planned maintenance.

Each defect is assessed against the Council's Highway Safety Inspection Policy using a formal risk-based methodology which considers:

- Dimensions of the defect;
- Road hierarchy;
- Traffic volumes;
- Vehicle speeds;
- Likelihood of deterioration;
- Location within the carriageway;
- Vulnerability of road users; and
- Overall likelihood of an incident occurring.

This enables limited maintenance resources to be directed towards the highest-risk defects whilst ensuring structural deterioration is addressed through planned investment rather than repeated patch repairs.

See also Appendix F - Benchmarking of Investigatory Levels.

### 3.5.4 Repair Methods

Brent uses a range of repair techniques depending upon the nature and extent of deterioration. Typical interventions include:

| **Defect** | **Typical Treatment** |
|---|---|
| Individual potholes | Permanent hot asphalt patching |
| Multiple isolated defects | Machine patching / injection patching |
| Surface deterioration | Thin surfacing |
| Structural deterioration | Full resurfacing |

One innovation introduced by Brent has been the extensive use of injection patching on residential roads. This process enables multiple developing defects to be repaired rapidly at relatively low cost and has proved particularly effective in slowing deterioration across lower hierarchy roads.

Although injection patching has a shorter service life than conventional resurfacing, it allows a significantly greater area of network to receive preventative treatment within available budgets and therefore represents an effective asset management tool rather than simply an alternative repair technique.

### 3.5.5 Performance

The Council measures performance through a range of operational indicators including:

- Response times for safety repairs;
- Percentage of emergency defects repaired on time;
- Completion of planned maintenance programmes;
- Network condition;
- Contractor performance indicators; and
- Customer enquiries.

Overall performance indicates that increased investment in planned maintenance is beginning to improve network condition.

Performance is monitored through monthly contract management arrangements and reported regularly to senior management. Current performance indicates that the Council continues to achieve high levels of compliance with safety repair response times, whilst planned maintenance programmes are being delivered normally in accordance with programme.

Increased investment in planned and preventative maintenance is beginning to improve overall network condition, particularly on the unclassified road network, although maintaining the condition of heavily trafficked strategic routes remains a challenge. Customer demand remains high, with defect reports influenced by factors such as severe weather and increasing public expectations.

See also Appendix I – Contract Key Performance Indicators.

**Repair Times**

Emergency defects are prioritised according to risk and repaired within the response times specified within the Council's Highway Safety Inspection Policy. Routine defects are programmed according to available resources and engineering priorities.

**Backlog**

Like all highway authorities, Brent continues to carry a maintenance backlog arising from many years of historic underinvestment nationally. Recent capital investment has reduced this backlog but has not eliminated it. Continued sustained investment will therefore be necessary if network condition improvements are to be maintained over the longer term.

**Repeat Defects**

Repeat defects are monitored through the Council's resurfacing prioritisation process. Where recurring repairs occur, locations are reviewed to determine whether patching or structural maintenance rather than further reactive intervention would provide better whole-life value.

The best way to reduce potholes is not simply to repair them faster, but to intervene earlier through planned maintenance.

### 3.5.6 Quality and Durability

The durability of carriageway repairs depends primarily upon the underlying condition of the road rather than the repair itself.

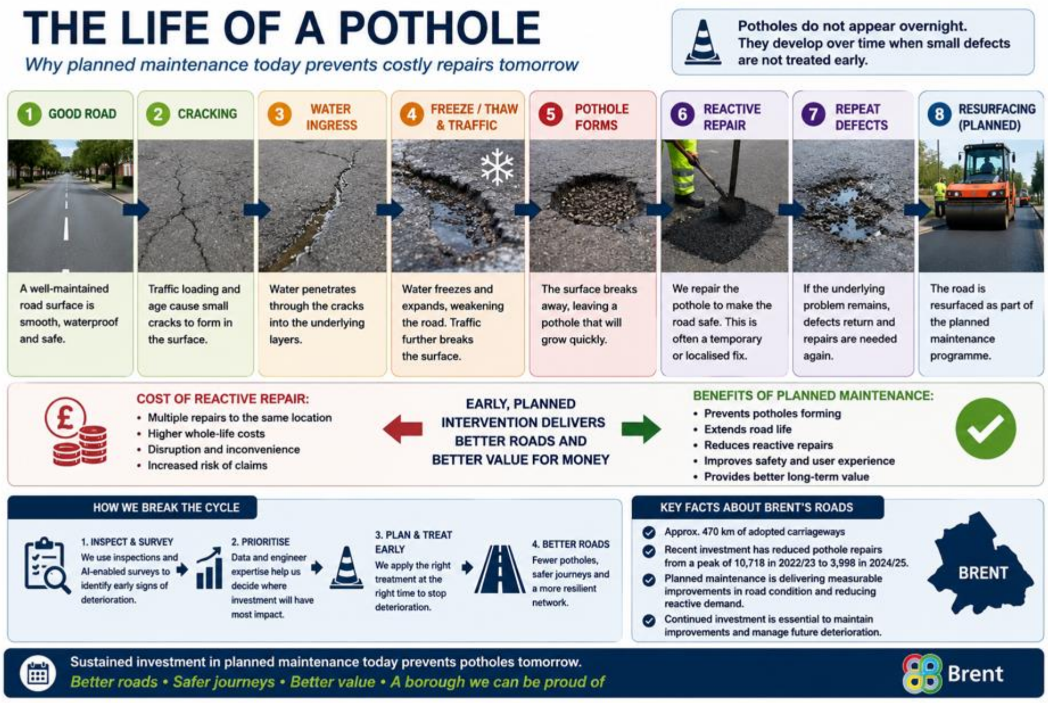
Where potholes develop because of localised surface failure, permanent patch repairs generally perform well.

However, where defects arise from wider structural deterioration, poor drainage, repeated utility excavations or ageing foundations, further deterioration elsewhere within the same carriageway is likely unless more extensive resurfacing is undertaken.

Common causes of recurring carriageway deterioration include:

- Ageing pavement construction;
- Increasing heavy vehicle traffic;
- Water ingress;
- Freeze-thaw weather cycles;
- Failed utility reinstatements;
- Poor drainage; and
- Utility trench settlement.

For this reason, Brent increasingly seeks to replace repeated patching with planned resurfacing wherever asset condition data indicates this represents better long-term value.




### 3.5.7 Financial Impact

Highway defects can expose the Council to compensation claims where highway users allege damage or injury resulting from highway defects. Claims are investigated individually having regard to:

- Inspection history;
- Repair records;
- Defect dimensions;
- Compliance with the Highway Safety Inspection Policy; and
- Statutory defences available under Section 58 of the Highways Act 1980.

Whilst claims represent a financial risk, they also provide valuable intelligence regarding recurring defects and help inform future maintenance priorities.

See Appendix G for analysis of Insurance Claims.

### 3.5.8 Public Confidence

Potholes remain one of the most visible indicators by which residents judge the condition of the highway network.

Although engineering condition surveys provide the most objective assessment of network performance, public confidence is often influenced more by the visibility of repairs and whether defects reappear shortly after repair.

Temporary repairs, whilst appropriate from a safety perspective, may therefore be perceived as poor-quality repairs if residents are unaware that permanent resurfacing has already been programmed.

There is therefore an opportunity to improve public understanding by communicating more clearly:

- Why different repair methods are used;
- The distinction between temporary and permanent repairs;
- How roads are prioritised; and
- When larger resurfacing schemes are planned.

Improving communication alongside continued investment is likely to increase resident confidence in the service.

See also Appendix E - Analysis of Customer Reports.

### 3.5.9 Benchmarking and Outcomes

Brent's carriageway maintenance strategy reflects current national best practice by emphasising preventative maintenance, lifecycle planning and risk-based investment.

Compared with many neighbouring London authorities, Brent demonstrates several strengths:

- Significant recent capital investment;
- Widespread use of AI-enabled condition surveys;
- Extensive preventative maintenance programmes;
- Adoption of injection patching to reduce defect growth;
- Evidence-based programme prioritisation; and
- Increasing transparency through publication of maintenance information.

The latest Asphalt Industry Alliance (ALARM) Survey continues to conclude that authorities maintaining sustained investment in preventative maintenance experience lower long-term maintenance costs, fewer emergency repairs and improved network resilience.

Brent's improvement in the network condition with continued investment in resurfacing, suggests that the Council is moving in the same direction as those authorities demonstrating good asset management maturity.

Nevertheless, benchmarking also highlights continuing challenges shared across the sector, including inflationary pressures, increasing traffic loading, ageing infrastructure, utility reinstatement quality and maintaining investment levels sufficient to prevent deterioration outpacing available resources.

See also Appendix B - Highway Maintenance Benchmarking Dashboard.

## 3.6 Deep Dive – Footways (Pavement Defects)

### 3.6.1 Overview

Brent Council is responsible for maintaining approximately 847 km of adopted footways, providing safe and accessible routes for pedestrians throughout the borough. Footways are one of the Council's most heavily used public assets and are fundamental to supporting walking, public transport, access to schools, town centres, local businesses and community facilities.

Unlike carriageways, where deterioration is primarily driven by vehicle loading, footway condition is influenced by a wider range of factors including pedestrian activity, tree root growth, ageing construction, utility excavations and surface weathering.

Although individual defects may appear relatively minor, uneven paving and trip hazards present a significant safety risk, particularly for older people, wheelchair users, visually impaired pedestrians and parents with pushchairs. For this reason, footway maintenance forms an important component of the Council's risk management strategy.

### 3.6.2 Footway Condition, Defect Volumes and Trends

Footway defects comprise a range of different forms of deterioration rather than a single defect type. The most common defects include:

- Trip hazards caused by uneven paving;
- Rocking paving slabs;
- Cracked or broken paving;
- Surface settlement;
- Depressions and ponding;
- Kerb deterioration;
- Damaged tactile paving;
- Utility reinstatement failures;
- Defects associated with tree root growth; and
- Localised surface wear.

The Council monitors footway condition through a combination of safety inspections, engineering assessments and planned condition surveys. Defect trends are analysed alongside reactive maintenance records to identify locations where repeated repairs indicate that reconstruction or more substantial planned maintenance would represent better long-term value.

In recent years, the Council has significantly increased investment in footway reconstruction through its planned maintenance programme. As part of the £15 million additional highways investment programme approved by Cabinet, approximately 80 footways, representing around 18 miles of pavement, were reconstructed or substantially improved. This investment is expected to reduce future reactive maintenance demand and improve accessibility across the borough.

See also Appendix J - Trends in Reactive Maintenance Footway repairs.

### 3.6.3 Inspection Regime and Defect Identification

Brent operates a risk-based footway safety inspection regime based upon the hierarchy and usage of each route. Inspection frequencies are determined according to the importance of the footway within the network, with heavily used town centre locations and transport interchanges receiving more frequent inspections than lower-use residential footways. Potential defects are identified through:

- Scheduled safety inspections;
- Reports from residents;
- Member enquiries;
- Council officers;
- Planned condition surveys;

Each reported defect is assessed against the Council's investigatory criteria, considering:

- Size of the defect;
- Likelihood of pedestrian trips;
- Surrounding environment;
- Pedestrian flows;
- Vulnerable users;
- Rate of deterioration; and
- Overall risk.

Defects presenting an immediate safety risk are programmed for reactive repair. Where wider deterioration is evident, locations are considered for inclusion within future footway reconstruction programmes. This risk-based approach ensures that resources are directed towards those defects presenting the greatest risk whilst supporting longer-term asset management objectives.

### 3.6.4 Performance

**Repair Times**

Reactive footway repairs are prioritised according to the assessed level of risk. Emergency defects receive immediate attention, whilst routine defects are repaired within the response times defined within the Council's Highway Safety Inspection Policy.

See also Appendix I – Contract Key Performance Indicators.

**Maintenance Backlog**

As with carriageways, Brent continues to manage a legacy maintenance backlog arising from historic underinvestment and the age of many footway assets. The recent capital investment programmes have enabled substantial progress to be made in reducing this backlog through reconstruction rather than repeated localised repairs.

However, continued investment will remain necessary if the Council is to prevent deterioration outpacing available resources.

**Durability**

Where deterioration is localised, reactive repairs generally perform well. However, where defects arise from wider structural issues, tree root growth or repeated utility excavations, localised repairs may only provide a temporary solution until more extensive reconstruction can be undertaken.

Consequently, the Council increasingly seeks to replace recurring reactive repairs with planned reconstruction where engineering assessments indicate this will provide better whole-life value.

### 3.6.5 Causes of Deterioration

Footway deterioration occurs for a variety of reasons, many of which are outside the direct control of the Council. The principal causes include:

- Ageing paving materials reaching the end of their service life;
- Tree root growth causing lifting of paving;
- Repeated utility excavations;
- Settlement of underlying foundations;
- Weathering and freeze-thaw cycles;
- Vehicle overrun, particularly by heavy goods vehicles;
- Defects associated with historic footway layouts.

Of these, tree root growth represents one of the most complex maintenance challenges because the Council must balance highway safety against its responsibilities to protect and enhance the borough's tree canopy.

### 3.6.6 Resident Experience

Residents generally judge footway condition through day-to-day walking experience rather than engineering assessments. Common concerns raised include:

- Uneven pavements;
- Trip hazards;
- Repeat repairs;
- Accessibility for wheelchair users and pushchairs;
- Delays before repairs are completed; and
- Uncertainty regarding when permanent reconstruction will occur.

The Council provides several mechanisms through which defects may be reported, including the online reporting portal, Customer Services and Ward Members.

Whilst inspection response times are generally good, there remains an opportunity to improve communication regarding inspection outcomes and explain why some defects are monitored rather than repaired immediately or incorporated into future reconstruction programmes.

Improving communication is expected to increase resident confidence and understanding of the Council's asset management approach.

See also Appendix E - Analysis of Customer Reports.

### 3.6.7 Financial Impact

Footway defects are one of the most significant sources of highway compensation claims across local government due to the risk of pedestrian trips and falls.

Claims are assessed having regard to:

- Inspection history;
- Maintenance records;
- Compliance with inspection policy;
- Defect dimensions;
- Repair response times; and
- The statutory defence available under Section 58 of the Highways Act 1980.

Analysis of claims provides valuable information regarding recurring defects and assists officers in identifying locations where more substantial investment may be justified.

The Council's documented inspection regime continues to provide an important risk management control in defending claims where appropriate.

See also Appendix G - Insurance Claims.

### 3.6.8 Benchmarking and outcomes

Brent's approach to footway maintenance reflects the principles of modern highway asset management and aligns with the recommendations contained within the UK Roads Leadership Group's *Well-Managed Highway Infrastructure* Code of Practice.

Significant strengths include:

- Substantial recent investment in footway reconstruction;
- Risk-based safety inspection regimes;
- Increasing use of digital asset information;
- Integration of reactive maintenance with planned reconstruction programmes; and
- Ongoing development of lifecycle asset management.

The Council's recent investment programme is expected to maintain footway condition over the medium term, and in the long term reduce the number of safety defects requiring reactive repair and improving accessibility for pedestrians.

Nevertheless, there are challenges shared by many highway authorities, including ageing infrastructure, inflationary pressures, increasing expectations from residents and the need to maintain sufficient investment to prevent deterioration exceeding available funding.

Looking ahead, the Council will continue to strengthen its approach through enhanced asset data collection techniques as and when they become available and continued investment in planned reconstruction programmes.

Here is a table to compare carriageways and footways side-by-side.

| **Measure** | **Carriageways** | **Footways** |
|---|---|---|
| Length of network | 505 km | 847 km |
| Primary users | Vehicles | Pedestrians |
| Most common defect | Potholes | Trip hazards |
| Primary deterioration | Traffic loading | Tree roots / ageing / utilities |
| Typical treatment | Patching / resurfacing | Reconstruction |
| Main compensation risk | Vehicle damage | Personal injury |
| Inspection approach | Risk-based | Risk-based |
| Long-term solution | Resurfacing | Reconstruction |

This comparison helps understanding that the two asset types require different maintenance strategies, despite both falling under the Council's highways maintenance service.

## 3.7 Deep Dive – Tree Root Damage

### 3.7.1 Overview

Damage to footways caused by tree root growth represents one of the most complex highway maintenance challenges facing Brent and many other urban highway authorities.

Street trees provide significant environmental, social and economic benefits, including improved air quality, urban cooling, biodiversity enhancement, carbon sequestration and improved public realm. However, as trees mature their root systems naturally expand, sometimes causing adjacent footways to lift, crack or become uneven, creating trip hazards and accessibility issues.

Managing these competing priorities requires the Council to balance:

- Its statutory duty to maintain a safe highway under Section 41 of the Highways Act 1980;

- Its responsibilities as the highway authority to minimise risks to highway users;
- Its commitment to protecting and expanding the borough's tree canopy in support of climate resilience; and
- The long-term sustainability of both highway infrastructure and urban forestry.

Consequently, tree root damage cannot be considered solely as either a highways or arboricultural issue but requires coordinated asset management across both services.

### 3.7.2 Scale and Distribution of Tree Root Damage

Although Brent inspectors note “tree root damage” as a free-text item when specifying footway repairs, it is not entered as a reportable category on the asset management system. Numbers and an analysis of distribution are therefore not available. While precise numbers will fluctuate over time, tree root-related defects represent a significant proportion of recurring footway maintenance activity and will be represented within repeat repair locations.

Tree root-related defects occur throughout the borough but are concentrated in locations where mature street trees are located within narrow footways or where historic footway construction provides insufficient depth for unrestricted root growth. Typical defects include:

- Lifted paving slabs;
- Uneven asphalt footways;
- Longitudinal cracking;
- Localised heave;
- Rocking slabs;
- Kerb displacement; and
- Recurring trip hazards.

The scale of tree root damage reflects the maturity of Brent's street tree population, much of which was planted several decades ago.

### 3.7.3 Service Performance

Tree root defects are managed through the Council's normal highway safety inspection process. Where defects exceed the Council's investigatory criteria and present an unacceptable risk to pedestrians, they are prioritised for repair according to the assessed level of risk.

Unlike many other highway defects, however, tree root-related repairs frequently require additional engineering assessment and consultation with the Council's Tree Service before permanent solutions can be implemented. Consequently, permanent repairs may require longer programming times than conventional footway defects.

See also Appendix K – Highways Inspection Regime.

### 3.7.4 Repair Approaches and Effectiveness

The engineering response depends upon both the severity of the defect and the condition of the tree. Where defects present an immediate safety risk, temporary or localised repairs may be undertaken to remove the hazard. These include:

- Localised asphalt repairs;
- Minor reprofiling; and
- Temporary surface treatments.

Whilst effective in restoring immediate safety, these interventions do not address the underlying biological cause where roots continue to grow. Consequently, repeat maintenance may become necessary as root systems continue to expand.

Where engineering assessments indicate that recurring defects are likely, more permanent solutions may include:

- Flexible asphalt footway construction;
- Local widening of footways;
- Root-friendly construction techniques;
- Root barriers where appropriate;
- Selective root pruning following arboricultural assessment; and

The choice of treatment is therefore determined by balancing:

- Public safety;
- Tree health;
- Engineering durability;
- Environmental impact;
- Cost; and
- Future maintenance liabilities.

Current best practice increasingly favours engineering solutions that accommodate root growth rather than repeated surface repairs or unnecessary removal of mature trees.

### 3.7.5 Financial and Legal Implications

Tree root-related defects are one of the sources of pedestrian compensation claims within urban highway authorities. Claims generally arise where individuals allege injury resulting from uneven footways.

Each claim is investigated having regard to:

- Inspection records;
- Maintenance history;
- Previous reports;
- Compliance with inspection frequencies;
- Defect dimensions;

- Repair response times; and
- The statutory defence available under Section 58 of the Highways Act 1980.

Whilst compensation costs represent a financial pressure, they also provide valuable information regarding recurring maintenance locations and help inform future investment priorities.

It is important to recognise that removing a tree solely to reduce maintenance costs may expose the Council to wider environmental, amenity and reputational impacts. Consequently, tree removal is generally considered only where engineering options have been exhausted or where independent arboricultural advice identifies wider concerns regarding tree health or structural stability.

See also Appendix G - Insurance Claims.

### 3.7.6 Joint Working Between Highways and Tree Services

Effective management of tree root damage depends upon close collaboration between the Highways Service and the Council's Tree Service. Joint working arrangements include:

- Joint site inspections
- Engineering and arboricultural assessments;
- Agreement of repair options;
- Coordination of maintenance programmes; and
- Shared decision-making where tree works may be required.

This collaborative approach ensures that decisions appropriately balance:

- Highway safety;
- Engineering requirements;
- Tree health;
- Biodiversity;
- Climate resilience;
- Financial implications; and
- Resident expectations.

The Council increasingly seeks solutions (such as “street-friendly” tree types) that achieve long-term improvements whilst retaining the environmental benefits provided by mature street trees.

### 3.7.7 Long-Term Mitigation Strategy

Recognising that tree root damage is likely to increase as the borough's tree population matures, the Council is continuing to develop a more preventative management approach. Current and future measures might include:

- Use of flexible surfacing materials around trees;

- Coordination between highway maintenance and tree management programmes;
- Selective root pruning following arboricultural assessment;
- prioritising permanent engineering solutions where repeat repairs occur;
- replacement planting where tree removal is unavoidable, where funding is available;
- ensuring that future highway improvement schemes incorporate sufficient rooting space for newly planted trees.
- earlier identification of recurring root-related defects through asset management systems

These measures seek to reduce whole-life maintenance costs whilst maintaining and enhancing the borough's valuable tree canopy.

#### 3.7.8 Benchmarking and Outcomes

Tree root damage is a common challenge for London boroughs and other urban highway authorities with mature street tree populations.

National guidance increasingly recognises that traditional reactive repairs provide only limited long-term benefits where underlying root growth continues. Consequently, many authorities are moving towards integrated asset management approaches that combine engineering design with arboricultural expertise. Brent's approach is consistent with this direction of travel through:

- joint working between highways and tree services;
- increasing use of permanent reconstruction where appropriate;
- continued protection of mature trees wherever feasible;
- adoption of risk-based inspection and maintenance; and
- integration of tree management into wider highway asset planning.

Although repeat defects cannot be eliminated entirely while mature trees continue to grow, the Council's longer-term strategy is expected to reduce recurring maintenance, improve accessibility and enhance public confidence by addressing underlying causes rather than relying solely on repeated surface repairs.

### 3.8 Contract Performance, Value for Money and Future Direction

#### 3.8.1 Overview

Brent Council delivers its highway maintenance service through two specialist term maintenance contracts which commenced in April 2023 following a competitive procurement process. The contracts run for an initial period of seven years, plus the possibility of three individual one- year extensions. Extensions will be subject to satisfactory performance as detailed in the contract.

The contracts were designed to support the Council's modern highway asset management approach by combining planned maintenance, reactive maintenance and specialist engineering services within clearly defined performance frameworks. The current arrangements comprise:

- **O'Hara Bros. Surfacing Ltd** – Highways Maintenance Contract, responsible for all reactive maintenance, including an Emergency Call Out service, and gully cleansing across the borough; planned carriageway and footway maintenance and highway schemes, drainage schemes, highway structures schemes in the north of the borough.

- **GW Highways Ltd** – Highway Infrastructure Contract, planned carriageway and footway maintenance and highway schemes, drainage schemes, highway structures schemes in the south of the borough.

The contracts provide flexibility, resilience and improved value for money through long-term collaborative working, whilst maintaining competitive pricing and robust performance management.

### 3.8.2 Contract Performance

Performance is monitored through a comprehensive contract management framework designed to ensure that works are delivered safely, efficiently and in accordance with agreed quality standards. Performance monitoring includes:

- Key Performance Indicators (KPIs);
- Monthly operational review meetings;
- Strategic contract management meetings;
- Site quality inspections;
- Financial monitoring;
- Programme monitoring;
- Customer enquiries and complaints;
- Defect inspections; and
- Performance dashboards

The principal KPIs include:

| Performance Measure | Purpose |
|---|---|
| Emergency response times | Safety performance |
| Routine repair completion | Operational performance |
| Planned programme delivery | Programme management |
| Quality inspection pass rates | Quality assurance |
| Defect recurrence | Durability |
| Health & Safety compliance | Statutory compliance |
| Customer complaints | Customer experience |
| Carbon reduction measures | Environmental performance |

Performance is reviewed jointly by Council officers and contractors to identify emerging issues, monitor trends and implement continuous improvement actions where required.

Overall, contractor performance has improved over the previous contractor, remained stable since mobilisation and has supported delivery of significantly increased planned maintenance investment alongside day-to-day reactive maintenance operations.

See also Appendix I – Contract Key Performance Indicators.

### 3.8.3 Contract Monitoring and Quality Assurance

Effective contract management is fundamental to achieving value for money. Brent has adopted an active client approach, recognising that successful highway maintenance contracts depend not only upon contractor performance but also upon effective client-side management. Quality assurance activities include:

- Routine site inspections during works;
- Post-completion inspections;
- Measurement of completed quantities;
- Compliance inspections against specification;
- Review of response times;
- Financial verification;
- Investigation of customer complaints;
- Performance scorecards; and
- Periodic senior management reviews.

Where quality issues are identified, corrective actions are agreed with the contractor and monitored through subsequent performance meetings. This collaborative approach seeks to resolve issues promptly whilst maintaining appropriate contractual accountability.

### 3.8.4 Value for Money

The Council considers value for money in terms of whole-life outcomes rather than simply the initial cost of individual repairs. The current contracts were competitively procured and provide:

- Economies of scale through long-term arrangements;
- Predictable schedule of rates;
- Reduced procurement costs;
- Improved programming of planned works;
- Flexibility to respond to emergencies;
- Integrated asset management;
- Opportunities for innovation; and
- Improved contractor familiarity with the borough's highway network.

Value for money is assessed through several measures including:

- Unit rates (at time of procurement, uplifted annually for inflation);
- Delivery against budget;
- Programme delivery;

- Defect occurrence;
- Customer outcomes;
- Health and safety performance; and
- Asset condition improvements.

Importantly, value for money is not achieved by reducing expenditure alone but by selecting interventions that minimise whole-life maintenance costs whilst improving network condition and reducing future reactive demand.

This asset management approach aligns with Department for Transport guidance and the principles underpinning the Highways Maintenance Incentive Funding regime.

### 3.8.5 Comparison with Alternative Delivery Models

Highway maintenance services are delivered nationally through a variety of operating models, including:

| Delivery Model | Advantages | Challenges |
|---|---|---|
| In-house workforce | Direct control, local knowledge | Higher fixed staffing costs, reduced flexibility |
| Term maintenance contract (Brent) | Specialist expertise, economies of scale, flexibility | Requires strong client management |
| Framework contracts | Competitive pricing, procurement efficiency | Less continuity |
| Joint authority contracts | Shared procurement and resources | Reduced local responsiveness |

Brent's term contract model remains the most widely adopted approach across London and is generally considered to provide the best balance between operational flexibility, specialist expertise and value for money.

The effectiveness of this approach is dependent upon maintaining a knowledgeable client team capable of managing performance, quality and contractual compliance.

### 3.8.6 Service Quality and Resident Experience

Ultimately, residents judge the highways service not by contractual arrangements but by visible improvements to the highway network and their experience of reporting defects. Since the commencement of the current contracts, the Council has delivered:

- Significantly increased planned maintenance programmes;
- Substantial investment in carriageway resurfacing;
- Increased use of preventative maintenance;
- Improved asset condition surveys;
- Greater transparency through publication of maintenance information; and
- Continued delivery of reactive maintenance to statutory standards.

These improvements represent a significant step forward compared with previous years when historic funding levels allowed only very limited planned maintenance. Nevertheless, customer perception does not always reflect engineering performance. Residents continue to express concerns regarding:

- Delays before permanent resurfacing;
- Repeat repairs;
- Communication following defect reports;
- Visibility of completed programmes; and
- Understanding of how maintenance priorities are determined.

These issues are common across the sector and demonstrate that improving customer experience requires not only good engineering performance but also effective communication.

### 3.8.7 Improving Communication with Residents

The Committee has highlighted the importance of improving communication with residents and businesses throughout the maintenance process. Whilst the Council already provides online defect reporting and publishes planned maintenance programmes, there are opportunities to strengthen engagement further.

We already:

- Provide pre-notification of planned maintenance or traffic schemes by letter drops and on-site messaging
- Provide automated updates following defect reports;
- Inform residents when inspections have been completed;
- Notify that defects do or do not meet investigation criteria;
- Notify residents in advance of planned maintenance works

Potential improvements include:

- Publishing programme progress dashboards;
- Increasing use of social media and ward communications;
- Introducing post-completion customer satisfaction surveys; and
- Explaining in detail why defects are or are not prioritised for repair;
- Using QR codes at work sites linking directly to scheme information.

Improving communication is expected to increase public confidence even where engineering priorities remain unchanged.

### 3.8.8 Lessons Learned

**Previous Contractual Arrangements**

*TfL's London Highways Alliance Contract (LoHAC)*
From April 2013 to March 2021, Brent was signed up to TfL's London Highways Alliance Contract (LoHAC). It was a joint initiative and collaborative framework

launched by Transport for London (TfL) and London's local boroughs to handle highways maintenance, improvement schemes, and street asset management across the capital. The contractor for the Northwest London sector was ConwayAECOM, a joint venture between contractors FM Conway and consultants AECOM.

The original LoHAC initiative was introduced in 2013 and ran until March 2021. Originally, highways inspection services were outsourced to ConwayAECOM, and the repair of all high priority defects were covered by a lump sum. The repair of medium priority defects was funded additionally by Brent. This arrangement did not work well in terms of the arrangements relating to high priority defects.

- *Contract Variation*

In 2018 a Variation to the Contract was agreed, the highway inspectors came back in-house, and the lump sum was abolished. This Variation was a great improvement, giving Brent back full control over what work was carried out and when.

- *Contract Extension and Novation*

In April 2021 Brent extended the contract for two years and novated it to FM Conway. At that time Brent was about to carry out a root and branch review of all environmental contracts, and arrangements were made to make all such existing contracts co-terminus, so that the new set of contracts could be re-packaged if, after review, it was felt advantageous to do so.

While having some advantages, notably the keen market-tested rates, the LoHAC / extended contract did not provide any flexibility in delivery should the contractor fall short in performance or capacity to deal with peaks in workload. Focus on Brent as a customer was also less than ideal.

- *£20m Footway Improvement Programme*

Around 2019 Brent allocated £20 million funding to a footway improvement programme. As the delivery window was tight, the decision was to divide the borough into three geographical areas and appoint a contractor to each of the three areas. This gave a large amount of flexibility to programme delivery, with contract clauses inserted allowing transfer of work if contractor performance or capacity affected programme delivery. The reduced size of the contracts tendered brought them within range of local contractors it was felt who would be more responsive to customer needs.

This arrangement worked very well and the £20m programme was delivered on time, within budget and to a high standard.

**The Present Arrangements**

- *How the contracts are packaged*

Carrying the lessons learnt from the previous arrangements forward into the present contracts, it was decided that the new arrangements should mirror the successful features of the delivery of the £20m Footway Improvement Programme. In other words:

- There should be flexibility in delivery, by having a back-up contractor; and
- Contracts should be of a size to allow Small Medium Enterprises (SMEs) to tender

The solution adopted was that for planned work, the borough was divided into two areas North and South, and a contractor appointed to each area. (Future planned maintenance budgets were not expected to be anything like the £20m footway improvement programme, and so would not sustain three contracts as before).

Likewise, as the revenue budget for reactive maintenance is already small, it would not be feasible have two contracts and run two viable services. Hence, it was decided to appoint one contractor boroughwide for the reactive & routine maintenance.

Again, contract clauses were inserted allowing transfer of work (planned and/or reactive) if the performance or capacity of either contractor affected programme delivery.

In accordance with current Council practice, Social Value targets are also included in the requirements.

- *Progress so far*

Three years into the current contracts, the arrangements have worked very well. Works are being delivered on time, to a high standard and to budget. Commercial friction between the client and contractor side is much reduced, which makes financial monitoring easier for both parties. Both contractors are flexible and responsive to the borough’s requirements, and they actively work well together, sharing resources were beneficial. A number of key lessons have emerged:

**Strengths**

- Strong partnership working between client and contractors.
- Significant increase in planned maintenance delivery with increased funding.
- Improvement of asset management techniques.
- Greater use of digital condition surveys.
- Improved preventative maintenance.

**Challenges**

- Maintaining sufficient capital investment.
- Managing customer expectations.
- Continuing to improve customer satisfaction measures.
- Inflationary pressures affecting construction costs.

- Contractual CPA (spend) limits being exceeded with increased investment

**Opportunities**

- Greater use of predictive asset management.
- Expansion of digital technologies and AI.
- Enhanced customer engagement.
- Wider benchmarking against London authorities.
- Increased use of carbon reduction technologies.

#### 3.8.9 Future direction

Looking ahead, the Council intends to continue developing the highways maintenance service in line with national best practice and the Department for Transport's evolving asset management requirements. Key priorities include:

- Maintaining investment in planned maintenance to reduce future reactive demand;
- Further development of the Highway Asset Management Plan (in progress);
- Expanding use of digital condition surveys and predictive analytics;
- Enhancing customer satisfaction measurement;
- Improving communication with residents and businesses;
- Supporting decarbonisation through low-carbon materials and construction techniques;
- Maintaining eligibility for the highest level of DfT Highways Maintenance Incentive Funding; and
- Ensuring that future procurement exercises continue to reward innovation, quality, sustainability and whole-life value rather than lowest initial cost.

Future procurement strategies will build upon the lessons learned from the current contracts, placing increased emphasis on measurable customer outcomes, asset performance, carbon reduction, social value and continuous improvement.

### 3.9 Pan London Benchmarking using the DfT Transparency report

#### 3.9.1 Department for Transport (DfT) Highways Maintenance Transparency Reporting

In April 2025, the Department for Transport (DfT) introduced a new Highways Maintenance Transparency Reporting requirement as part of its Local Highway Maintenance Funding arrangements.

The purpose of the transparency reports is to improve accountability, provide greater public visibility of how highway maintenance funding is invested, and enable meaningful comparison of local highway authorities' asset management practices and performance.

All highway authorities are required to publish information covering areas such as network condition, investment levels, maintenance strategies, resilience, climate change, customer engagement and service performance. Whilst the reports are not intended to create a league table of authorities, they provide a consistent framework for benchmarking the maturity of asset management, adoption of best practice and continuous improvement across the sector. See Appendix A for Brent's current edition of the DfT Transparency Report.

The benchmarking contained within the current report (Appendix B - Highway Maintenance Benchmarking Dashboard) has therefore been informed by a review of published transparency reports from London boroughs, together with the DfT's Transparency Reporting Guidance, Highways Maintenance Incentive Funding framework and the recommendations of the *Well-managed Highway Infrastructure: A Code of Practice*.

The scrutiny benchmarking compares Brent against best practice characteristics demonstrated across London authorities and the DfT's assessment framework, rather than isolated statistics. The new DfT transparency reports were specifically designed to enable this type of comparison and now form part of authorities' performance ratings.

### 3.9.2 Overview

Brent's highways maintenance service has been benchmarked against publicly available Highways Maintenance Transparency Reports published by London boroughs together with the Department for Transport's Highways Maintenance Transparency Reporting Guidance and Incentive Funding Framework.

Whilst direct comparison between authorities should be treated with caution due to significant differences in network size, road hierarchy, traffic volumes, funding levels and local priorities, the reports provide a useful comparison of asset management maturity, transparency and adoption of recognised good practice.

Overall, Brent compares favourably with many London authorities and demonstrates a mature asset management approach in a number of key areas.

### 3.9.3 Overall Benchmarking Conclusion

Comparison with published London borough transparency reports indicates that Brent has developed a mature highway asset management service which is well aligned with current Department for Transport expectations and recognised sector best practice.

The Council demonstrates particular strengths in asset management, digital innovation and sustained investment in preventative maintenance. These strengths position Brent favourably for achieving and maintaining a strong DfT local road maintenance rating.

The benchmarking also identifies opportunities for further development. In common with many authorities, greater emphasis could be placed on measuring customer confidence, communication and the wider social outcomes of highway maintenance.

Strengthening these areas would not only improve future transparency reporting but also provide Members and residents with a more rounded understanding of service performance alongside traditional engineering and operational measures.

## 4.0 Financial Considerations

Highway maintenance is funded through a combination of Council prudential borrowing, Department for Transport (DfT) Highways Maintenance Block Funding, DfT Highways Maintenance Incentive Funding and revenue budgets for reactive maintenance.

This report does not seek approval for additional expenditure or changes to existing budgets. Any future investment decisions arising from the recommendations of this report will be considered through the Council's normal budget-setting and capital programme approval processes.

The report highlights the importance of maintaining investment in planned and preventative maintenance. Preventative maintenance generally provides better whole-life value for money by extending asset life, reducing reactive maintenance demand and lowering long-term maintenance costs. It also can generally be treated as capital so can be funded from more sources. Funding highway investment from borrowing however carries interest costs, which will need to be covered by overall revenue budgets as highways investment does not directly generate income for the Council.

Continued investment in highway asset management also supports the Council's ability to maximise future DfT Highways Maintenance Incentive Funding by demonstrating compliance with national asset management best practice.

## 5.0 Legal Considerations

Brent Council has a statutory duty under Section 41 of the Highways Act 1980 to maintain highways that are maintainable at public expense.

The Council also benefits from the statutory defence provided by Section 58 of the Highways Act 1980, provided it can demonstrate that it has taken reasonable steps to maintain the highway through appropriate inspection, maintenance and risk management arrangements.

The Council's highway safety inspection regime, risk-based maintenance policy and documented asset management processes form an important part of this legal defence and help minimise the risk of successful compensation claims.

The report also recognises that highway maintenance decisions must be balanced with the Council's wider statutory responsibilities relating to street trees, environmental protection, health and safety, procurement and equality legislation.

There are no specific legal implications arising directly from the recommendations contained within this report.

## 6.0 Climate Change and Environmental Considerations

The Council has declared a Climate Emergency and is committed to reducing carbon emissions whilst improving environmental sustainability.

Highway maintenance contributes to these objectives by extending the life of existing highway assets through preventative maintenance, thereby reducing the need for more carbon-intensive reconstruction works. Planned maintenance also enables greater use of lower-carbon construction techniques, recycled materials and more efficient programming of works.

The report recognises the important environmental benefits provided by Brent's street trees, including biodiversity, urban cooling, carbon sequestration and improved air quality. In managing tree root damage, the Council seeks to balance highway safety with the retention and protection of mature trees wherever practicable.

Future procurement and contract management will continue to encourage innovation, sustainable construction methods and the reduction of environmental impacts associated with highway maintenance activities.

## 7.0 Equity, Diversity and Inclusion Considerations

Under Section 149 of the Equality Act 2010, the Council is required to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between people who share protected characteristics and those who do not.

Highway maintenance has an important role in supporting inclusive access to the borough. Well-maintained carriageways and footways improve safety and accessibility for all highway users, particularly disabled people, older residents, children, visually impaired pedestrians, wheelchair users and those using mobility aids or pushchairs.

The Council's risk-based inspection and maintenance regime takes account of pedestrian usage, accessibility and potential risks to vulnerable highway users when prioritising repairs. Planned footway improvement programmes also provide opportunities to improve accessibility through the renewal of footways, dropped kerbs and tactile paving where appropriate.

The recommendations contained within this report are expected to have a positive impact by supporting a safer, more accessible and more inclusive highway network for all residents.

## 9.0 Human Resources and Property Considerations

There are no direct human resources or property implications arising from the recommendations contained within this report.

The report recognises the importance of maintaining an appropriately resourced and skilled client team to manage the Council's highways maintenance contracts, asset management responsibilities and statutory duties.

## 10.0 Communication Considerations

Effective communication is essential to maintaining public confidence in the highways maintenance service. The report identifies opportunities to improve communication with residents and businesses by providing clearer information on how maintenance priorities are determined and improving updates on the progress of reported defects and maintenance programmes.

These improvements will be delivered through existing communication channels and in accordance with the Council's Corporate Communications arrangements.

***<u>Report sign off:</u>***

***Jehan Weerasinghe***
Corporate Director Neighbourhoods and Regeneration

This page is intentionally left blank

**Appendix A - DfT Transparency Report (Local Highways Maintenance Transparency)**

1.0 Brent's Highway Network

This section provides information about the highways network that Brent Council manages. This is to help local people understand what we are responsible for.

Highway infrastructure is the most visible, well used and valuable physical asset owned by the Council. The latest value of Brent's asset is estimated at around £4.5 billion and includes not only the roads and footways below but also:

- 90 bridges and structures
- 20700 road gullies
- 10,000 street trees; and
- 22,848 streetlights and other illuminated street furniture.

| *Lengths of highway, footways and cycleways (km)* | | | | | | |
|---|---|---|---|---|---|---|
| *A Road* | *B and C roads* | *U roads* | *Total Roads* | *Footways* | *Other Public rights of way* | *Cycleways* |
| *46.6km* | *31.5km* | *391.4km* | *469.5km* | *847 km* | *16km* | *3 km* |

As time goes on, roads and pavements and other things that are currently in good condition will deteriorate, just like any physical asset such as a house or a vehicle. To keep on top of the deterioration of our asset, the council must invest continually in maintenance.

To improve the way the Council maintains its highways, the Council has adopted a Highway Asset Management Plan (HAMP). The HAMP sets out a strategy based on the need to repair our assets on a regular basis, before they fail, to extend their lifespans and reduce repair costs long-term, and provide the best value for money for the Council.

The strategy initially involves introducing a programme of major resurfacing works along with preventative maintenance, which takes the form of thinner surface treatments (to seal roads against water ingress) and injection patching (to slow down the rate of deterioration).

During 2023/24, the network was assessed to determine the current condition of our carriageways. A range of factors is then considered to define priorities for maintenance.

The Council's Asset Management software uses the condition survey data to produce annual road maintenance programmes, including suggested treatments, for set budgets to give the best condition, taking into account the deterioration of asset due to wear and tear. Officers use the software to draw up programmes for:

- Major resurfacing programme for A, B, C and Unclassified roads
- Preventative maintenance for unclassified roads (both thin surfacing and injection patching programmes)
- Road-marking refresh programmes

## 2.0 Highways Maintenance Spending Figures

| Highway maintenance spending | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year | Capital allocated by DfT (£,000s) | Capital allocated by TfL (£,000s) | Capital Budget (£,000s) | Revenue Budget (£,000s) | Total Spend (Revenue +Capital ) | Estimate of % Total Budget spent on preventative maintenance | Estimate of % reactive maintenance spent on Potholes | Estimate of % Total Budget spent on reactive maintenance |
| 2025/26 (projected) | £759 | | £3,500 | £788 | £5,047 | 0 | 33 | 16 |
| 2024/25 | £234 | | £8,830 | £1,088 | £10,152 | 2 | 24 | 11 |
| 2023/24 | | £200 | £8,830 | £988 | £10,018 | 4 | 27 | 10 |
| 2022/23 | | | £5,500 | £783 | £6,283 | 7 | 32 | 12 |
| 2021/22 | | | £9,255 | £783 | £10,038 | 6 | 27 | 8 |
| 2020/21 | | £239 | £13,484 | £784 | £14,507 | 7 | 34 | 5 |

Note that the percentages don't add up to 100%, as normal planned maintenance (i.e. road resurfacing, or complete reconstruction) is not counted as either preventative maintenance or reactive maintenance. Preventative maintenance is a treatment implemented where the condition hasn't yet reached "red" condition, but which prevents further deterioration, and / or brings the condition back to "green".

So preventative maintenance could be a treatment such as thin surfacing, surface dressing, or spray preservative.

## 2.1 Additional Spending Information-Highways Investment in Brent 2024–2026

Brent Council's Highways Investment Programme for 2024–26 includes a multi-faceted approach focused on maintaining and improving the borough's road and footway network, enhancing public realm areas, mitigating flood risk, and maintaining key infrastructure such as bridges and drainage systems.

### 2.1.1 Carriageway Works

Carriageway improvements are prioritised through independent network condition surveys, engineering site assessments, and other strategic factors. Although Brent historically received Transport for London (TfL) funding for

Principal Road Network (A-road) improvements, TfL funding has been minimal since 2018. For 2024/26, no TfL funding has been secured. However, Brent has started to receive funding directly from the Department for Transport in 24/25 & 25/26.

2.1.2 Injection Patching

Injection patching a cost-effective and rapid pothole repair technique, continues to play a significant role. A new four-year contract with Velocity UK Ltd began in August 2024, focusing primarily on residential roads. Despite its shorter lifespan than traditional repairs, injection patching offers efficiency and cost advantages - approximately one-third the cost of conventional repairs. Due to a £250k budget slippage from previous years, this balance will fund work in 2025/26, with no additional budget allocated for that year.

| Estimate of number of potholes filled | | | | |
|---|---|---|---|---|
| 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| 10,210 | 6,796 | 10,718 | 5,761 | 3,998 |

Additionally, £100k annually will fund the renewal of road markings, guided by survey data and prioritised through asset management systems.

2.1.3 Footway Works

Brent is investing £15m over four years in planned highway maintenance, with £2m already delivered in 2022/23. The remaining £13m programme, approved in February 2024, will complete by early 2025/26. A further £150k annually is allocated for resurfacing short footway sections in poor condition, helping reduce future reactive costs and liability claims.

2.1.4 Public Realm Improvements

The Council will continue to invest £125k per year in the **Public Realm Programme**, aiming to reinforce footways and grass verges, particularly at junctions where vehicle overrun is a common issue.

2.1.5 Flood Risk Reduction

Brent has several strategies to reduce flooding risk:

- **Sustainable Drainage Systems (SuDS)** are mandated for all major developments, ensuring at least a 50% reduction in surface water discharge. Infrastructure such as green and blue roofs and permeable paving also contribute to biodiversity and carbon reduction.
- **Flood alleviation schemes** are under development, guided by hydraulic modelling of high-risk areas.
- The Council maintains **non-statutory watercourses** to prevent fluvial flooding and implements a **Flood Risk Management Strategy** with objectives focusing

on awareness, reduction, preparedness, and sustainability. The strategy is currently under review with completion expected in Spring 2025.

2.1.6 Gully Cleansing

Gully Cleansing plays a critical role in flood prevention. Of Brent's 20,718 gullies, high-priority ones are cleaned every 6 months, with the remainder on 12–18 month rolling cycles. Reactive cleaning also addresses public reports, and repeat visits are made for obstructed gullies. Small-scale drainage improvements continue, although Thames Water retains responsibility for major drainage capacity.

2.1.7 Bridges and Structures

Brent maintains 90 highway structures, including 60 bridges. Due to the lack of LoBEG funding, the Council will allocate £450k from its capital budget to support bridge inspections, feasibility studies, and structural assessments. Works will adhere to current design standards, CDM regulations, and environmental and safety best practices.

This investment programme reflects Brent's commitment to maintaining safe, efficient, and sustainable highways infrastructure.

3.0 Condition of local roads

3.1 Condition Assessment Surveys

In order to manage our highways, we carry out condition assessment surveys to determine the current condition. This is done using independent to nationally agreed standards. We have full survey coverage of the borough's roads and pavements so we can assess the priority for resurfacing right across the borough. These surveys give us a "Condition Index" for all the sections of road; the "Condition Index" is in the form of a number It is a measure of the number and severity of the defects one section of road has and allows us to compare the condition of one section to another.

The Condition Index measures the structural condition, taking account not just superficial defects like potholes, but also defects indicative of deeper lying problems, which may not be apparent to the casual observer. Resurfacing programmes address the structural condition of the roads, not just the surface condition.

3.2 Condition Banding – Red, Amber & Green

When measuring highway condition, Red, Amber, and Green bands are commonly used in condition assessment surveys to classify the state of the road network and help prioritise maintenance. Here's what each band means:

**Red Band – Poor Condition**

- Definition: The section of road has serious structural issues or surface defects.
- Action: Likely requires immediate or short-term maintenance or resurfacing to avoid failure or safety risks.

**Amber Band – Fair/At Risk**

- Definition: The road is showing early signs of deterioration or moderate wear.
- Action: Typically monitored or scheduled for medium-term maintenance before it worsens.

**Green Band – Good Condition**

- Definition: The road is in generally sound condition with only minor or no defects.
- Action: No immediate maintenance needed; part of ongoing routine monitoring.

3.3 The Condition of Brent's Roads

| Year | Percentage of A roads in each condition category | | |
|---|---|---|---|
| | Red | Amber | Green |
| 2020 | 14% | 3% | 83% |
| 2021 | 17% | 5% | 78% |
| 2022 | 22% | 6% | 72% |
| 2023 | 10% | 3% | 87% |
| 2024 | 14% | 3% | 83% |

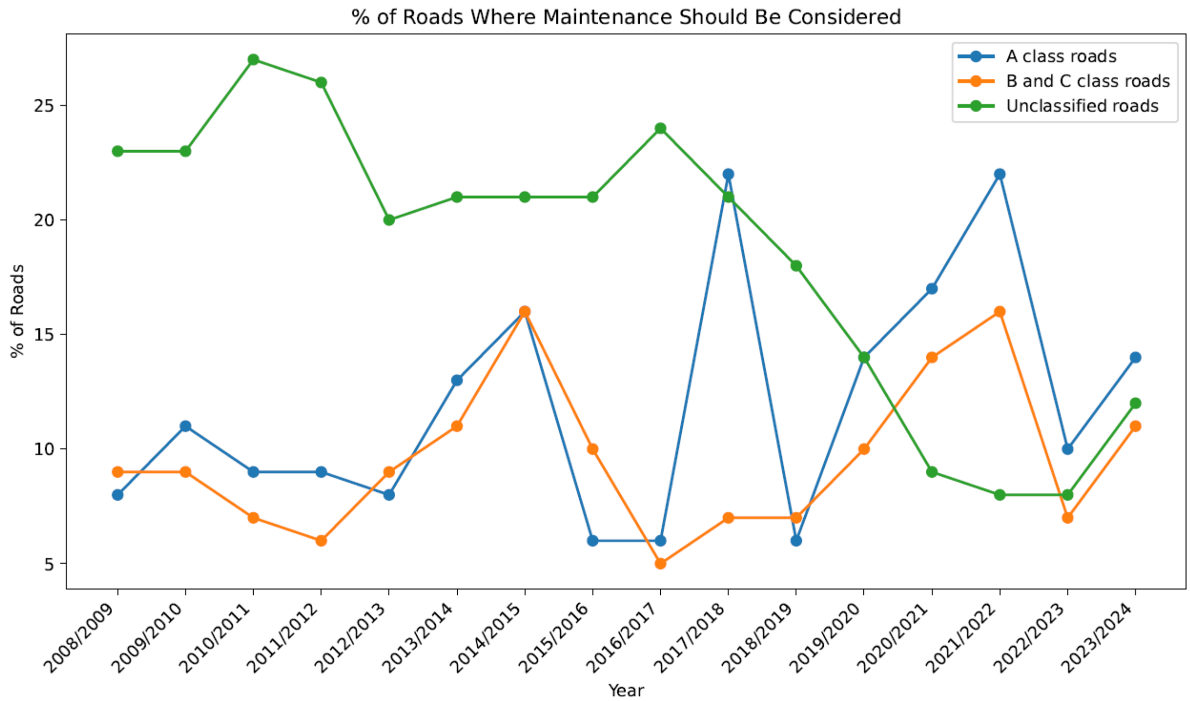
The frequency of collection for A road condition data is 100% per year

| Year | Percentage of B and C roads in each condition category | | |
|---|---|---|---|
| | Red | Amber | Green |
| 2020 | 11% | 4% | 85% |
| 2021 | 14% | 6% | 80% |
| 2022 | 16% | 7% | 78% |
| 2023 | 7% | 3% | 90% |
| 2024 | 11% | 5% | 84% |

The frequency of collection for B and C road condition data is 100% per year.

We have presented below a number of years of data, of the percentage of roads where maintenance should be considered (i.e. in "Red" condition). This visualization helps highlight trends, such as:

- A class roads showing significant fluctuations, especially in 2017/2018 and 2021/2022.
- B and C class roads generally staying within a narrower range.
- Unclassified roads showing a steady decline in maintenance needs, (that is, a steady improvement in the condition) over the years.




3.4 A New Way of Measuring Condition

From 2026/27 a new methodology will be used based on the BSI PAS2161 standard. Local Highway Authorities will be required to use a supplier that has been accredited against PAS2161. This new standard will categorise roads into five categories instead of three to help government gain a more detailed understanding of road condition in England.

Further details are available at https://www.gov.uk/government/statistical-data-sets/road-condition-statistics-data-tables-rdc#condition-of-local-authority-managed-roads-rdc01

3.5 Additional information on condition

In 23/24, the classified road network had slightly deteriorated in condition, with A-roads going from 10% to 14% in need of maintenance and B&C-roads going from 7% to 11%. Although A-road performance is down, it is still better than 20/21 and 21/22 figures and reflects the recent investment put in by Brent. Capital spend is not the only factor on these figures as at the same time network deterioration also affects condition by making it worse. Unclassified roads make up 80% of all borough roads and from the latest surveys and their condition deteriorated slightly, with 12% of Brent's unclassified roads now in need of substantial maintenance. This is in spite of the increased budget for road resurfacing in recent years as the footway allocation within the £3.5m normally used for footways was redirected for extra carriageway maintenance in the years of large additional investments of £20m & £15m. The extensive injection patching programmes no doubt help maintain the carriageway condition.

As time goes on, roads and pavements that are currently in good condition will deteriorate, just like any physical asset such as a house or a vehicle. To keep on top of the deterioration of our asset the council must invest continually in maintenance.

4.0 Plans

4.1 Overall strategy

Brent Council's highways asset management begins with a detailed asset inventory and condition surveys, covering roads, footways, street lighting, and drainage. Through annual inspections, assets are graded against predefined condition indicators, enabling data-driven decision-making and budgeting.

Brent's Highways Asset Management approach has treatments (like resurfacing, or patching) which can be reactive, preventive, or planned maintenance. This ensures that early, cheaper repairs prevent smaller short-term defects from getting worse while balancing capital funding constraints. Spending is prioritised via a risk-based approach: assets critical to safety or with higher failure consequences receive earlier intervention.

Brent's Highways Asset Management is aligned with the "Well-Managed Highway Infrastructure" (WMHI) Code of Practice. Our procedures aim to promote resilience, sustainability, and performance. Outcomes are monitored through Key Performance Indicators (KPIs), linked to borough council objectives and statutory duties.

Annual forward works programmes are informed by co-ordination across different teams, such as utilities coordination, minimising disruption. Regular resident and Councillor feedback, logged via Brent's Fix My Streets and other service requests, helps address emerging issues swiftly.

Funding comes from the combined pool of mainly local council budgets, with some central government highways maintenance grants and occasional London-wide allocations. The annual highways maintenance plan sets out the programme, identifies current condition and issues, and outlines risk-based mitigation strategies.

In summary, Brent's current highways approach includes asset inventories, condition surveys, risk-based prioritisation, WMHI alignment, performance monitoring, planned capital works, and consistent public engagement—all aimed at delivering safe, sustainable infrastructure within fiscal constraints.

4.2 Best Practice Innovation and Efficiency

The Council has taken advantage of new technology to improve its asset condition data collection. Now, for carriageways, a video survey of the whole borough can be completed in little over a week, much quicker than a traditional manual survey. The survey is undertaken from an ordinary car using a standard mobile phone. The innovative part is that Artificial Intelligence (AI) software then scans the images, quickly and reliably identifying defects and categorising them into types.

Being quick, this survey method means we can progress repairs quickly; from the start of borough-wide video survey, through data analysis, to a programme of pothole repair works commencing on the ground - for instance with an injection patching programme - can be as little as three weeks. The rapidity of this survey method means that the Council has comprehensive and up-to-date road defect data and so can target repairs (e.g. injection patching) much more effectively.

The video survey has other benefits; officers can interrogate the images to see exactly why one section is showing up “red” condition; inventories of traffic signs (temporary and permanent) are collected automatically; and the system can for instance, identify faded road markings, allowing us to produce a comprehensive intelligence–led prioritised refresh programme much more efficiently.

4.3 Specific plans for 2025/26

The specific plans for 25/26 capital funded programme include the following programmes:

| **Schemes** | **2025/26** |
|---|---|
| | **£000** |
| **BRENT BASE CAPITAL ALLOCATION** | |
| Major resurfacing of roads | 2,425 |
| Carriageway Short Sections | 150 |
| Injection patching | 0 |
| Improvements to the public realm | 125 |
| Highway Structures & Drainage | 450 |
| Condition Surveys & Analysis | 100 |
| Renewal of Road Markings | 100 |
| Major Footway Works | 0 |
| Footway Short Sections | 150 |
| **Sub-total Base Brent Capital** | **3,500** |
| TfL Funding for Principal Roads | 0 |

| | |
|---|---:|
| Dft Uplift Funding | 759 |
| **TOTAL HIGHWAY MAINTENANCE PROGRAMME** | **4,259** |

4.3.1 Carriageway Works

In addition to the 25/26 road resurfacing programme totalling £2.425m, this year we are also doing 24/25's £2.175m resurfacing programme which was held over from last year. With our 24/25 & 25/26 road surfacing programmes being rolled into one, this year 25/26 we will resurface 38 roads (or sections of road) totalling 7.4 miles. In addition, using the Department for Transport's £759,000 allocation, we will improve the road condition through large-scale patches in another 28 locations. Details of the 24/25 & 25/26 road surfacing programmes locations, and the locations of the large-scale patches, can be found in Annex 1.

Additionally, with the small scale "make-safe" repairs carried out under our day-today reactive maintenance programme, together with our annual Injection Patching Programme, we estimate we will repair around 6000 potholes.

The estimated split between preventative and reactive works is shown above under "Highways maintenance spending figures".

4.3.2 Highway Structures

Our structures maintenance programme is being drawn up at the moment so we are not yet able to share which structures we plan to repair in 25/26.

4.3.3 Footway Works

Brent Council decided to invest a further £15m over four years into planned highway maintenance. Of that, £2m was delivered in 2022/23 (approximately £1m to footway improvements and £1m to A road resurfacing) and the £13m remainder over the following three years. The programme for the £13m remainder was approved at the February 2024 Cabinet. The programme is almost complete and will be finished in the early part of the 2025/26 financial year. When the footway programme is completed, around 80 footways will have been reconstructed, totalling some 18 miles of pavement.

5.0 Streetworks

Brent's Streetworks section plays a crucial role in managing and coordinating street works to minimise disruption for road users and local communities. One of the key responsibilities is to ensure that all works, whether carried out by utility companies or contractors, are planned effectively and scheduled to avoid peak traffic times or conflicting projects in the same area.

To achieve this, Brent's Streetworks section use advanced permit schemes, which require contractors to apply for permission before starting any roadworks. These permits allow the authority to assess the timing, duration, and location of works, and to impose conditions such as working during off-peak hours or night shifts to lessen traffic impact.

In addition, Brent's Streetworks section maintains a centralised street works register, which helps coordinate multiple projects across different works promoters. This system enables them to identify potential clashes and optimise scheduling to reduce disruption and co-ordinate upcoming major projects.

We also use various traffic management measures, such as diversions, temporary traffic signals, or manual control at busy junctions, to maintain flow and safety. For large or potentially disruptive schemes we communicate with the public in advance through signage, social media, and websites to provide updates and alternative routes.

Moreover, we monitor street works in real time, ensuring compliance with regulations and resolving issues quickly. We may impose penalties for over-running works, encouraging contractors to complete projects promptly.

Through these measures, Brent's Streetworks section aims to balance necessary infrastructure and utility maintenance with the need to keep traffic moving and minimise inconvenience to the public.

6.0 Climate change, resilience and adaptation

6.1 Decarbonising Maintenance Operations

We as a Highway authority are decarbonising maintenance operations in several ways. As part of the procurement for our two highways term maintenance contracts which started in April 2023, tenderers were asked to submit their proposed measures to reduce the carbon footprint of their operations:

- **Contractors Transitioning to low-emission vehicles and plant**, including electric or hydrogen-powered fleet, or using Shell GTL fuel, an alternative to diesel and which has lower emissions including sulphurs, metals and aromatics resulting in reduced air pollution, and which is 'readily biodegradable'
- **Using low-carbon materials** such as warm-mix asphalts, recycled aggregates, and cement alternatives.
- **Contractors optimising maintenance schedules** to reduce unnecessary travel and interventions.
- **Working with suppliers** to ensure sustainable procurement, encouraging carbon reduction throughout the supply chain.
- **Monitoring and reducing carbon footprints** via carbon accounting tools to track and target emissions. Year-on-year carbon reduction targets to be set following introduction of carbon calculator
- **Waste reduction targets** over the contract duration of:

✓ Inert waste – reuse (%), recycled (%), disposed of (%) other than landfill, e.g. energy from waste

✓ Non-hazardous waste – reuse (%), recycled (%), disposed of (%) other than landfill, e.g. energy from waste.

In addition to the highways maintenance contracts, in street lighting, Brent have also implemented energy-efficient street lighting**,** including LED upgrades and smart controls.

6.2 Understanding Climate Risks and Enhancing Resilience
To build resilience, Brent highways are:

- **Improving drainage systems** to cope with more intense rainfall, including use of sustainable drainage systems (SuDS).
- **Collaborate with wider stakeholders** (see below) such as local resilience forums and the Environment Agency to align with regional adaptation strategies.

6.3 Climate Adaptation & Resilience Plan

Brent Council as whole are doing the following to Understand Climate Risks and Enhance Resilience:

- Brent has completed a Climate Adaptation and Resilience Plan (published November 27, 2024), which assesses key climate-related risks (e.g. flooding, heat, subsidence) and lays out a strategic framework to adapt its infrastructure accordingly medium.com+12brent.gov.uk+12climateessentials.com+12.

- This sits alongside its broader Climate and Ecological Emergency Strategy (2021–2030), with annual delivery plans tracking emerging hazards brent.gov.uk+1www2.local.gov.uk+1.

6.3.1 Natural Flood Management & Watercourse Restoration

- Through the Brent Catchment Partnership, the council collaborates with the Environment Agency and communities to: Install leaky dams, create wetlands, restore riverbanks (e.g. along Dollis Brook, Silk Stream, Wealdstone Brook) and Launch citizen science programmes like “Outfall Safari” for water-quality monitoring environment.data.gov.uk+1en.wikipedia.org+1.
- We’ve also invested in flood-resilience innovation projects, such as the Silk Stream Flood Resilience Innovation Project, funded via the Flood & Coastal Innovation Fund environment.data.gov.uk+1brent.gov.uk+1.

6.3.2 Green Infrastructure & Street Tree Planting

- The council has planted over 660 new street trees (2021–22) and developed a Green Infrastructure Vision for 2030, enhancing natural cooling, shading, and surface water absorption brent.gov.uk.

6.3.3 Community Engagement & Resilience

- Brent empowers neighbourhoods via a Community Resilience Guidebook and Toolkit, helping local people identify threats (like floods or power outages), prepare households, and coordinate during emergencies brent.gov.uk.
- Active “green neighbourhoods” action groups in Church End, Roundwood, and Kingsbury support local adaptation measures www2.local.gov.uk+12www-prod.brent.gov.uk+12brent.gov.uk+12

6.3.4 Grants & Participatory Budgeting for Adaptation

- The “Together Toward Zero” Community Climate Grant (launched 2021, expanded in 2022) funds resident-led projects that build resilience through biodiversity, SuDS, carbon savings, and energy efficiency brent.gov.uk+2www2.local.gov.uk+2medium.com+2

- Meanwhile, a Carbon Offset Fund (CO2GO) has injected £500k into retrofit and community initiatives, promoting adaptation actions at a grassroots level brent.gov.uk

6.3.5 Corporate Asset Studies & Retrofit Pilots

- Brent has assessed its corporate buildings and housing stock for climate vulnerabilities, running retrofit pilot works and delivering energy upgrades to council homes and buildings (backed by government funding) medium.com+7brent.gov.uk+7reddit.com+7

These steps help ensure that the highway network remains safe, reliable, and sustainable under future climate conditions.

7.0 Additional information on plans

7.1 Highways Asset Management & Scheme Prioritisation

To improve highway maintenance, Brent Council adopted its Highway Asset Management Plan (HAMP) in 2014, promoting a preventative maintenance strategy that repairs roads before they deteriorate significantly. This approach extends asset life, reduces long-term costs, and delivers better value. Initial works include major resurfacing alongside preventative treatments such as thin surfacing and injection patching to seal roads and slow deterioration.

Brent assesses conditions using road condition surveys. These results, combined with other prioritisation factors, inform annual maintenance programmes via Asset Management (AM) software. This software helps identify and prioritise works for major resurfacing, preventative maintenance, and road marking refreshes, optimising investment within defined budgets.

Maintenance priorities are determined by two key measures: **Treatment Benefit and Prioritisation Benefit.**

**Treatment Benefit** involves assessing how roads deteriorate without intervention and determining the most cost-effective treatments (e.g. 20mm or 40mm resurfacing, or full reconstruction). The AM tool analyses road subsections, recommends treatments, and calculates a Benefit Cost Ratio (BCR) to reflect treatment value.

**Prioritisation Benefit** evaluates other factors such as accident claim frequency, reactive defect rates, Councillor nominations, and road hierarchy (based on usage, resilience, and critical services like hospitals and schools). Scores are adjusted based on treatment length and factor weightings.

Normally, entire roads are resurfaced for efficiency, though not all parts may be in "Red" condition. For long roads, targeted resurfacing may occur between junctions.

7.2 Links for Further Information

For more information on Highways Asset Management please see

https://democracy.brent.gov.uk/documents/s21818/ens-highways-appe.pdf

For more information on Scheme Prioritisation please see this report, starting in Section 3.2.10:

https://democracy.brent.gov.uk/documents/s136477/07.%20Highways%20Road%20Resurfacing%20Maintenance%20Programme%202023-24.pdf

For more information on Brent Highways generally, please see

https://www.brent.gov.uk/parking-roads-and-travel/roads-and-streets

*Annex 1 - Roads to be resurfaced or patched in 2025/26*

***Carriageway Resurfacing 2024/25 (being carried out in 2025/26)***

| Carriageway Resurfacing (£2175k) | Length (m) | Estimated Cost (£k) | Treatment | Road Classification | Ward | North South |
|---|---|---|---|---|---|---|
| A4088 Dudden Hill Lane (Normanby Road to Burnley Road) | 263 | 143 | Major | A | Dollis Hill/Willesden Green | North |
| Stag Lane (A5 to Holyrood Avenue) | 376 | 102 | Major | C | Queensbury | North |
| Nicoll Road | 380 | 99 | Major | U | Harlesden & Kensal Green | South |
| A4088 Forty Avenue (Holycroft Avenue to The Avenue) | 535 | 281 | Major | A | Preston/Barnhill | North |
| Glenwood Avenue | 210 | 46 | Major | U | Welsh Harp | North |
| Waltham Avenue | 302 | 64 | Major | U | Queensbury | North |
| Leighton Gardens (Chamberlayne Road to College Road) | 348 | 93 | Major | U | Brondesbury Park | South |
| Egerton Road | 170 | 29 | Major | U | Alperton | South |
| Manor Farm Road (Lily Gardens to Eden Close) | 519 | 142 | Major | C | Alperton | South |
| Hay Lane | 736 | 333 | Major | C | Kingsbury | North |
| Tudor Close | 185 | 33 | Major | U | Welsh Harp | North |
| Conway Gardens | 125 | 20 | Major | U | Preston | North |
| Eton Avenue (Sudbury Avenue to Repton Avenue) | 266 | 50 | Major | U | Sudbury | South |
| St Andrews Avenue (150m section from Elms Lane end) | 150 | 40 | Major | U | Northwick Park | North |
| A4089 Park Lane (Princes Court to Dagmar Avenue) | 272 | 115 | Major | A | Wembley Hill | South |
| A4006 Kenton Road (Woodcock Hill to Gooseacre Lane) | 552 | 402 | Major | A | Kenton | North |
| Perkin Close | 86 | 15 | Major | U | Sudbury | South |
| Nash Way | 233 | 63 | Major | U | Kenton | North |
| Castleton Avenue | 580 | 105 | Major | U | Wembley Hill | South |
| **Total km** | **6.29** | **2175** | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Miles** | **3.93** | | | | | |

All schemes subject to co-ordination with internal and external agencies.

**Principal (A Road) Maintenance Programme 2024/25**

| **Principal (A Road) Maintenance Programme** | **Length (m)** | **Estimated Cost (£k)** | **Treatment** | **Road Classification** | **Ward** | **North South** |
|---|---|---|---|---|---|---|
| A404 High Road Wembley (Park Lane to Wembley Hill Road) | 623 | 1000 | Major & Reconstruction | A | Wembley Hill/Tokyngton | South |
| | | | | | | |
| **Total km** | **0.62** | **1000** | | | | |
| **Miles** | **0.39** | | | | | |

**Carriageway Resurfacing 2025/26**

| Carriageway Resurfacing (£2425k) | Length (m) | Estimated Cost (£k) | Treatment | Road Classification | Ward | North South |
|---|---|---|---|---|---|---|
| Donnington Road (Peter Avenue to Chamberlayne Road) | 452 | 156 | Major | U | Roundwood | South |
| Connaught Road | 318 | 87 | Major | U | Harlesden & Kensal Green | South |
| Princes Avenue (Winchester Avenue to North Way) | 440 | 142 | Major | U | Queensbury | North |
| The Mount | 196 | 36 | Major | U | Barnhill | North |
| A407 Walm Lane (St Pauls Avenue to Teignmouth Road) | 308 | 171 | Major | A | Willesden Green | North |
| Monks Park Gardens | 165 | 26 | Major | U | Tokyngton | South |
| Randall Avenue (Dollis Hill Lane to Crest Road) | 415 | 124 | Major | U | Dollis Hill | North |
| Cumberland Road (R/about to Honeypot Lane) | 164 | 71 | Major | U | Queensbury | North |
| B454 Church Lane (50m each side of Slough Lane) | 120 | 65 | Major | B | Welsh Harp | North |
| Strathcona Road | 176 | 39 | Major | U | Preston | North |
| Thurlow Gardens | 192 | 51 | Major | U | Wembley Central | South |
| Kings Road | 291 | 95 | Major | U | Roundwood | South |
| A404 Harrow Road (Scrubs Lane to Ravensworth Road) | 570 | 426 | Major | A | Queens Park | South |
| Liddell Gardens | 375 | 122 | Major | U | Queens Park | South |
| Brentfield Road (Artesian Close to Near Temple) | 440 | 220 | Major | C | Stonebridge | South |
| Greenhill Way | 140 | 37 | Major | U | Barnhill | North |
| Gowan Road | 168 | 48 | Major | U | Roundwood | South |
| A404 High Road Wembley (Park Lane to Wembley Hill Road) | Included in 24/25 total | 509 | Major & Reconstruction | A | Wembley Hill/Tokyngton | South |
| **Total km** | **4.93** | **2425** | | | | |
| **Miles** | **3.08** | | | | | |

***2025/26 Patching Programme funded by the £759,000 DfT allocation***

| Address 1 | Location | Address 2 |
|---|---|---|
| ALL SOULS AVENUE | Outside 132 to 136 | LONDON |
| BEVERLEY DRIVE | Junction with Stag Lane | EDGWARE |
| CAMBRIDGE AVENUE | o/s 24 to 20 | LONDON |
| CHURCH LANE | Junction with Slough Lane | LONDON |
| CHURCH LANE | Outside 359 Church Lane; Nearest calculated address = 355, Church Lane | LONDON |
| CHURCH LANE | Outside 100 | LONDON |
| CHURCH ROAD | o/s 118-124 | LONDON |
| CLARENDON GARDENS | From 53 to The Dene | WEMBLEY |
| CRAVEN PARK | Opposite 100 | LONDON |
| CREST ROAD | outside 65 | LONDON |
| CRICKLEWOOD BROADWAY | outside 101 to 107 | LONDON |
| DOLLIS HILL LANE | Outside 96 to 100 | LONDON |
| DOLLIS HILL LANE | From  102 to Homestead park | LONDON |
| FORTY AVENUE | Jnc Carlton Ave East | WEMBLEY |
| HARROW ROAD | outside 200 to 204 | WEMBLEY |
| HARROW ROAD | From m 102 to homestead park | WEMBLEY |
| HAY LANE | Outside 91 | LONDON |
| KILBURN PARK ROAD | o/s 99 | LONDON |
| PARK PARADE | o/s 1 to 9 | LONDON |
| PRESTON HILL | From Magnilia Court to Hillside Gardens | HARROW |
| STATION CRESCENT | 1 to 7 | WEMBLEY |
| STATION GROVE | Junction with Park road | WEMBLEY |
| TANFIELD AVENUE | outside 85 | LONDON |
| TUDOR GARDENS | outside 5-9 | LONDON |
| WATFORD ROAD | outside 245 | WEMBLEY |
| WILLESDEN LANE | Outside 179 Young court | WILLESDEN |
| WOODCOCK HILL | outside 73 | HARROW |
| WROTTESLEY ROAD | junction with Furness Road | LONDON |

This page is intentionally left blank

**Appendix B – Highway Maintenance Benchmarking Dashboard**

**Brent Compared with London Borough Good Practice**

| Area | Brent | London Benchmark | Assessment |
|---|---|---|---|
| **Asset Management Strategy** | □ | □ | Mature Highway Asset Management Plan aligned with DfT guidance. |
| **Risk-Based Maintenance** | □ | □ | Fully adopted in accordance with *Well-managed Highway Infrastructure*. |
| **Lifecycle Planning** | □ | □ | Strong use of condition data and engineering prioritisation. |
| **AI / Digital Condition Surveys** | □ | □ | Ahead of many authorities through AI video surveys and Symology integration. |
| **Planned Maintenance Investment** | □ | □ | Significant local capital investment above many comparable boroughs. |
| **Preventative Maintenance** | □ | □ | Extensive use of resurfacing and injection patching to slow deterioration. |
| **Reactive Maintenance Performance** | □ | □ | Risk-based response times and structured inspection regime. |
| **Contract Management** | □ | □ | Comprehensive KPI monitoring, audits and contract governance. |
| **Performance Reporting** | □ | □ | Broader performance framework than many authorities. |
| **Resident Satisfaction Monitoring** | □ | □ | Opportunity to introduce formal customer satisfaction measures. |
| **Communication with Residents** | □ | □ | Scope to improve updates before, during and after works. |
| **Climate & Sustainability Reporting** | □ | □ | Good practice emerging; opportunity to quantify carbon savings. |
| **Benchmarking & Transparency** | □ | □ | Transparency report aligns well with DfT requirements. |
| **Innovation** | □ | □ | Strong adoption of AI, digital asset management and preventative maintenance. |

**Key**

□ **Strong** – At or above current London good practice
□ **In Line** – Comparable with most London boroughs
□ **Developing** – Opportunity for further improvement
**Improvement Required** – Below expected good practice

Based on:

- published DfT Highway Maintenance Transparency Reports;
- DfT's Local Highway Maintenance Transparency Code;
- the DfT Highways Maintenance Incentive Funding Self-Assessment;
- the UK Roads Leadership Group's *Well-Managed Highway Infrastructure Code of Practice*; and
- evidence from the Asphalt Industry Alliance (ALARM) Survey

**In words: Brent against the Prevalence of Good Practice Across London Boroughs**

| **Area** | **Brent Position** | **Typical London Borough** | **DfT / Best Practice Expectation** | **Commentary** |
|---|---|---|---|---|
| Asset Management Strategy | Mature (update in progress) | Mature | Highway Asset Management Plan in place | Brent will meet good practice. |
| Risk-based Safety Inspections | Fully implemented | Universal | Required by Code of Practice | Comparable with all London authorities. |
| Planned Maintenance Investment | High | Medium | Maximise preventative maintenance | Brent has invested above many comparable boroughs through additional capital programmes. |
| Preventative Maintenance | Established | Increasing | Strongly encouraged | Alignment with DfT policy |
| Digital Condition Surveys | AI-enabled | Mostly SCANNER/UKPMS | Increasing use of digital technology | Brent is ahead of many authorities. |
| Contract Performance Monitoring | Comprehensive KPI framework | Good | Performance monitored | Brent has a broader framework than many authorities. |
| Resident Satisfaction Monitoring | Limited | Limited | Increasing expectation | Opportunity for improvement across the sector |
| Climate Reporting | Developing | Developing | Emerging best practice | Opportunity to strengthen reporting |

**Brent Strengths**

✓ Significant investment in planned highway maintenance
✓ Mature asset management approach
✓ Strong alignment with DfT Incentive Funding requirements
✓ Extensive use of AI and digital condition surveys
✓ Evidence-based programme prioritisation
✓ Good contract governance and performance management
✓ Shift towards preventative maintenance

**Brent Opportunities**

- Introduce formal resident satisfaction KPIs
- Publish annual customer confidence measures
- Improve communication before and after works
- Expand benchmarking with London authorities
- Quantify carbon savings from highway maintenance
- Continue reducing repeat defects through targeted reconstruction

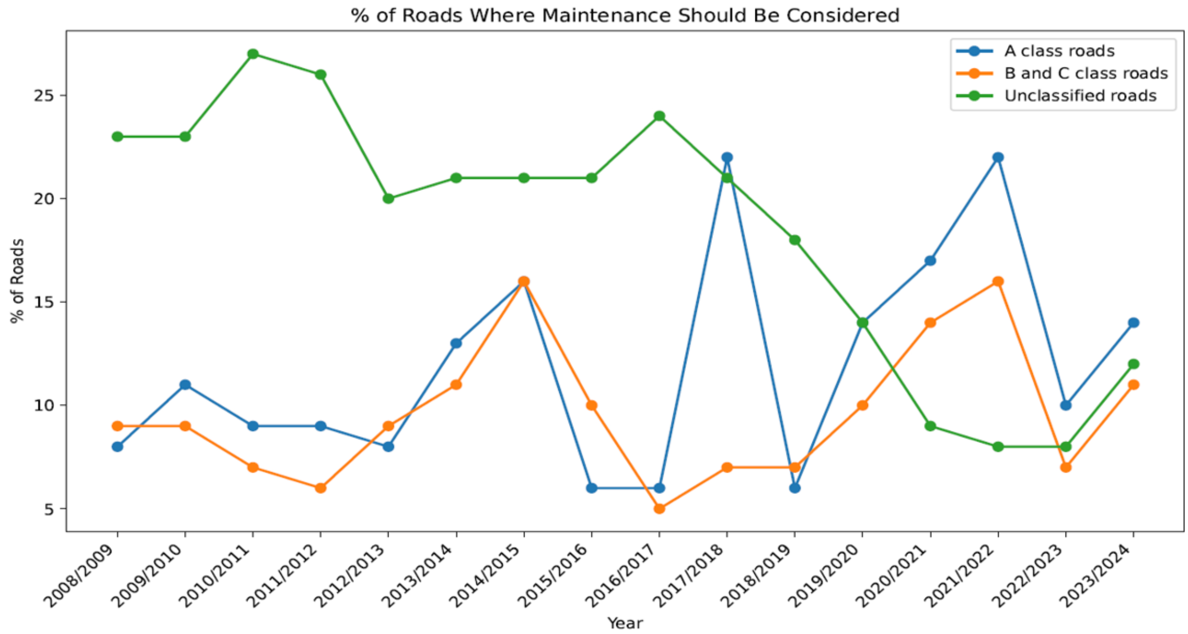
**Comparison with Selected London Boroughs**

| Topic | Brent | Harrow | Ealing | Hillingdon | Barnet |
|---|---|---|---|---|---|
| Published Asset Management Strategy | ✓ | ✓ | ✓ | ✓ | ✓ |
| AI Condition Surveys | ✓ | ◐ | ◐ | ✓ | ◐ |
| Highway Performance Dashboard | ✓ | ◐ | ✓ | ✓ | ◐ |
| Preventative Maintenance Strategy | ✓ | ✓ | ✓ | ✓ | ✓ |
| Transparency Report | ✓ | ✓ | ✓ | ✓ | ✓ |
| Customer Satisfaction Reporting | Limited | Limited | Moderate | Moderate | Limited |
| Carbon Reporting | Developing | Developing | Moderate | Moderate | Developing |

This page is intentionally left blank

**Appendix C - Highway Structural Condition over time**

## 1.0 Carriageway Structural Condition




## 1.1 Interpretation of Trends

This graph shows the percentage of roads where maintenance should be considered based on condition survey data. Lower percentages indicate a greater proportion of the network is in good condition, whilst higher percentages suggest a greater maintenance need. The trends differ significantly across the three road classifications.

## 1.2 Overall observations

The data demonstrates a long-term improvement in the condition of the unclassified road network, whereas the condition of the A roads and B and C roads has fluctuated more noticeably over the period. This reflects the differing challenges associated with maintaining strategic routes carrying high traffic volumes compared with residential roads.

### 1.2.1 A Class Roads

**Trend:** Highly variable with no sustained long-term trend.

- Between 2008/09 and 2013/14, the proportion requiring maintenance remained relatively low (around 8–13%).
- There was a marked improvement in 2015/16–2016/17, when only around 6% of the network required maintenance.
- A sharp deterioration occurred in 2017/18, rising to approximately 22%, representing the highest value in the series.
- Following a significant improvement in 2018/19, maintenance need increased again during 2020/21–2022/23, before improving to around 14% in 2023/24.

**Interpretation:** The volatility is typical of a relatively small strategic network where the condition indicator can change significantly depending on whether one or two major roads have been resurfaced or have deteriorated. These fluctuations often reflect the timing of major capital investment programmes rather than a gradual change in asset condition.

### 1.2.2 B and C Roads

**Trend:** Moderate fluctuations but relatively stable over the long term.

- Values generally remained between 6% and 10% during the early years.

- Maintenance need increased to approximately 16% in 2014/15 before improving again over the following two years.
- A second deterioration occurred between 2019/20 and 2022/23, peaking at approximately 16%.
- The latest year shows improvement to around 11%.

**Interpretation:** The classified road network has experienced cyclical deterioration and renewal, reflecting the timing of resurfacing programmes and available capital funding. Although conditions fluctuate, there is no evidence of sustained long-term decline.

### 1.2.3 Unclassified Roads

**Trend:** Strong long-term improvement.

- At the beginning of the period, approximately 23–27% of unclassified roads required maintenance.
- Values remained above 20% until around 2016/17.
- From 2017/18 onwards, there was a sustained downward trend.
- By 2021/22–2022/23, only around 8–9% required maintenance.
- Although there is a slight increase to around 12% in 2023/24, this remains substantially better than the position fifteen years earlier.

**Interpretation** - This represents the clearest long-term improvement shown in the graph. The reduction is likely to reflect sustained investment in residential roads through capital maintenance programmes and demonstrates that long-term investment can significantly improve overall network condition.

### 1.2.4 Comparative trends

Several notable trends emerge:

- During the early years, unclassified roads were consistently in the poorest condition, with maintenance need approximately three times higher than the A road network.
- By 2022/23, this relationship had reversed, with unclassified roads recording the lowest proportion requiring maintenance.
- In recent years, the highest maintenance need has been observed on the A road network, reflecting the greater traffic loading and faster deterioration experienced by principal routes.

This illustrates how sustained investment has improved residential road condition while maintaining the condition of heavily trafficked strategic roads remains more challenging.

## 2.0 Footway Structural Condition

### 2.1 Surveys

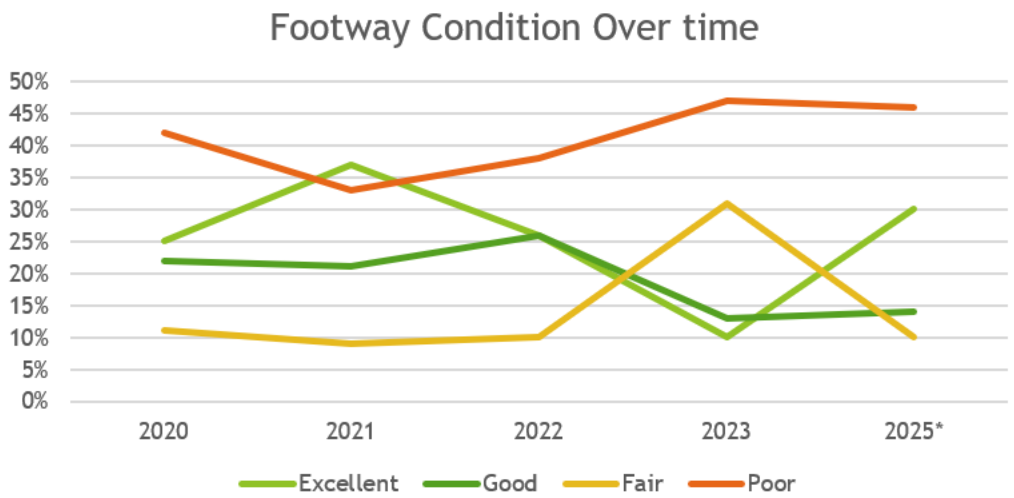
Footway condition is monitored through independent condition surveys and analysed using the Council's asset management system.

The 2025 results have been modelled using the asset management system, which applies deterioration curves and takes account of completed footway reconstruction schemes together with predicted asset deterioration since the previous survey. As the previous footway improvement programme was delivered over the period 2023–2026, it was considered inappropriate to undertake further condition surveys during its implementation, as the results would not have provided a stable representation of the network while significant reconstruction works were ongoing. Fresh condition surveys are being procured currently.

This provides a robust estimate of current network condition and supports long-term asset management planning.

| Year | Excellent | Good | Fair | Poor |
|---|---|---|---|---|
| 2020 | 25% | 22% | 11% | 42% |
| 2021 | 37% | 21% | 9% | 33% |
| 2022 | 26% | 26% | 10% | 38% |
| 2023 | 10% | 13% | 31% | 47% |
| 2025* | 30% | 14% | 10% | **46%** |

*2025 condition modelled using Asset Management software.




### 2.2 Trend Analysis

The footway condition data shows considerable variation over the period.

- Between 2020 and 2022, the network remained relatively stable, with between 47% and 58% of footways assessed as being in Good or Excellent condition.
- In 2023, the condition deteriorated significantly, with the proportion of footways in Poor condition increasing to 47%, whilst those in Good or Excellent condition reduced to 23%. This reflects the cumulative effects of ageing infrastructure and a period in which deterioration exceeded the level of structural renewal.
- The 2025 asset management model indicates a mixed picture. The proportion of footways in Excellent condition has increased substantially from 10% to 30%, reflecting the benefits of the extensive reconstruction programme undertaken during 2025/26. However, the proportion classified as Poor remains almost unchanged at 46%, indicating that while reconstructed footways have significantly improved, deterioration elsewhere across the network has continued at a similar pace.

This demonstrates the dynamic nature of managing a large highway asset. As some footways are renewed and move into the Excellent category, others continue to deteriorate into poorer condition, meaning that overall network condition improves only gradually unless investment consistently exceeds the underlying rate of deterioration.

### 2.3 Relationship with Investment

Between 2021/22 and 2025/26, Brent reconstructed approximately 58.5 km of footway, including almost 22 km during 2025/26, representing the largest annual investment during the period.

Although this level of investment has delivered significant improvements on treated routes, the 2025 condition model demonstrates that it is not yet sufficient to reduce the overall proportion of the network requiring structural maintenance. This reflects the fact that deterioration continues across untreated sections of the network as footways age and are subjected to continued use and environmental effects.

### 2.4 Asset Management Implications

The results reinforce the importance of Brent's risk-based asset management approach. Investment is targeted using condition surveys, engineering assessments, pedestrian usage and footway hierarchy to ensure that available funding is directed towards those locations where reconstruction will provide the greatest long-term benefit.

The increase in the proportion of the network classified as Excellent demonstrates that the reconstruction programme is delivering high-quality, long-lasting renewals. However, the persistence of a high proportion of Poor footways indicates that the existing maintenance backlog remains substantial and that continued sustained investment will be required if overall network condition is to improve significantly.

### 2.5 Conclusion

The figures indicate that Brent's enhanced footway reconstruction programme is successfully improving the condition of those footways that have been treated, as reflected by the significant increase in the proportion of the network classified as Excellent. However, the proportion of the network remaining in Poor condition has changed very little, demonstrating that deterioration elsewhere continues to offset many of these gains.

This highlights the scale of the footway maintenance backlog and reinforces the need for sustained long-term investment. The Council's risk-based asset management approach ensures that limited resources are targeted where they will deliver the greatest whole-life benefit, but meaningful improvements in overall network condition will require investment to be maintained over many years.

**Appendix D – Highway Maintenance Contract Benchmarking**

**Benchmarking of London Borough Highways Term Maintenance Contracts and Reactive Maintenance Arrangements**

## 1. Purpose

This appendix compares Brent's highway maintenance contractual arrangements with those of a representative sample of London boroughs. The objective is to assess whether Brent's approach is consistent with current London practice and to identify examples of good practice that may inform future contract management and procurement.

The benchmarking focuses on:

- Contract procurement model
- Contract duration
- Scope of services
- Reactive maintenance arrangements
- Performance management
- Innovation and continuous improvement

The review has been undertaken using publicly available procurement notices, DfT Local Highways Maintenance Transparency Reports and published council reports. The comparator group comprises authorities operating networks of broadly similar complexity to Brent.

## 2. Key Findings

The review identifies several consistent themes across London.

### 2.1 Contract Model

Nearly all comparator authorities now procure integrated highway maintenance term contracts rather than separate contracts for different maintenance activities. NEC4 has become the dominant contractual model, reflecting its emphasis on collaboration, performance management and continuous improvement. Recent procurements by Hillingdon and Westminster illustrate this trend.

### 2.2 Contract Duration

Longer contract durations are becoming increasingly common.

Most authorities now procure contracts for **7–10 years**, frequently with extension options taking the total duration to 10–12 years. Longer contract periods are intended to encourage investment in technology, workforce development and innovation while providing greater certainty for long-term asset management. Hillingdon's recently awarded contract, for example, has an initial seven-year term with an option to extend for a further five years.

## 2.3 Scope of Service

London borough contracts increasingly provide a single integrated service comprising:

- Reactive highway maintenance
- Planned carriageway resurfacing
- Footway reconstruction
- Drainage maintenance
- Highway inspections
- Winter maintenance
- Street furniture repairs
- Emergency call-out
- Traffic management
- Minor capital works

This integrated approach reduces contractual interfaces and allows contractors to deploy resources more efficiently. Hillingdon's procurement explicitly combines routine and reactive maintenance, drainage, crossings and capital works within one contract.

## 2.4 Reactive Maintenance

Across London there has been a noticeable shift from target-driven defect repair towards risk-based maintenance, consistent with the *Well-managed Highway Infrastructure* Code of Practice.

Authorities increasingly prioritise defects according to assessed risk rather than fixed dimensional criteria alone, allowing available resources to be targeted at locations presenting the greatest risk to highway users. This approach is reflected in the DfT transparency reporting guidance.

# 3. Benchmarking of Contract Arrangements

| Borough | Contract Model | Typical Contract Length | Integrated Service | Observations |
|---|---|---|---|---|
| Brent | NEC4 Term Service Contract | 7 years + extension | ✓ | Asset management-led contract with integrated maintenance |
| Hillingdon | NEC4 Term Service Contract | 7 + 5 years | ✓ | Comprehensive routine, reactive and capital works contract |
| Havering | Term Service Contract | 6 + 4 years | ✓ | Includes environmental management obligations and |

| | | | | |
|---|---|---|---|---|
| | | | | carbon commitments |
| Newham | Multi-contractor Framework | Multi-year | ✓ | Framework for reactive maintenance, planned works and street lighting |
| Westminster | NEC4 integrated highways contract | Long-term | ✓ | Integrated highways and public realm maintenance (recent procurement) |

**Commentary**

Brent's contractual model aligns closely with current London practice. Like most comparator authorities, Brent has adopted:

- a long-term contractual relationship;
- an integrated service covering both planned and reactive maintenance;
- performance management through KPIs; and
- a risk-based maintenance philosophy.

The benchmarking indicates that Brent's arrangements are consistent with those adopted by authorities procuring new highway maintenance contracts during the past two years.

## 4.0 Reactive Maintenance Benchmark

Although boroughs publish different operational targets, the service model is remarkably consistent.

| Activity | Brent | London Practice |
|---|---|---|
| Emergency response | Immediate attendance | Universal |
| Safety defects | Risk based | Universal |
| Planned maintenance | Asset management led | Universal |
| Highway inspections | Risk based frequencies | Universal |
| Customer reporting | Digital reporting | Increasingly common |
| Mobile inspections | Yes | Becoming standard |

A significant trend is the movement away from measuring success solely through response times. Increasingly, contracts are expected to demonstrate:

- reduction in repeat defects;
- improved asset condition;
- reduced whole-life cost;
- lower carbon emissions;
- improved customer satisfaction.

This reflects the DfT's emphasis on preventative maintenance and transparent reporting of network condition and investment decisions.

## 4.1 Initial Assessment of Brent

Based on the evidence reviewed to date, Brent compares well with the selected London boroughs.

| Benchmark Area | Assessment |
|---|---|
| Contract structure |  Strong |
| Contract duration |  Consistent with London practice |
| Scope of services |  Comprehensive |
| Reactive maintenance model |  Consistent with best practice |
| Asset management integration |  Strong |
| Digital working |  Above average |
| Sustainability |  Developing |
| Public performance reporting |  Opportunity for enhancement |

## 4.2 Emerging conclusion

The benchmarking suggests that Brent's contractual arrangements are well aligned with contemporary London practice. The Council's use of an integrated NEC4 term contract, supported by risk-based inspections and asset management principles, is consistent with the direction of travel promoted by the Department for Transport. Opportunities for further development are likely to lie less in the core contractual model and more in expanding outcome-based performance measures, public reporting of performance and demonstrating the wider social, environmental and customer benefits delivered through the contract.

# 5. Contract Performance Benchmarking

## 5.1 Introduction

A review of published highway maintenance contracts, annual performance reports and DfT Transparency Reports indicates that London boroughs are increasingly adopting “balanced performance frameworks”. These combine traditional operational measures (such as response times and defect completion) with broader indicators covering asset condition, customer satisfaction, sustainability and social value.

Historically, highway maintenance contracts relied heavily on response-time KPIs. More recent contracts place greater emphasis on outcomes, including network resilience, carbon reduction, customer experience and whole-life asset management, reflecting the recommendations of the “Well-managed Highway

Infrastructure” Code of Practice and the Department for Transport's transparency reporting framework.

Brent's existing performance framework is consistent with this direction of travel, combining operational performance indicators with asset management measures and environmental objectives.

## 5.2 Typical Performance Measures Used Across London

The table below compares the principal performance measures commonly found within London highway maintenance contracts.

| Performance Measure | \| Brent | Typical London Practice | Comment |
|---|---|---|---|
| Emergency response within | ✓ | ✓ | Core contractual KPI |
| Urgent defects completed within target | ✓ | ✓ | Common |
| Routine repairs completed within target | ✓ | ✓ | Common |
| Repeat defect monitoring | ◐ | Increasing | More common in recent procurements |
| First-time repair | ◐ | Increasing | Focus on reducing repeat visits |
| Customer complaints | ✓ | ✓ | Widely monitored |
| Emergency call-out attendance | | | Standard contractual measure |
| Programme delivery | ✓ | ✓ | Planned works delivery |
| Carbon reduction | ✓ | Most | Increasing importance |
| Recycled materials | ✓ | Most | Sustainability objective |
| Waste diversion from landfill | ✓ | Common | Circular economy focus |
| Social value delivery | ✓ | Nearly all | Employment and apprenticeships |
| Health & Safety compliance | ✓ | Universal | Core contract requirement |
| Supply chain performance | ◐ | Emerging | Larger contracts |
| Category 1 safety defects completed within target | | ✓ | Universal |

| | | | |
|---|---|---|---|
| Innovation initiatives | ✓ | Increasing | Digital delivery and AI |

**Key**

✓ = routinely monitored
◐ = monitored by some authorities or under development

## 5.3 Brent's Performance Framework

Brent currently monitors a comprehensive suite of performance indicators through its Highways Term Maintenance Contract. These include:

**Operational Performance**

- Category 1 defects repaired within target
- Category 2 defects repaired within target
- Emergency call-outs attended within target
- Minor works completed within agreed timescales
- Quotations returned within target

These indicators provide assurance that statutory highway safety obligations are being discharged effectively.

**Asset Management**

Increasingly, performance is measured not simply by the number of repairs undertaken but by the overall condition and resilience of the highway asset. Brent has strengthened this approach through:

- annual carriageway condition surveys;
- independent footway condition surveys;
- prioritisation based on network condition and risk;
- annual maintenance programme reviews.

This reflects the principles of preventative asset management promoted by the Department for Transport.

**Sustainability**

Like many London authorities, Brent has incorporated sustainability measures into contract management, including:

- recycled construction materials;
- waste recovery;
- reduction in landfill disposal;
- carbon reporting;
- efficient use of highway materials.

Environmental performance is becoming an increasingly significant element of highway maintenance procurement.

## 5.4 Emerging Best Practice Across London

The benchmarking identified several themes that are becoming increasingly common.

***Moving Beyond Response Times***

Authorities are recognising that repairing defects quickly does not necessarily represent the best use of public resources. Increasing emphasis is therefore being placed on:

- preventing defects occurring;
- reducing repeat repairs;
- extending asset life;
- targeting investment through asset management.

**Customer Outcomes**

Performance frameworks increasingly include measures such as:

- communication during works;
- complaint resolution;
- quality of reinstatement;
- visual appearance of completed repairs.

This reflects the wider expectation that highway maintenance should improve customer experience rather than simply achieve contractual response times.

**Innovation**

Many recent contracts now include formal requirements for continuous improvement, including:

- artificial intelligence for condition surveys;
- digital inspections;
- mobile working;
- predictive maintenance;
- data-driven programming;
- carbon reduction initiatives.

Brent's adoption of AI-assisted carriageway condition surveys places it among the more digitally advanced London authorities.

## 5.5 Benchmark Assessment

The table below provides an overall comparison of Brent's current performance management arrangements.

| Theme | Brent Position | London Comparison |
|---|---|---|
| Operational KPIs | □ Strong | Above average |
| Emergency response | □ Strong | Comparable |
| Asset management | □ Strong | Above average |
| Digital working | □ Strong | Above average |
| Sustainability | □ Good | Comparable |
| Customer focus | □ Developing | Comparable |
| Outcome-based KPIs | □ Developing | Increasingly common |
| Continuous improvement | □ Strong | Above average |

### 5.6 Conclusions

The review indicates that Brent's performance management framework is broadly aligned with contemporary practice across London. The Council has adopted a balanced suite of operational, asset management and sustainability indicators that reflect the increasing emphasis on preventative maintenance and long-term stewardship of the highway network.

Future opportunities are likely to lie in the further development of outcome-based measures—particularly those relating to customer experience, repeat defect reduction and asset resilience—rather than in expanding traditional response-time targets. This would support continued alignment with emerging sector best practice and the Department for Transport's transparency reporting framework while providing Scrutiny Members with a clearer understanding of the wider benefits delivered through the Highways Term Maintenance Contract.

## 6. Innovation, Digital Delivery and Asset Management Maturity

### 6.1 Introduction

Highway maintenance contracts have evolved significantly over the past decade. Traditionally, contracts focused on delivering reactive repairs against prescribed response times. More recent procurements place greater emphasis on technology, data-driven decision making and continuous improvement to maximise the value obtained from limited maintenance funding.

The DfT's *Well-managed Highway Infrastructure* Code of Practice encourages authorities to adopt a risk-based, asset management approach supported by robust asset information, lifecycle planning and performance monitoring. Consequently, many London boroughs now require contractors to demonstrate innovation throughout the life of the contract rather than simply delivering prescribed maintenance activities.

Brent has adopted a number of these approaches and is well placed to respond to future developments in digital highway management.

## 6.2 Benchmarking Digital Maturity

The table below provides a qualitative assessment of the maturity of highway maintenance practices across the comparator authorities.

| Theme | Emerging Practice | Typical London Position | Brent Position |
|---|---|---|---|
| Risk-based inspections | Established | Standard | **Advanced** |
| Asset management planning | Established | Standard | **Advanced** |
| Mobile inspection technology | Established | Common | **Advanced** |
| Digital works ordering | Established | Common | **Advanced** |
| AI carriageway condition surveys | Emerging | Limited adoption | **Leading** |
| Independent condition surveys | Common | Increasing | **Established** |
| Lifecycle investment modelling | Common | Developing | **Advanced** |
| Carbon performance monitoring | Emerging | Developing | **Established** |
| Circular economy reporting | Emerging | Developing | **Established** |
| Customer self-service reporting | Established | Standard | **Established** |
| Data-led programme optimisation | Emerging | Developing | **Advanced** |
| Predictive maintenance | Emerging | Limited adoption | **Developing** |

The comparison suggests that while most London authorities have implemented digital inspection systems and mobile working, fewer have fully integrated these technologies into long-term asset management. Brent's use of AI-supported carriageway condition surveys, independent footway condition surveys and lifecycle planning places it towards the more advanced end of the maturity spectrum.

## 6.3 Asset Management Maturity Assessment

The table below assesses Brent against recognised characteristics of a mature asset management organisation.

| Characteristic | Typical London Practice | Brent Assessment |
|---|---|---|
| Risk-based maintenance policy | ✓ | ✓ |
| Published Highway Asset Management Strategy | ✓ | ✓ |
| Annual condition surveys | ✓ | ✓ |
| Independent network condition assessment | Mixed | ✓ |

| Characteristic | Typical London Practice | Brent Assessment |
|---|---|---|
| Prioritisation based on asset condition | Increasing | ✓ |
| Performance dashboard | Common | ✓ |
| Carbon and environmental reporting | Increasing | ✓ |
| Continuous improvement programme | Mixed | ✓ |
| AI-assisted condition assessment | Limited | ✓ |

Overall, Brent demonstrates a mature asset management approach, combining condition data, risk assessment and lifecycle planning to inform investment decisions.

6.5 Opportunities for Further Development

Although Brent compares favourably with many authorities, the benchmarking identified several opportunities that are becoming more common across the sector.

**Predictive Maintenance**

A growing number of authorities are exploring predictive analytics to identify locations at greatest risk of deterioration before safety defects develop.

Potential future applications include:

- deterioration modelling;
- climate resilience analysis;
- proactive drainage maintenance;
- optimised treatment selection.

**Customer Experience Measures**

Many authorities are expanding performance frameworks beyond engineering outputs to include customer-focused measures such as:

- resident satisfaction;
- communication quality;
- complaint resolution times;
- perception of completed works.

Introducing these measures would provide a broader understanding of contract performance.

**Carbon Performance**

While Brent already monitors environmental performance, future contracts may include more detailed reporting on:

- embodied carbon in maintenance activities;
- carbon savings achieved through preventative maintenance;
- use of recycled materials;
- fuel consumption and fleet emissions.

## 6.6 Innovation Scorecard

| Area | Brent Position Benchmark |
|---|---|
| Digital inspections | □ Leading |
| Mobile working | □ Leading |
| Asset management | □ Leading |
| AI technology | □ Leading |
| Data analytics | □ Strong |
| Lifecycle planning | □ Strong |
| Customer analytics | □ Developing |
| Predictive maintenance | □ Developing |
| Carbon reporting | □ Strong |
| Continuous improvement | □ Strong |

## 6.7 Summary

The benchmarking indicates that Brent has adopted many of the characteristics associated with a mature, data-led highway maintenance service. The Council has moved beyond a traditional reactive maintenance model by integrating digital technologies, asset management principles and lifecycle planning into its maintenance strategy.

Whilst opportunities remain to further develop customer-focused performance measures and predictive maintenance techniques, Brent is well positioned to respond to future developments in highway asset management and compares favourably with other London boroughs in several key areas.

This page is intentionally left blank

**Appendix E - Analysis of Customer Reports**

## 1.0 Executive Summary

Customer reports relating to highway defects have increased significantly since 2022, reaching a peak of 10,148 reports in 2023 and remaining elevated at 9,883 in 2024 and 9,130 in 2025 (year shown in the report). This represents a material increase compared with the 2019–2022 period when annual reports were typically between 5,953 and 7,033.

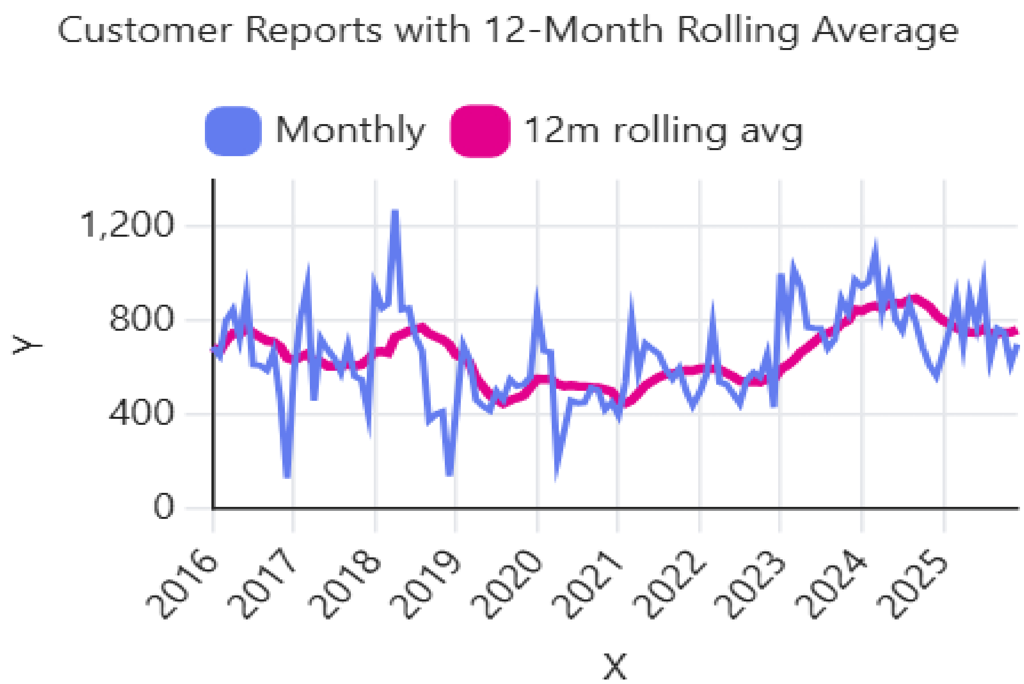
The analysis shows that a small number of defect categories generate the majority of customer contacts. The following categories consistently dominate reporting volumes across the period analysed:

- Footway slabs/concrete defects
- Carriageway potholes/resurfacing defects
- Tree-related issues
- Drainage (blocked gullies)
- Street furniture and signs

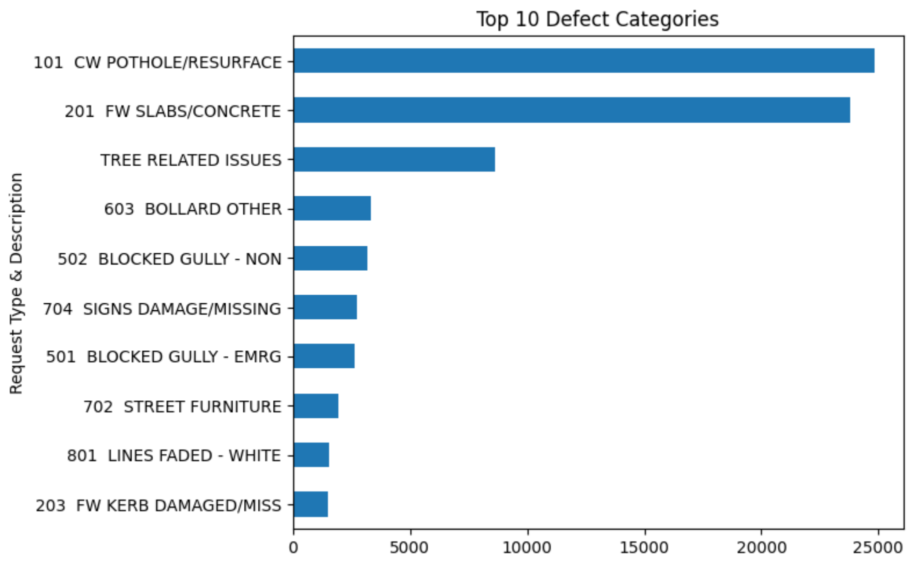
## 2.0 Customer Reports of Highway Defects

Annual number of customer-reported highway defects, 2016–2025.

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Number | 7676 | 7,623 | 8,357 | 6,177 | 5,953 | 7,033 | 6,599 | 10,148 | 9,882 | 9130 |



**Top 10 Categories by Total Volume (2016–2025)**




A few observations from the data:

- The series covers 120 monthly periods (Jan 2016–Dec 2025).
- Monthly totals range from approximately 128 to 1,273 customer reports.
- There are noticeable peaks during severe pothole/reporting periods (particularly around 2018, early 2023 and early 2024), and a marked reduction during the first COVID lockdown period in 2020.
- Reporting remained relatively stable between 2016 and 2018.
- A significant reduction occurred during 2019–2020, coinciding with the COVID-19 pandemic.
- Reports increased steadily from 2021 peaking in 2023.
- Although there has been a slight reduction since 2023, report numbers remain well above the pre-pandemic average.

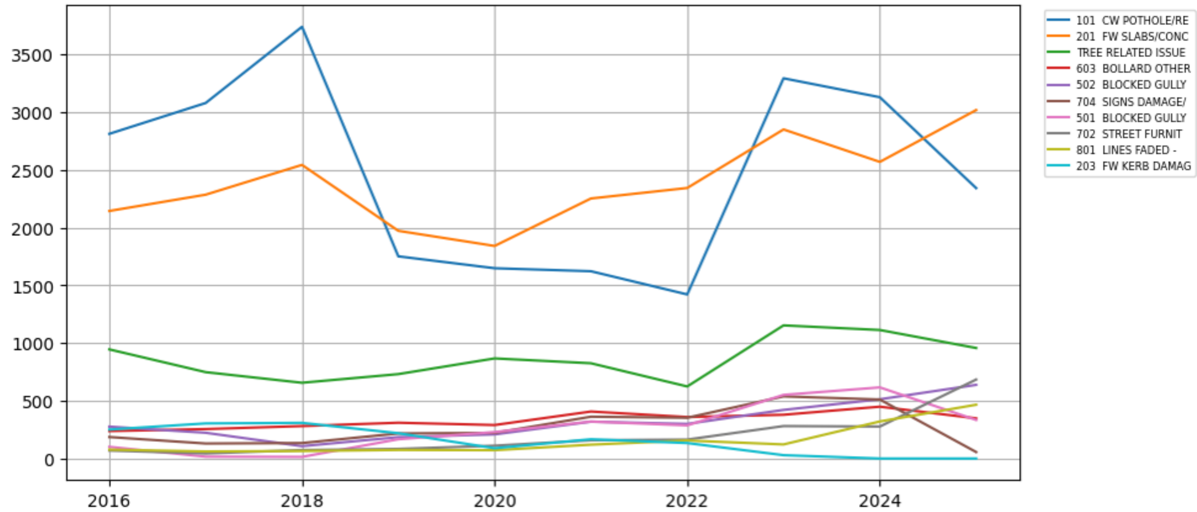
## 3.0 Key Findings

### 3.1 Demand has increased substantially since 2022

The data indicates a step change in customer demand from 2023 onwards rather than normal annual fluctuation. Possible reasons are:

- Increased customer reporting;
- Changes to reporting channels;
- Deterioration in asset condition;
- Weather-related impacts; and
- Increased public expectations.

## 3.2 Key Trends




**Footway defects and potholes dominate complaints**

Potholes and footway slab defects dominate the dataset, accounting for the largest share of all customer contacts throughout the period. Their trends largely drive total report volumes.

- **Carriageway potholes/resurfacing -** This category remains the principal source of highway safety-related reports and dominates winter demand periods.
- **Footway slabs/concrete -** Monthly totals frequently exceed 200 reports and remain the largest category in many years.

Maintaining investment in preventative carriageway resurfacing and targeted footway renewal programmes is likely to have the greatest impact on reducing customer demand.

## 3.3 Tree-related issues show strong seasonality

Tree-related issues have grown significantly since 2023, becoming the third-largest reporting category and one of the most prominent seasonal patterns. Tree-related reports rise noticeably during spring and summer. Examples are:

- 2023 July: 180 reports
- 2024 June: 171 reports
- 2025 May: 107 reports

The data supports a proactive approach to cyclical tree inspection, pruning programmes and management of overhanging vegetation, to reduce seasonal demand.

### 3.4 Drainage issues remain significant

Drainage reports (emergency and non-emergency gullies) increase noticeably from 2022 onwards, with major spikes during wetter periods. Both emergency and non-emergency blocked gully reports increase during wetter periods. Examples include:

- 2023 October: 80 emergency blocked gullies
- 2023 November: 110 emergency blocked gullies
- 2024 July: 74 emergency blocked gullies

Drainage remains a significant driver of customer contact and should continue to be prioritised through targeted cleansing, asset condition assessment and flood-risk interventions.

### 3.5 Street furniture and signs, and markings are growing categories

Signs and street furniture complaints show a gradual upward trend from 2021 onwards and become increasingly prominent in later years. Particularly notable are:

- Street furniture reports in 2025 May (130)
- Signs damage and missing signage reports occurring consistently throughout the period

These reports may indicate ageing assets, increased public reporting and higher expectations regarding public realm quality. Further investigation would be beneficial.

White-lining reports have risen steadily in recent years, suggesting increasing public concern about road marking visibility.

## 4.0 Risk Assessment

### 4.1 Strategic Risks

| Risk | Impact |
|---|---|
| Continued growth in reports | Increased service demand and response times |
| Deteriorating asset condition | Higher maintenance liability |
| Drainage failures | Flooding and reputational risk |
| Footway defects | Public liability claims |
| Tree-related issues | Safety and customer satisfaction concerns |

### 4.2 Commentary

A notable shift can be seen from a historically pothole-dominated customer reporting profile towards a broader mix of issues, particularly trees, drainage, street furniture and road markings, indicating that customer demand is increasingly spread across multiple highway asset groups rather than concentrated solely on carriageway defects.

## 5.0 Conclusion

Customer reports relating to highway defects have increased materially since 2023 and remain significantly above historic levels. The majority of demand is generated by a small number of asset types, principally footways, carriageways, drainage assets and trees. Targeted preventative maintenance and asset renewal within these categories is likely to provide the greatest opportunity to improve network condition, reduce future service demand and improve customer satisfaction.

This page is intentionally left blank

## Appendix F - Highway Defect Investigation Levels

**Brent compared with other London Highway Authorities**

### 1.0 Executive Summary

A review of published Highway Safety Inspection Policies from London highway authorities shows that Brent's investigatory levels are typical of the majority of London boroughs operating a risk-based approach under the UK Roads Liaison Group's *Well-managed Highway Infrastructure* Code of Practice.

The benchmarking indicates:

- Brent is aligned with the most common 20mm footway intervention level
- Brent uses a relatively low 20mm carriageway threshold adjacent to kerbs and cycle lanes, reflecting higher risk to vulnerable road users.
- Brent's 30mm general carriageway threshold is more interventionist than many boroughs that now use 40mm.
- Several authorities have increased intervention levels over recent years because of financial pressures and adoption of risk-based maintenance policies.

### 2.0 London Borough of Brent Benchmarking Against Other London Highway Authorities

| **Benchmark Indicator** | **Brent** | **London Benchmark** | **Assessment** |
|---|---|---|---|
| Footway Investigation Level | **20 mm** | 20–25 mm | □ Typical |
| General Carriageway Investigation Level | **30 mm** | 30–40 mm | □More proactive than average |
| Kerbside / Cycle Lane Threshold | **20 mm** | Usually 20–40 mm | □ Better than most |
| Risk-Based Assessment | Yes | Standard Practice | □ Compliant |
| Hierarchy Based Inspection Frequencies | Yes | Standard Practice | □ Compliant |
| Well-managed Highway Infrastructure Code Compliance | Yes | Expected | □Fully Compliant |

Data taken from published Highway Safety Inspection Policies.

## 2.1 London Borough Benchmarking

| Borough | Footways (mm) | Carriageways (mm) | Kerbs/Cycle Lanes | Overall Position |
|---|---|---|---|---|
| **Brent** | **20** | **30** | **20** | Above Average |
| Camden | 20 | 30 | Risk Based | Comparable |
| Westminster | 20 | 50 | Risk Based | Less Intervention |
| Hackney | 20 | 40 | Risk Based | Less Intervention |
| Southwark | 25 | 40 | Risk Based | Less Intervention |
| Tower Hamlets | 25 | 40 | Lower at Crossings | Less Intervention |
| Redbridge | 20 | 40 | 20 | Comparable |
| Hillingdon | 20 | 40 | Lower on Cycle Routes | Comparable |
| City of London* | 15 | 25 | Very Low | More Intervention* |

## 2.2 How Brent Compares

**Footways -** The majority of London boroughs now investigate defects once they exceed approximately 20mm. Brent's 20mm investigatory level is therefore consistent with:

- Camden
- Hackney
- Hillingdon
- Redbridge
- Westminster

Only a small number of authorities have adopted higher thresholds of 25mm, while the former City of London policy of 15mm is now regarded as unusually interventionist and was reviewed because it had become unaffordable compared with neighbouring authorities.

*The Benchmark Position is that Brent sits firmly within the London average.*

**Carriageways** Greater variation exists between authorities. Many boroughs now use:

- 40 mm
- 40–50 mm
- dynamic risk assessment

Examples include:

| Borough | Threshold |
|---|---|
| Brent | **30 mm** |
| Camden | 30 mm |
| Hackney | 40 mm |
| Redbridge | 40 mm |
| Hillingdon | 40 mm |
| Tower Hamlets | 40 mm |
| Westminster | 50 mm |

*This means Brent investigates more defects than many authorities before considering the dynamic risk assessment*.

### 2.3 Brent's Lower Threshold at the Kerb

One notable feature of Brent's policy is the 20mm threshold within approximately 1.5 metres of the kerb line and in cycle lanes. This reflects increased risk from:

- cyclists
- motorcyclists
- parked vehicles
- vehicles crossing the defect while turning
- drainage channels

Only a minority of authorities explicitly specify this lower threshold in their published policies, although several use reduced thresholds at crossings, cycle facilities or other higher-risk locations.

### 2.4 Trend Across London

Since adoption of the *Well-managed Highway Infrastructure* Code, authorities have generally moved away from fixed national standards towards:

- risk-based inspections
- dynamic risk assessment
- local investigatory levels
- prioritisation according to available funding

This has resulted in many councils increasing their nominal intervention levels while continuing to inspect regularly and assess wider risk factors. The City of London has explicitly acknowledged that neighbouring boroughs had adopted higher intervention levels due to funding pressures.

### 2.5 Brent Compared with London Average

| Measure | Brent | Typical London Borough |
|---|---|---|
| Footway defects repaired from | 20 mm | 20–25 mm |
| Carriageway defects repaired from | 30 mm | 40 mm |

| | | |
|---|---|---|
| Kerbside defects | 20 mm | Often 40 mm unless risk dictates |
| Cycle lane defects | 20 mm | Usually risk assessed |
| Overall intervention level | Relatively proactive | Moderate |

**Why This Matters**

Lower investigation levels generally mean:

✓ More defects identified
✓ More repairs undertaken
✓ Lower likelihood of deterioration
✓ Reduced exposure to highway claims

However:

✕ Increased revenue costs
✕ Greater pressure on maintenance budgets
✕ More defects requiring programming

Brent has chosen a relatively proactive position compared with many London authorities.

## 2.6 Alignment with National Guidance

| Requirement | Brent |
|---|---|
| Risk-based inspections | ✓ |
| Highway hierarchy | ✓ |
| Dynamic risk assessment | ✓ |
| Local investigatory levels | ✓ |
| Code of Practice compliant | ✓ |
| Asset management approach | ✓ |

## 2.7 Key Messages

**Strengths**

- Brent investigates carriageway defects at lower levels than many London authorities.
- Brent uses a 20 mm threshold for footways, consistent with mainstream London practice.
- Brent applies lower intervention levels adjacent to kerbs and cycle lanes, recognising the greater risk to vulnerable road users.

- The Council's inspection policy is fully aligned with the *Well-managed Highway Infrastructure* Code of Practice.

**Challenges**

- Lower intervention levels generate higher repair volumes.
- Demand continues to exceed available maintenance funding.
- Medium-priority defects may remain outstanding where higher-risk repairs must take precedence.

## 2.8 Overall Benchmark Assessment

| Area | Rating |
|---|---|
| London Comparison |  Above Average |
| Resident Safety |  Strong |
| Compliance |  Excellent |
| Asset Management |  Good Practice |
| Value for Money |  Good |

| Measure | Brent Position |
|---|---|
| Footway threshold | Typical London practice |
| General carriageway threshold | More interventionist than many boroughs |
| Kerbside pothole threshold | More proactive than most |
| Risk-based inspection | Fully aligned with national Code |
| Overall highway safety standard | Comparable with leading London authorities |

**Conclusion**

Benchmarking against published Highway Safety Inspection Policies from London highway authorities indicates that Brent's investigatory levels are consistent with mainstream London practice.

The Council applies a 20mm intervention level for footway trip hazards, matching the approach adopted by many neighbouring authorities.

For carriageways, Brent generally investigates defects at 30mm, which is more interventionist than a number of authorities that now apply 40mm or higher thresholds.

Brent also applies a lower 20mm threshold adjacent to kerbs and within cycle lanes, reflecting the increased risk to cyclists and other vulnerable road users. Overall, Brent's policy demonstrates a balanced, risk-based approach that aligns with national guidance while maintaining comparatively proactive standards for higher-risk defects.

This page is intentionally left blank

**Appendix G - Insurance Claims**

| Row Labels | Sum of Payments | Sum of Outstanding Estimate | Sum of Total Claim |
|---|---|---|---|
| 2013 | £4,919 | £0 | £4,919 |
| 2014 | £30,192 | £0 | £30,192 |
| 2015 | £35,051 | £0 | £35,051 |
| 2016 | £908,950 | £156,160 | £1,065,111 |
| 2017 | £533,984 | £2,298 | £536,283 |
| 2018 | £1,019,403 | £140,381 | £1,159,784 |
| 2019 | £849,336 | £57,957 | £907,293 |
| 2020 | £577,097 | £19,652 | £596,749 |
| 2021 | £494,882 | £295,976 | £790,858 |
| 2022 | £529,264 | £262,009 | £791,273 |
| 2023 | £220,996 | £181,677 | £402,674 |
| 2024 | £179,666 | £471,957 | £651,622 |
| 2025 | £81,168 | £581,468 | £662,635 |
| 2026 | £6,096 | £328,283 | £334,379 |
| | **£5,471,005** | **£2,497,818** | **£7,968,823** |

This dataset shows the value of public liability / highways claims by year, split between payments already made and outstanding estimated liabilities. The trends would support a discussion around the financial impact of highway claims and the effectiveness of highway maintenance.

**Analysis of Trends**

**Overall Trend**

- Total claims amount to £7.97 million between 2013 and 2026.
- Of this:
    - £5.47 million (69%) has already been paid.
    - £2.50 million (31%) remains as outstanding estimated liabilities.

**Historic Increase**

- Claims were negligible prior to 2016, with annual liabilities below £40,000.
- A very significant increase occurred in 2016, when total claims exceeded £1.06 million.
- Claims remained consistently high between 2016 and 2022, averaging approximately £835,000 per year.

This period likely reflects:

- Higher numbers of historic highway claims reaching settlement;
- Severe winters and deteriorating network condition;
- Increasing compensation values; and/or
- Changes in insurance handling practices.

**Recent Improvement-** From 2023 onwards, the value of new claims has reduced substantially:

| Year | Total Claim |
|---|---|
| 2022 | £791k |
| 2023 | £403k |
| 2024 | £652k |
| 2025 | £663k* |
| 2026 | £334k* |

(*includes substantial outstanding estimates.)

This suggests the value of settled claims has fallen significantly; however, many recent claims remain open and are awaiting resolution.

**Outstanding Liabilities:** Outstanding estimates increase markedly in recent years:

| Year | Outstanding |
|---|---|
| 2022 | £262k |
| 2023 | £182k |
| 2024 | £472k |
| 2025 | £581k |
| 2026 | £328k |

This is expected because:

- Newer claims are less likely to have been settled;
- Estimates are revised as investigations progress.

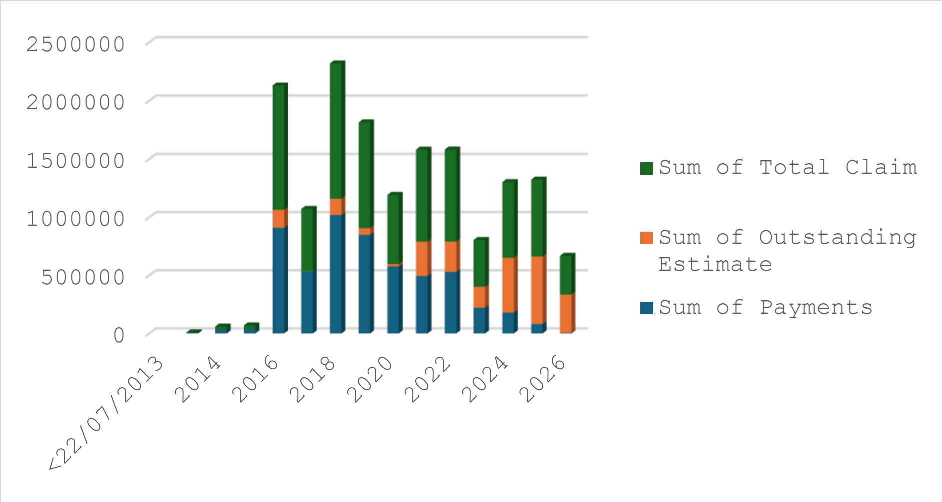
Consequently, the apparent reduction in payments for recent years should not yet be interpreted as a permanent reduction in total liabilities.

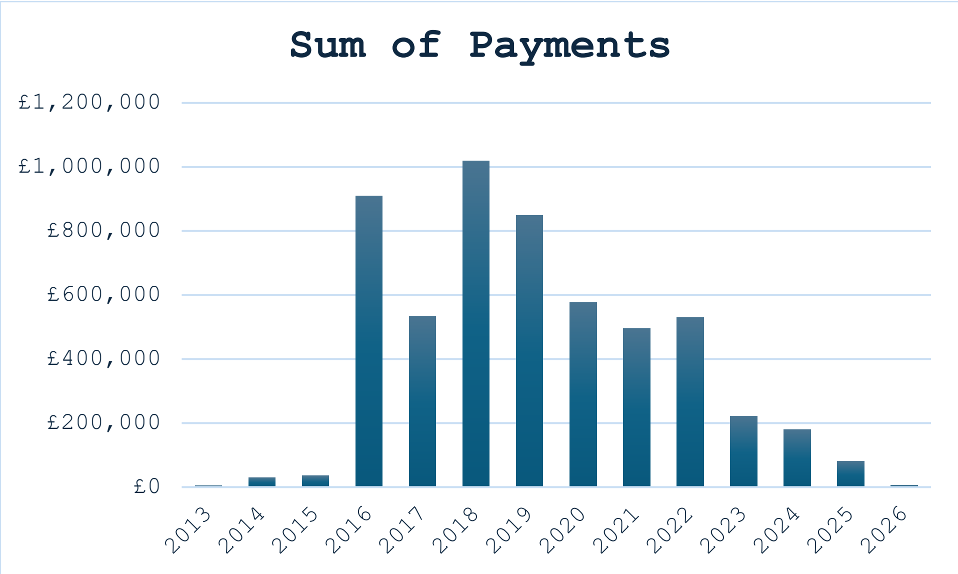
**Long-Term Position**

The data suggests three distinct periods:

- **2013–2015:** Very low claims.
- **2016–2022:** Sustained period of high claims averaging around **£0.8–1.2 million** annually.
- **2023 onwards:** Lower levels of claim costs, although a significant proportion remains outstanding.

If the recent reduction continues once outstanding claims are settled, it may indicate that increased investment in highway maintenance, improved inspection regimes and more proactive repairs are beginning to reduce the Council's financial exposure.




**Benchmarking**

Very little published benchmarking exists specifically for highway liability claims between London Boroughs. Most boroughs publish how to make a claim rather than the value or number of claims they receive. The most useful benchmarking sources are actually industry datasets rather than individual borough reports. The main sources are:

1. **APSE Performance Networks**

APSE operates a national highways benchmarking service covering over 170 authorities. It includes indicators such as:

- highway claims repudiation rates;
- inspection compliance;
- carriageway and footway condition;
- reactive maintenance performance;

- customer satisfaction; and
- cost and productivity measures.

Most of the detailed data is only available to participating councils.

### 2. ALARM/CIPFA Insurance Benchmarking

- Historically there was a CIPFA Insurance Benchmarking Club which included many London Boroughs.
- However, participation reduced and the exercise largely ceased because too few authorities submitted comparable data. A recent Royal Borough of Kensington & Chelsea report notes efforts to re-establish this benchmarking through ALARM.

### 3. Individual Transparency Publications

- A handful of councils publish annual highway claims datasets (for example Surrey County Council and Doncaster), but London boroughs generally do not publish comparable statistics.

**Key Messages**

- Approximately £8 million of highway-related claims have arisen since 2013.
- Around 69% has already been paid, with 31% still outstanding.
- Claim values peaked between 2016 and 2018, exceeding £1 million in some years.
- Payments have reduced significantly since 2023, although many recent claims remain unresolved.
- It is too early to conclude that liabilities have permanently reduced until outstanding claims are settled.
- Continued investment in planned highway maintenance should help reduce future claim frequencies and associated compensation costs over the longer term.

## Appendix H – Trends in Reactive Maintenance Carriageway repairs

The data shows a significant shift in Brent's approach to carriageway maintenance over the last decade, with increasing reliance on preventative maintenance techniques rather than traditional reactive pothole repairs. There are several key trends that would be useful to highlight.

| Year | Reactive repairs | Injection patching Defects | Find and Fix carriageway | Total Carriageway repairs |
|---|---|---|---|---|
| **15/16** | 1,295 | 0 | 0 | **1,295** |
| **16/17** | 1,780 | 0 | 0 | **1,780** |
| **17/18** | 2,423 | 0 | 0 | **2,423** |
| **18/19** | 2,476 | 2,759 | 0 | **5,235** |
| **19/20** | 1,646 | 26,087 | 0 | **27,733** |
| **20/21** | 1,251 | 8,959 | 0 | **10,210** |
| **21/22** | 1,426 | 5,370 | 0 | **6,796** |
| **22/23** | 1,075 | 9,643 | 0 | **10,718** |
| **23/24** | 1,984 | 3,777 | 0 | **5,761** |
| **24/25** | 1,861 | 2,362 | 0 | **4,223** |
| **25/26** | 1,625 | 5,558 | 1,197 | **8,380** |
| **Grand total** | **6,545** | **21,340** | **1,197** | **84,554** |

### Summary Analysis

### 1. Reactive repairs have generally declined

Reactive repairs peaked at 2,476 repairs in 2018/19, before falling to around 1,200–2,000 repairs per year thereafter.

| Year | Reactive Repairs |
|---|---|
| 15/16 | 1,295 |
| 16/17 | 1,780 |
| 17/18 | 2,423 |
| 18/19 | 2,476 *(peak)* |
| 19/20 | 1,646 |
| 20/21 | 1,251 |
| 21/22 | 1,426 |
| 22/23 | 1,075 *(lowest)* |
| 23/24 | 1,984 |
| 24/25 | 1,861 |
| 25/26 | 1,625 |

Overall, reactive repairs are now around 35% lower than the 2018/19 peak, indicating a move away from responding to individual defects.

**2. Introduction of injection patching transformed maintenance activity**

Injection patching was introduced in 2018/19 and immediately became Brent's principal reactive repair method.

| Year | Injection Patching |
|---|---|
| 18/19 | 2,759 |
| 19/20 | 26,087 |
| 20/21 | 8,959 |
| 21/22 | 5,370 |
| 22/23 | 9,643 |
| 23/24 | 3,777 |
| 24/25 | 2,362 |
| 25/26 | 5,558 |

The exceptional figure in 2019/20 (26,087 repairs) reflects a large-scale preventative programme targeting multiple defects before they deteriorated into potholes. Although annual volumes subsequently reduced, injection patching continues to account for the majority of carriageway repairs.

**3. Find and Fix introduced in 2025/26**

2025/26 saw the introduction of the Find and Fix initiative. With 1,197 defects repaired, which represents approximately 14% of all carriageway repairs during the year. The programme combines proactive inspections with immediate repairs, reducing repeat visits and improving response times.

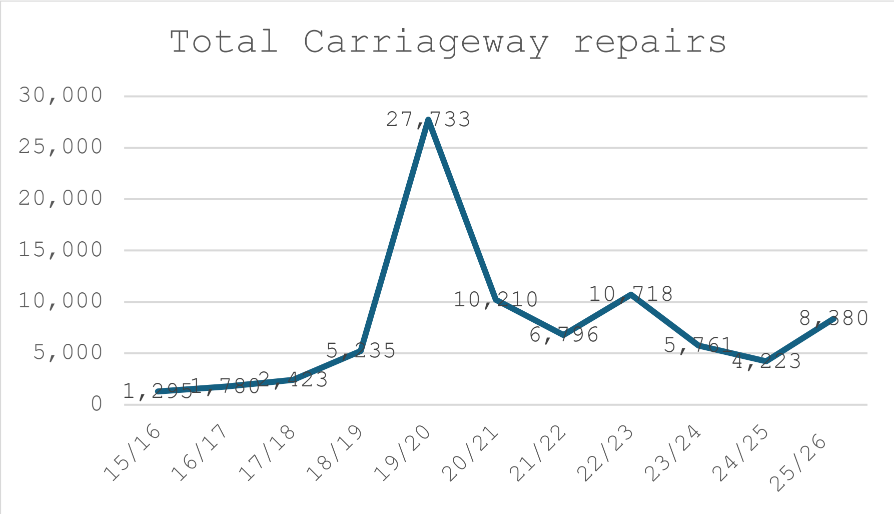
**4. Overall repair volumes**

Total carriageway repairs increased dramatically following introduction of injection patching.

| Year | Total Repairs |
|---:|---:|
| 15/16 | 1,295 |
| 16/17 | 1,780 |
| 17/18 | 2,423 |
| 18/19 | 5,235 |
| 19/20 | 27,733 |
| 20/21 | 10,210 |
| 21/22 | 6,796 |
| 22/23 | 10,718 |
| 23/24 | 5,761 |
| 24/25 | 4,223 |
| 25/26 | 8,380 |

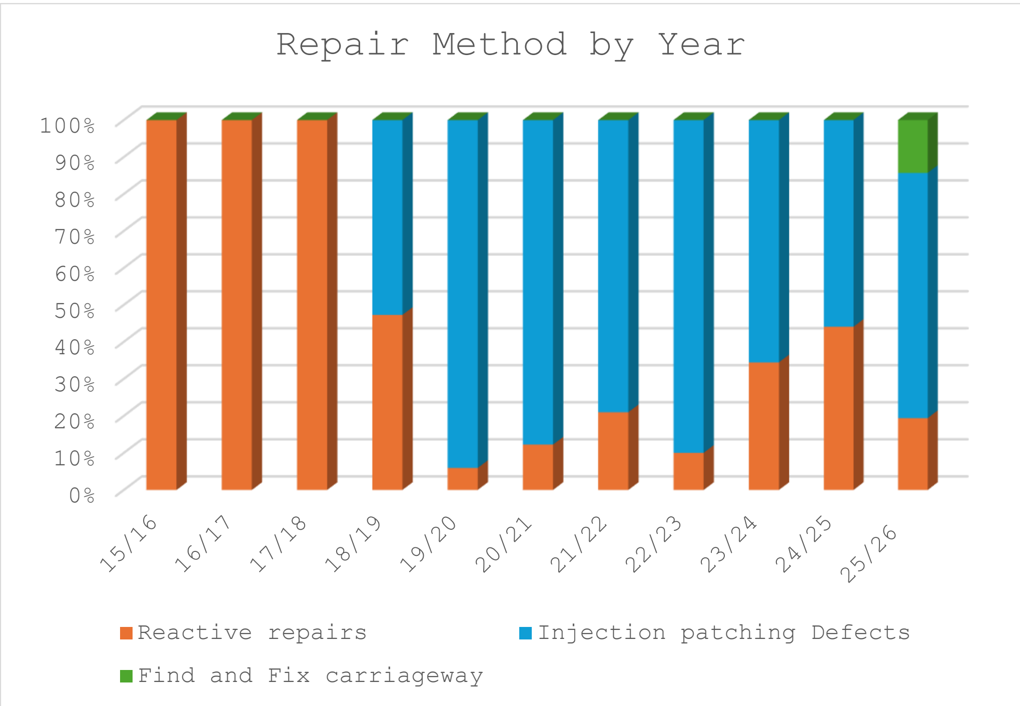
The data demonstrates that Brent has delivered substantially more repairs than would have been possible using conventional reactive pothole repairs alone.

**Figure 1. Total Carriageway Repairs by Year**



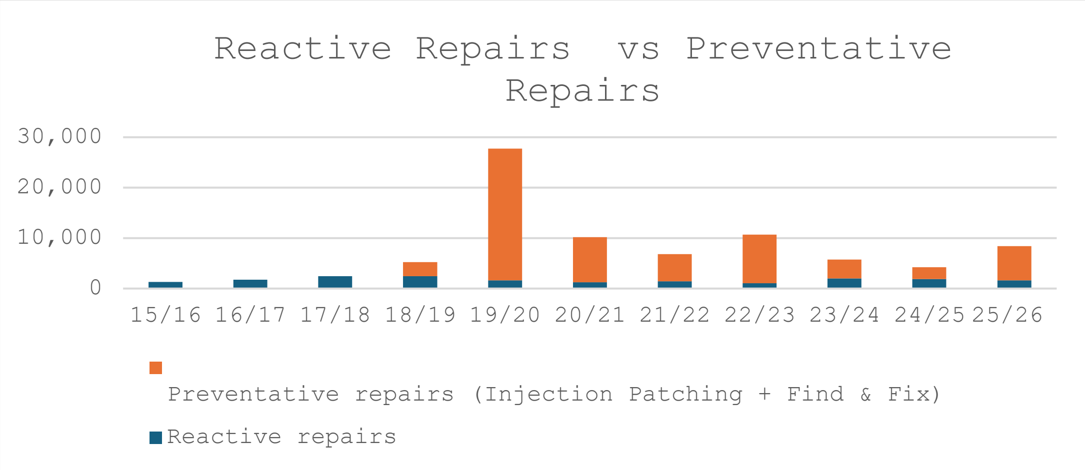

Following the introduction of injection patching in 2018/19, the overall number of carriageway defects repaired increased substantially. The exceptionally high number in 2019/20 reflects a proactive programme treating large numbers of defects, including many below the Council's investigation level, before they deteriorated into potholes.

**Figure 2. Repair Method by Year**




Since 2018/19, injection patching has become Brent's principal carriageway repair technique, enabling significantly more defects to be treated than would have been possible through traditional reactive repairs alone.

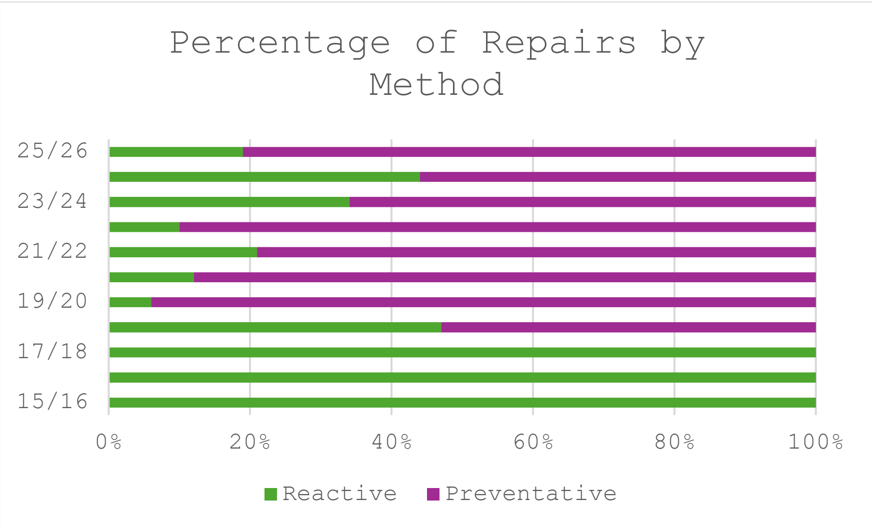
**Figure 3. Reactive Repairs vs Preventative Repairs**




This is a powerful illustration that whilst the numbers of reactive repairs remain relatively stable, preventative maintenance has become the dominant maintenance activity.

**Figure 4. Percentage of Repairs by Method**

This removes the effect of differing annual workloads and shows how the maintenance strategy has evolved. This makes the strategic shift from reactive repairs to preventative repairs immediately obvious.




**Summary**

The figures illustrate a clear evolution in maintenance strategy. Between 2015/16 and 2018/19, maintenance activity relied predominantly on reactive repairs to individual potholes. From 2018/19 onwards, Brent increasingly adopted preventative techniques, particularly injection patching, enabling many more defects to be treated at lower cost before they deteriorated. This approach provides several operational benefits:

- more defects repaired for the available budget;
- earlier intervention before defects become hazardous;
- reduced disruption compared with conventional patching;
- improved overall network resilience.

The introduction of the Find and Fix programme in 2025/26 represents a further development, combining proactive inspection with immediate repair of defects identified on site.

This page is intentionally left blank

## Appendix I – Contract Key Performance Indicators

### Performance Management and Performance Indicators

### Purpose

The Performance Indicators have been selected to assess performance of the aspects of the Contract most important to the *Client*. Namely, that the work is delivered on time and to the correct standard.

The Performance Indicators have been selected to provide an overall assessment of *Contractor* performance. There are two types of Performance Indicator – Primary Performance Indicators (PPIs) and Secondary Performance Indicator (SPIs). They are set out below in sections below Primary Performance Indicators and Secondary Performance Indicators.

Primary Performance Indicators have been selected to represent the strategic measures that demonstrate the *Contractor*'s performance in delivering key contractual requirements based on specific measures and data. Secondary Performance Indicators are a self-assessment by the *Contractor* to measure overall performance.

Performance Indicators will be used to identify areas for improvement and demonstrate the *Contractor*'s performance in meeting both contractual requirements and the strategic aims and objectives of the *Client* as well as for work reallocation where required.



### Lots

Only relevant Performance Indicators will be required to be measured and will be applicable for each individual Lot.

All Performance Indicators will be applicable to Lot 1.

As a minimum, the following Primary Performance Indicators will be applicable to Lot 2: PPI 4, PPI 6, PPI 7, PPI 8, PPI 9, PPI 10, PPI 11. All Secondary Performance Indicators will be applicable to Lot 2.

If additional works are instructed via Lot 2, the relevant Primary Performance Indicators will be applicable for those works. I.e. If Lot 2 is instructed to carry out Cat 2 reactive maintenance repairs, then PPI 2 will be measured and applicable.

**Targets, and Red Amber Green levels.**

The tables in in (Primary Performance Indicators) and (Secondary Performance Indicators) show the Red, Amber and Green Levels of delivery. Green shows that the *Contracto*r's performance is at or greater than the target level expected by the *Client*, Amber shows that the *Contractor*'s performance is just below the target and Red shows that the *Contractor*'s performance is below the Amber level, and therefore well below the acceptable standard.

The Target figures, including the red amber green boundaries for the following reporting year may be amended annually at the discretion of the *Client* in the last quarter of the contract year. The Targets may also be amended at any time upon mutual agreement with the *Contractor* and the *Client*.

**Methods of Calculation - PPIs**

The Primary Performance Indicators will be calculated in accordance with the instructions stated in the definition sheets.

**Performance Monitoring & Reporting**

The *Contractor* collects, collates and reports performance data against all of the Performance Indicators. The scores are reported to the *Client* monthly or quarterly using a format agreed by the *Client* and *Contractor as part of the* Monthly Progress Report. Secondary Performance Indicators are reported monthly.

If requested by the *Client* the *Contractor*:

- Provides additional performance data against the Performance Indicators;
- Provides further information to back up the performance data reported
- Sub-divides the performance data reported

The *Contractor* develops an Action Plan for any Performance Indicator that meets any of the following criteria:

- Any Performance Indicator in Red status
- Any Performance Indicator in Amber status for 3 consecutive reporting periods
- Any Performance Indicator in Amber status for 3 out of 5 reporting periods.

The *Contractor*'s Action Plan details what the *Contractor* will do to improve performance up to the target level. The *Contractor* develops the Action Plan in consultation with the *Client*. Action Plans include timescales for implementation and require sign off by the *Client*.

The *Contractor* is responsible for collecting collating and reporting performance data against the Performance Indicators. However, the *Client* reserves the right to check and amend the scores wherever deemed necessary in order that the scores accurately reflect the *Contractor*'s performance. For the avoidance of doubt, the *Client* has the final decision on what scores are recorded.

**Primary Performance Indicators**

| PI number | Performance Theme (Outcome) | PI Title | **Red** | **Amber** | **Green (Target)** | Measured Timescale |
|---|---|---|---|---|---|---|
| PPI 1 | Public Safety | Percentage of Cat 1 defects repaired on time | ≤94.99 % | 95.00 to 97.99 % | ≥98.00 % | Monthly |
| PPI 2 | | Percentage of Cat 2 defects repaired on time | ≤94.99 % | 95.00 to 97.99 % | ≥98.00 % | Monthly |
| PPI 3 | | Percentage of ECOs attended and appropriate action taken on time | ≤94.99 % | 95.00 to 97.99 % | ≥98.00 % | Monthly |
| PPI 4 | Reduced Disruption on Network | Percentage of works complying with the TMA requirements | ≤91.99 % | 92.00 to 94.99% | ≥95.00 % | Monthly |
| PPI 5 | Effective Maintenance Delivery | Delivery of Gully Cleaning to Programme | ≤86.99 % | 87.00 to 89.99% | ≥90.00 % | Monthly |
| PPI 6 | Responsible Procurement | Percentage of Construction and Demolition waste reused or recycled | ≤91.99 % | 92.00 to 94.99% | ≥95.00 % | Quarterly |
| PPI 7 | | Percentage of recycled and / or green products procured | ≤44.99 % | 45.00 to 49.99% | ≥50.00 % | Quarterly |
| PPI 8 | Effective Scheme Delivery | Percentage of Minor Tasks and Schemes completed on Time | ≤91.99 % | 92.00 to 94.99% | ≥95.00 % | Monthly |
| PPI 9 | | Percentage of Scheme where defects were rectified within the required time | ≤94.99 % | 95.00 to 97.99 % | ≥98.00 % | Monthly |

| | | | | | | |
|---|---|---|---|---|---|---|
| PPI 10 | Contract Requirements Fulfilled | Percentage of Quotations provided within the required timescales | ≤91.99 % | 92.00 to 94.99% | ≥95.00 % | Monthly |
| PPI 11 | | Timely Response to Early Warnings and Compensation Events | ≤86.99 % | 87.00 to 89.99% | ≥90.00 % | Monthly |
| PPI 12 (1,2,3 etc.) | Effective Scheme Delivery | Percentage of Actual Spend Against Profile Spend | ≤86.99 % | 87.00 to 89.99% | ≥90.00 % | Monthly |

**Secondary Performance Indicators**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Date: | | | | Contractor Score: | | 0.0% | |
| | | | | Target | | | | |
| | Unacceptable | Poor | Adequate | Satisfactory | Good | Excellent | Score | Comments |
| | 0 | 1 | 2 | 3 | 4 | 5 | | Please comment on any risk related issues |
| Communication & Reporting<br><br>SPI1 | No or minimal evidence of reporting. Reports not received on time, some outstanding (late) activities with no action or revised forecast dates. Issues and concerns not identified. | | Timely and accurate project reporting. All outstanding (late) activities have been reforecast and programmes updated. Comments added to late events and risks. Regular review of key milestone dates. Ensures all documentation is distributed to the correct recipients. | | Timely and accurate project reporting with solutions and actions identified. All outstanding (late) activities have been reforecast and programmes updated and communicated as required. Regular review of key milestone dates. Ensures all documentation is reviewed, updated and validated prior to distribution to correct recipients. | | 0 | |
| Health, Safety & Environment<br><br>SPI2 | HSE not raised at meetings. No evidence of risk assessments or method statements being in place prior to start of works. No | | HSE reviewed at design/progress meetings. Risk assessments and method statements in place prior to start of works. Site inductions | | Detailed discussions on HSE encouraged at all design/progress meetings. Risk | | 0 | |

| | | | | | |
|---|---|---|---|---|---|
| | evidence of site inductions being completed or health and safety procedures being implemented. Evidence of limited communication on HSE subject matter. | completed as required. Regularly reviews HSE Reports and takes appropriate course of action as required. Actively engaged with Site Manager. | assessments and method statements in place, adhered to and regularly reviewed. Site inductions completed; full records in place and updates provided. Proactive style and culture to HSE management. | | |
| Customer Care<br><br>SPI3 | No specific processes in place; staff not focused on customers, no visible evidence. | Recognisable systems in place, considered during works phases, not all staff have sufficient focus, visible evidence available, some feedback process used. | Focused on by all staff, importance flowed down management tiers to site level, all customers considered (full feedback sought from customers with lessons learnt workshops and KPI measurement. | 0 | |
| Site Standards & Quality Management<br><br><br>SPI4 | Site standards are not being delivered to required specification. Contractor is not actively involved in maintaining site standards. Quality Management and assurance systems are not evident. Inspections are not being carried out. | Ensures appropriate site standards achieved. Actively involved in maintaining site standards. Quality management and quality assurance systems in place and used to deliver project. Project team involved with regular inspections throughout project. Evidence that the provider focuses the project team on close out throughout project. | Consistently exceeding requirements for site standards. Evidence that quality management and assurance systems regularly reviewed, updated and used to deliver project. Ensures inspections carried out throughout | 0 | |

| | | | | | |
|---|---|---|---|---|---|
| | | | project and team are focused on working towards zero defects at Practical Completion. | | |
| Performance & Project Delivery<br><br>SPI5 | Work is frequently delivered to a poor standard. Project start and completion dates regularly missed. Low degree of confidence in the Contractor; some or significant cause for concern; poor performer. | Ensures work is routinely delivered to a satisfactory standard. Projects generally delivered on time, to budget with minimal defects. Satisfactory degree of confidence in the Contractor; meets minimum expectations and performs to an acceptable standard. | Consistently delivers work to a good or high quality standard. Projects always completed on time, within budget and with no defects. Good or high degree of confidence in the Contractor; exceeds expectations and performs well. | 0 | |
| Summary | | | | | |
| (Please identify any additional relevant information) | | | | | |

## Lot 1 North 0 Area - O'Hara Brothers 25/26 PI results

### 3.2 PPI Dashboard

- CAT 2 -March 2026, we have achieved a percentage of 100% for Cat 2 defects repaired on time during this period, paying particular attention to minor lining works & pothole repairs during the recent dry weather conditions.
 Improved data input procedures and programming of works have continued to ensure key completion dates are met within the time scales allowed.

| | | 2025-26 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PPI no. | PPI Title | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR |
| PPI 1 | Percentage of Cat 1 defects repaired on time | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| PPI 2 | Percentage of Cat 2 defects repaired on time | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| PPI 3 | Percentage of ECOs attended and appropriate action taken on time | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| PPI 4 | Percentage of works complying with the TMA requirements | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| PPI 5 | Delivery of Gully Cleaning to Programme | 138.00 | 132.00 | 137.00 | 118.00 | 103.00 | 95.00 | 91.00 | 88.50 | 87.90 | 86.80 | 83.50 | 78.50 |
| PPI 6 | Percentage of Construction and Demolition waste reused or recycled | | | 93.00 | | | 65.00 | | | 80.24 | | | 87.00 |
| PPI 7 | Percentage of recycled and / or green products procured | | | 78.00 | | | 87.00 | | | 96.00 | | | 92.00 |
| PPI 8 | Percentage of Minor Tasks and Schemes completed on Time | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| PPI 9 | Percentage of Scheme where defects were rectified within the required time | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| PPI 10 | Percentage of Quotations provided within the required timescales | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| PPI 11 | Timely Response to Early Warnings and Compensation Events | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| PPI 12 | Percentage of Actual Spend Against Profile Spend | 100.00 | 100.00 | 100.00 | 100.00 | 117.00 | 109.00 | 96.00 | 100.00 | 107.00 | 100.00 | 103.00 | 114.00 |

## 3.3 SPI Dashboard

| PPI no. | SPI Title | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2025-2026 | | | | | | | | | | | |
| SPI1 | Communication & Reporting | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| SPI2 | Health, Safety & Environment | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| SPI3 | Customer Care | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 |
| SPI4 | Site Standards & Quality Management | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| SPI5 | Performance & Project Delivery | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| | Contractor Score (%) | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 96 |

## Lot 2 South Area - GW Highways 25/26 PI results

| | | 2025/26 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PPI no. | PPI Title | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR |
| PPI 6 | Percentage of Construction and Demolition waste reused or recycled | | | 95.52% | | | 96.01% | | | 96.01% | | | 95.01% |
| PPI 7 | Percentage of recycled and / or green products procured | | | 95.5% | | | 97% | | | 98.01% | | | 96.0% |
| PPI 8 | Percentage of Minor Tasks and Schemes completed on Time | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| PPI 9 | Percentage of Scheme where defects were rectified within the required time | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| PPI 10 | Percentage of Quotations provided within the required timescales | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| PPI 11 | Timely Response to Early Warnings and Compensation Events | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| PPI 12 | Percentage of Actual Spend Against Profile Spend | 100.51% | 103.73% | 100.9% | 100.47% | 102.12% | 103.44% | 102.34% | 101.25% | 99.56% | 103.42% | 99.03% | 102.88% |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

**Brent** *Working in partnership on Highways Services*

| | | | SPI Monthly Scorecard | Contractor Score (%): 100% | | |
|---|---|---|---|---|---|---|
| | | Unacceptable 0 / Poor 1 | Adequate 2 / Satisfactory 3 | Good 4 / Excellent 5 | Score (0-5) | Comments. Please comment on any risk related issue, |
| SPI1 | Communication & Reporting | No or minimal evidence of reporting. Reports not received on time, some outstanding (late) activities with no action or revised forecast dates. Issues and concerns not identified. | Timely and accurate project reporting. All outstanding (late) activities have been reforecast and programmes updated. Comments added to late events and risks. Regular review of key milestone dates. Ensures all documentation is distributed to the correct recipients. | Timely and accurate project reporting with solutions and actions identified. All outstanding (late) activities have been reforecast and programmes updated and communicated as required. Regular review of key milestone dates. Ensures all documentation is reviewed, updated and validated prior to distribution to correct recipients. | 5 | We have provided clear communication to the residents and client alike. No complaints this month |
| SPI2 | Health, Safety & Environment | HSE not raised at meetings. No evidence of risk assessments or method statements being in place prior to start of works. No evidence of site inductions being completed or health and safety procedures being implemented. Evidence of limited communication on HSE subject matter. | HSE reviewed at design/progress meetings. Risk assessments and method statements in place prior to start of works. Site inductions completed as required. Regularly reviews HSE Reports and takes appropriate course of action as required. Actively engaged with Site Manager. | Detailed discussions on HSE encouraged at all design/progress meetings. Risk assessments and method statements in place, adhered to and regularly reviewed. Site inductions completed; full records in place and updates provided. Proactive style and culture to HSE management. | 5 | As detailed in the report no LT's accidents to date. CPP is current and a working document |
| SPI3 | Customer Care | No specific processes in place; staff not focused on customers, no visible evidence. | Recognisable systems in place, considered during works phases, not all staff have sufficient focus, visible evidence available, some feedback process used. | Focused on by all staff, importance flowed down management tiers to site level, all customers considered (full feedback sought from customers with lessons learnt workshops and KPI measurement. | 5 | We have 24/7 helpline for any issues and respond in a timely fashion. |
| SPI4 | Site Standards & Quality Management | Site standards are not being delivered to required specification. Contractor is not actively involved in maintaining site standards. Quality Management and assurance systems are not evident. Inspections are not being carried out. | Ensures appropriate site standards achieved. Actively involved in maintaining site standards. Quality management and quality assurance systems in place and used to deliver project. Project team involved with regular inspections throughout project. Evidence that the provider focuses the project team on close out throughout project. | Consistently exceeding requirements for site standards. Evidence that quality management and assurance systems regularly reviewed, updated and used to deliver project. Ensures inspections carried out throughout project and team are focused on working towards zero defects at Practical Completion. | 5 | The schemes are completed without defects and quality workmanship |
| SPI5 | Performance & Project Delivery | Work is frequently delivered to a poor standard. Project start and completion dates regularly missed. Low degree of confidence in the Contractor; some or significant cause for concern; poor performer. | Ensures work is routinely delivered to a satisfactory standard. Projects generally delivered on time, to budget with minimal defects. Satisfactory degree of confidence in the Contractor; meets minimum expectations and performs to an acceptable standard. | Consistently delivers work to a good or high quality standard. Projects always completed on time, within budget and with no defects. Good or high degree of confidence in the Contractor; exceeds expectations and performs well. | 5 | We are delivering the works in the defined timescales. Where works are in our control. |

This page is intentionally left blank

**Appendix J - Trends in Highway Reactive Maintenance Defects Identified**

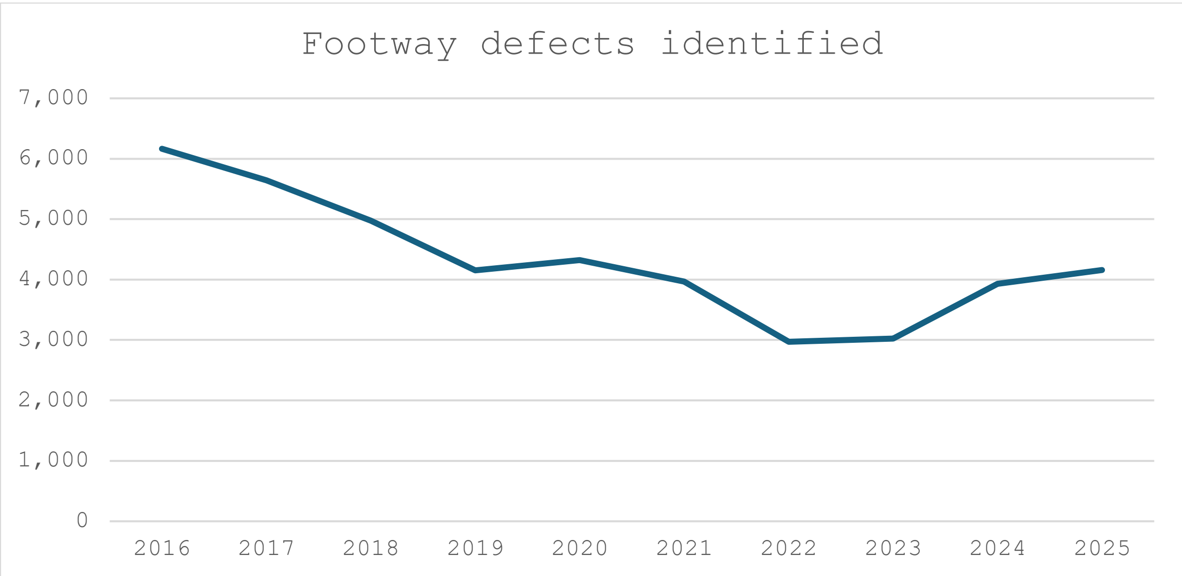
**1. Footways - The Data**

The data from the Symology Insight asset management system shows the number of highway defects identified by category between 2016 and the first quarter of 2026. Focusing on Kerbs, Footway & Paved Areas (footway defects), there are several clear long-term trends.

| Year | Footway defects identified |
|---|---|
| 2016 | 6,165 |
| 2017 | 5,644 |
| 2018 | 4,977 |
| 2019 | 4,151 |
| 2020 | 4,323 |
| 2021 | 3,969 |
| 2022 | 2,971 |
| 2023 | 3,026 |
| 2024 | 3,930 |
| 2025 | 4,160 |
| 2026 (Jan–Mar) | 1,261 |

*Figures derived from the monthly totals contained within the dataset.*

**2. Footways - Overall trend**




The data demonstrates three distinct phases.

- ***2016–2019: Significant reduction***

  Footway defects fell from approximately 6,200 defects in 2016 to around 4,150 in 2019, representing a reduction of around 33%. This suggests that the condition of the footway network was improving during this period, most likely reflecting increased investment in reconstruction and preventative maintenance.

- ***2020–2023: Lowest recorded levels***

  Following a small increase in 2020, the number of identified defects continued to fall, reaching a low of approximately 3,000 defects in 2022 and 2023—around 50% lower than 2016. This coincides with the period when Brent invested heavily in borough-wide footway renewal programmes.

- ***2024–2025: Increase in defects***

  Since 2023 there has been a noticeable increase:

  - 2024 increased by approximately 30% compared with 2023.
  - 2025 increased by a further 6%, reaching around 4,160 defects.

Although this is a significant increase compared with recent years, defect levels remain well below those recorded between 2016 and 2018.

**3. Footways- Seasonal Trend**

There is a consistent seasonal trend throughout the dataset.

- **Higher numbers** of defects are generally identified during: January to March and October to December
- **Lower numbers** are generally recorded during late spring and summer (May to August)

This reflects both the deterioration of pavements following winter weather and increased inspection activity after adverse weather events.

**4. Comparison with carriageway defects**

An interesting feature of the dataset is that footway defects consistently exceed carriageway defects. For example:

| Year | Footway | Carriageway |
|---|---|---|
| 2016 | 6,165 | 3,926 |
| 2020 | 4,323 | 2,189 |
| 2023 | 3,026 | 2,130 |
| 2025 | 4,160 | 2,172 |

Footway defects typically account for 55–65% of all highway safety defects, demonstrating that footways remain the largest reactive maintenance workload.

**5. Footways - Possible reasons for the recent increase**

The increase since 2024 is likely to be due to a combination of factors rather than a single cause:

- Ageing footway assets reaching the end of their service life.
- Increased deterioration following wetter winters.
- Improved inspection and defect recording.
- Higher public reporting levels.
- The natural decline in the benefits delivered by earlier large-scale reconstruction programmes completed between 2019 and 2023.

## 6. Footways - Commentary

Between 2016 and 2023 the number of identified footway defects reduced by approximately 50%, indicating that sustained capital investment in footway reconstruction was having a positive effect on network condition.

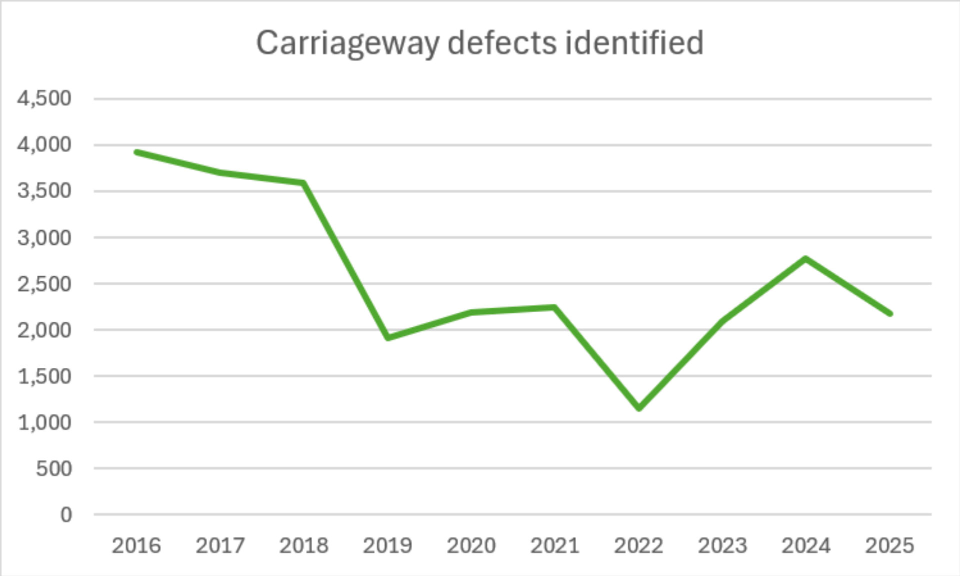
Since 2024 there has been an increase in identified defects, although levels remain substantially below those recorded at the beginning of the period. The recent increase is likely to reflect a combination of ageing infrastructure, adverse weather conditions and increased reporting, reinforcing the need to maintain investment in planned preventative maintenance to avoid further deterioration.

## 7. Carriageways - The Data

Based on the dataset from Symology Insight, Road Pavements represents carriageway defects identified during inspections and customer reports. The trend over the period 2016–2025 (plus Q1 2026) is shown below.

| Year | Carriageway defects identified |
|---|---|
| 2016 | 3,926 |
| 2017 | 3,703 |
| 2018 | 3,594 |
| 2019 | 1,917 |
| 2020 | 2,189 |
| 2021 | 2,247 |
| 2022 | 1,145 |
| 2023 | 2,095 |
| 2024 | 2,769 |
| 2025 | 2,172 |
| 2026 (Jan–Mar) | 871 |

*Figures derived from the monthly Road Pavements totals contained within the dataset.*




**8. Carriageways- Overall trend**

The carriageway defect data demonstrates four distinct phases.

- **2016–2018: Gradual improvement**

  Between 2016 and 2018 the number of identified carriageway defects fell modestly from approximately 3,930 to 3,590 defects, representing an 8% reduction. During this period the carriageway network remained relatively stable despite ageing infrastructure.

- **2019–2022: Significant improvement**

  A substantial reduction occurred between 2018 and 2022, with identified defects falling from approximately 3,600 to just 1,145, a reduction of around 68%. This coincides with Brent's increased investment in planned carriageway resurfacing and preventative maintenance, together with programmes such as injection patching, which addressed defects before they deteriorated into safety defects requiring reactive repair.

- **2023–2024: Increase in defects**

  Following the historic low recorded in 2022, carriageway defects increased significantly:

  - 2023: 2,095 defects (+83% compared with 2022)
  - 2024: 2,769 defects (+32% compared with 2023)

  The increase is likely to reflect a combination of severe winter weather, ageing road surfaces and the gradual deterioration of roads previously treated several years earlier.

- **2025: Improvement**

During 2025 the number of identified carriageway defects reduced to approximately 2,170, representing a 22% reduction compared with 2024. This suggests that increased maintenance activity during 2024 and 2025 has begun to stabilise carriageway condition.

## 9. Carriageways - Seasonal pattern

The data shows a pronounced seasonal effect.

- Higher numbers of carriageway defects are consistently identified during: January to March and Late autumn and early winter
- Lower numbers generally occur during Summer months (June to September)

This reflects the well-established impact of freeze-thaw cycles, heavy rainfall and increased traffic loading during winter, all of which accelerate pothole formation and carriageway deterioration.

## 10. Comparison with footway defects

Throughout the period, carriageway defects remained consistently lower than footway defects.

| Year | Footway defects | Carriageway defects |
|---|---|---|
| 2016 | 6,165 | 3,926 |
| 2019 | 4,151 | 1,917 |
| 2022 | 2,971 | 1,145 |
| 2025 | 4,160 | 2,172 |

Carriageway defects generally account for **30–40% of all highway safety defects**, whereas footways account for the majority. However, carriageway defects often require more resource-intensive repairs and have greater implications for road safety, network resilience and third-party liability.

## 11. Carriageways Possible reasons for the recent increase

The increase in carriageway defects since 2023 is likely to reflect several factors:

- Successive wet winters accelerating pothole formation.
- Increasing age of carriageway assets as previous resurfacing programmes reach the end of their design life.
- Increased traffic loading, particularly from buses and heavy goods vehicles.
- The reduction in preventative treatment opportunities during periods of constrained funding.
- Improved defect reporting by members of the public.

The reduction seen during 2025 suggests that recent investment in resurfacing, patching and preventative maintenance is beginning to mitigate these pressures.

## 12. Commentary

The number of identified carriageway defects reduced significantly between 2016 and 2022, indicating that sustained investment in resurfacing and preventative maintenance had a positive impact on network condition.

Following an increase during 2023 and 2024, largely attributable to adverse weather and the ageing road network, defect levels reduced again during 2025.

Although carriageway defects remain above the historic low recorded in 2022, they remain substantially below those experienced at the start of the reporting period.

Continued investment in preventative maintenance and timely resurfacing will be essential to maintain this improvement and reduce the long-term cost of reactive repairs.

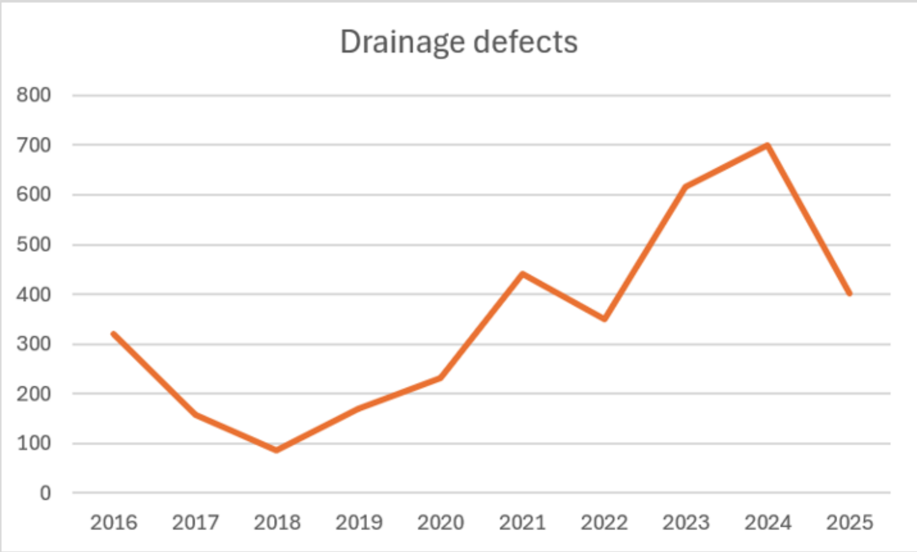
## 13. Remaining Categories of Defects

The remaining categories are relatively small individually, but they provide a useful picture of how the Council's highway asset management priorities have changed over the last decade.

## 14. Drainage Defects

**Trend -** Drainage defects show the opposite trend to footways and carriageways. Defects identified increased steadily throughout the period.

| Year | Drainage defects |
|---|---|
| 2016 | 319 |
| 2017 | 158 |
| 2018 | 87 |
| 2019 | 169 |
| 2020 | 231 |
| 2021 | 441 |
| 2022 | 350 |
| 2023 | 617 |
| 2024 | 699 |
| 2025 | 402 |
| 2026 (Q1) | 164 |




**Analysis -** Drainage defects reduced significantly between 2016 and 2018 before increasing year-on-year from 2019 onwards. The peak in 2023–2024 coincides with several exceptionally wet periods across London and increasing public awareness of flooding issues. The increase is likely to reflect:

- more intense rainfall events associated with climate change;
- ageing highway drainage infrastructure;
- greater emphasis on identifying blocked gullies and drainage defects;
- increased customer reporting during flooding events.

Although defects reduced during 2025, drainage remains one of the fastest-growing maintenance disciplines and is likely to remain an increasing demand on revenue budgets.

## 15. Road Markings

**Trend -** Road marking defects have increased substantially over the reporting period.

| Year | Approximate trend |
|---|---|
| 2016–2019 | Very low (typically under 100 annually) |
| 2020–2022 | Gradual increase |
| 2023–2025 | Significant increase |

**Analysis** Road marking defects have increased steadily over recent years, particularly from 2022 onwards. This is likely to reflect:

- increased emphasis on active travel schemes;
- additional parking and traffic management measures;
- ageing thermoplastic markings requiring renewal;
- improved inspection recording.

Although representing a relatively small proportion of all defects, road markings are safety critical and contribute directly to compliance with the Traffic Signs Regulations and General Directions (TSRGD).

### 16. Road Restraint Systems (Guard Rails)

**Trend** - Guard rail defects have remained remarkably consistent throughout the period.

Annual totals generally fluctuate between **120 and 380 defects**, with no clear long-term upward or downward trend.

**Analysis -**The relatively stable trend suggests:

- the borough's restraint systems are generally in good condition;
- replacement programmes have kept pace with deterioration;
- defects are largely isolated impact damage rather than network-wide deterioration.

Most defects are likely to arise from vehicle collisions rather than asset ageing.

### 17. Street Furniture

**Trend -** Street furniture defects have increased steadily over the decade. Annual totals have broadly doubled compared with the earlier years.

**Analysis** - The increase reflects:

- growth in the number of highway assets (bollards, cycle infrastructure, seating, etc.);
- increasing age of existing infrastructure;
- greater inspection coverage;
- more customer reporting.

Although individually low-cost, these defects can generate significant customer enquiries because they are highly visible.

### 18. Traffic Signs

**Trend-** Traffic sign defects remain consistently low. Annual totals generally remain below 100 defects despite some increase during 2024–2025.

**Analysis -**The relatively stable numbers suggest that the borough's traffic sign asset remains in good condition.Recent increases are likely to reflect:

- replacement of older signs to improve compliance;
- storm damage;
- increased inspections following new schemes.

Overall this category represents a very small proportion of the highway maintenance workload.

### 19. Fencing and Earthworks

**Trend -**Both categories remain extremely low throughout the reporting period.

Defects occur only sporadically, usually associated with:

- collision damage;
- isolated structural failures;
- vegetation issues;
- severe weather events.

**Analysis -**These categories account for less than 1% of all identified highway defects and are managed on a reactive basis rather than through planned programmes.

## 20. Overall Asset Management Summary

The data demonstrates a clear shift in the profile of highway maintenance demands over the last decade.

- **Footway defects** remain the largest category, although they reduced substantially following significant investment before increasing modestly in recent years.
- **Carriageway defects** reduced significantly following resurfacing and preventative maintenance programmes and remain below historic levels despite recent increases.
- **Drainage defects** have become an increasingly significant maintenance pressure, reflecting wetter weather patterns and ageing drainage assets.
- **Street furniture and road marking defects** have increased gradually as the highway asset base has expanded and inspection regimes have matured.
- **Traffic signs, guard rails, fencing and earthworks** continue to represent relatively small and stable elements of the reactive maintenance workload.

## 21. Commentary

The ten-year trend demonstrates that sustained investment in planned maintenance has successfully reduced the number of structural footway and carriageway defects compared with historic levels.

However, maintenance demand is increasingly shifting towards drainage infrastructure, highway furniture and ancillary assets.

This reflects the changing nature of the highway network, the impacts of climate change and ageing infrastructure, and highlights the importance of maintaining a balanced asset management strategy that combines structural renewal with adequate revenue funding for reactive maintenance and inspection activities.

This page is intentionally left blank

## Appendix K – Highways Inspection Regime

### Safety Inspections

Safety inspections shall identify all defects likely to create danger or serious inconvenience to users of the Affected Property or the wider community.

Safety inspections shall be undertaken on foot at frequencies to reflect the characteristics of the particular element of the Affected Property and its use, and at times of day which enable the inspection to be carried out thoroughly and safely. However, on high speed Strategic Routes (50/ 60/ 70 mph), on roads where there is no footway, or roads where the carriageway is too wide to identify defects from the footway, safety inspections shall be carried out by two operatives in a slow-moving vehicle. Safety inspections carried out in this way shall, whenever possible, be carried out during off-peak hours.

Safety inspections shall be carried out at the following frequencies:

### Carriageways

High speed Strategic Route (50/60/70 mph) 1 week
Other Strategic Route 1 month
Main Distributor Road 1 month
Secondary Distributor Road 1 month
Link Road 3 months
Local Access Road 6 months

### Footways

Prestige Walking Zone 1 week
Primary Walking Zone 1 month
Secondary Walking Zone 3 months
Link Footway 6 months
Local Access Footway 1 year

### Cycling Facilities

Category A: Part of Carriageway
As for road
Category B: Not Part of Carriageway
1 month
Category C: Cycle Route through Open Space
1 year

Where network features intersect (e.g. at a zebra or a toucan crossing), the feature with the greatest frequency shall be applied.

There might be particular locations on the network where more frequent inspections than those set out in the above table are required, such as at accesses to schools, hospitals, etc or on routes which host special events or ceremonies.

When carrying out a safety inspection, the following shall be classified as defects:

**Carriageway**

• A pothole 20mm or deeper over 100sqcm or more within 1.5m of the kerb or within a formally marked cycle lane.
• A pothole 30mm or deeper over 100sqcm or more elsewhere.
• Spalling of concrete 20mm or deeper over 400sqcm or more.
• Crowning of 40mm or more over a 3m length.
• A depression of 40mm or more within a 1m length or 25mm or more within a 300mm length.
• Rutting of 40mm or more.
• A gap or crack 20mm or wider, 40mm or deeper and 500mm or longer.
• An oil or diesel spill over 1sqm.
• Missing or defective anti-skid surfacing over 1sqm.
• Standing water 10mm or deeper over 500mm in width adjacent to the kerb or 20mm. or deeper over 1sqm or more elsewhere.
• Debris, building materials, abandoned vehicles or other obstruction likely to create a hazard.
• Inadequate signing or guarding of works.

**Pedestrian Crossing**

• A trip of 20mm or more.

**Footway/Shared Path/Cycle Track**

• A trip of 20mm or more.
• A pothole 20mm or deeper over 100sqcm or more.
• A rocking slab or block with 20mm or more movement.
• A gap or crack 20mm or wider, 20mm or deeper and 200mm or longer.
• Standing water 10mm or deeper over 1sqm or more.
• Cellar or other access doors or vents likely to create a hazard.

• Damaged, misaligned or defective street furniture likely to create a hazard.
• Height clearance less than 2.5m to cycle path or cycle track below.
signs or overhanging trees or vegetation.
• Height clearance less than 2.1m to footway below signs or overhanging trees or vegetation.
• A tree base 20mm or more below footway level.
• A damaged or defective tree grid likely to create a hazard.
• Advertising, scaffolding, hoarding, building materials, vegetation or other obstruction likely to create a hazard.
• Inadequate signing or guarding of works.

**Kerbing**

• A unit dislodged by 50mm or more horizontally.

• A unit sunk by 20mm or more compared to an adjacent unit.
• A unit rocking with 20mm or more of movement.
• A missing unit.

**Ironwork**

• A broken or cracked cover likely to create a hazard.
• A worn or polished cover likely to create a hazard.
• A missing cover.
• A rocking cover or frame likely to cause a hazard or noise nuisance.
• Ironwork sunk or projecting by 20mm or more.
• Fluid discharging and likely to create a health or safety hazard.
• A missing gully grate.
• A blocked gully likely to create a hazard.
• A broken or cracked gully grate likely to create a hazard.

**Grass verge**

• Rutting of 75mm or more.
• Inadequate signing or guarding of works.

**Road Markings**

• 30% or more missing, faded or worn over a 1m length.

**Traffic Signals, Lighting, Signs, Bollards, Street Name Plates**

• A damaged, misaligned or defective item likely to create a hazard.
• Obscured, dirty or faded items likely to create a hazard.
• Exposed wiring.
• An open or missing door protecting electrical apparatus.
• A traffic signal lamp failure.

**Fencing, Safety Fencing and Barriers**

• A damaged, misaligned or defective item likely to create a hazard.
• A missing item likely to create a hazard.

**Trees and Vegetation**

• Obstructing visibility of signs or sight lines.
• Obstructing passage in use of the highway.
• Dead, diseased or infected trees or branches.

**Highway Structures**

• A damaged, misaligned, loose or defective item likely to create a hazard (eg expansion joint).

• Severe cracking or spalling of concrete.
• Missing items or any evidence of tampering with security features.
• Inadequate signing or guarding of works.

**Culverts**

• An accumulation of rubbish, debris or any other material at the.
mouth of the culvert likely to create a flooding hazard.

**Pedestrian Subways**

• Lighting damaged or not functioning.
• Wall tiles missing or damaged.
• A trip of 20mm or more.
• A pothole 20mm or deeper over 100sqcm or more.
• Damaged stair treads.
• A gap or crack in the floor 20mm or wider, 20mm or deeper and 200mm or longer.
• Standing water 10mm or deeper over 1sqm or more.
• A handrail loose or missing.

In addition to the above, the inspector shall record anything else which is deemed to be creating, or is likely to create, a hazard to users of the Affected Property. The inspector shall also identify and record any requirement for reactive works associated with, for example, graffiti, animal carcasses, fly tipping or street lights burning during the day.

During safety inspections, all observed defects that create a risk to users shall be recorded and the level of response determined on the basis of risk assessment. The degree of deficiency in highway elements will be crucial in determining the nature and speed of response. The inspector shall make an on-site judgement taking into account the particular circumstances. For depth but also its surface area and location in the carriageway or footway.

All defects identified from the list at clause 2.1.5 above shall be assessed for likely risk. All risks identified through this process shall be evaluated in terms of their significance, which means assessing the likely impact should the risk occur, and the probability of it actually happening.

The impact of a risk occurring shall be quantified on a scale of 1 to 4, assessed as follows:

1 little or negligible impact;
2 minor or low impact;
3 moderate impact;
4 major, high or serious impact.

The impact shall be quantified by assessing the extent of damage or injury likely to be caused should the risk become an incident. As the impact is likely to increase with

increasing speed, the amount of traffic and type of road are clearly important considerations in the assessment, as is the vulnerability
of the road user, e.g. cyclists.

The probability of a risk occurring shall be quantified on a scale of 1 to 5, assessed as follows:

1 very low probability;
2 low probability;
3 medium probability;
4 high probability;
5 very high probability.

The probability shall be quantified by assessing the likelihood of users, passing by or over the defect, encountering the risk. As the probability is likely to increase with increasing vehicular, cyclist or pedestrian flow, the network hierarchy and defect location are, consequently, important considerations in the assessment.

The risk factor for a particular risk is the product of the risk impact and the risk probability and is therefore in the range of 1 to 20. It is this factor which shall identify the overall seriousness of the risk and consequently the speed of response to remedy the defect. Accordingly, the category of the defect and the response time for dealing with it shall be determined by correlation with the risk factor, as follows:

Risk factor Category of defect Response
**16 or 20** Cat 1(ECO*) Attend and take appropriate action within 1 hour (for defects affecting the Strategic Route Network) or within 2 hours (for all other parts of the Affected Property)

**8 to 15** Cat 1 Make safe or complete temporary or permanent repair within 24 hours
**6** Cat 2H Complete permanent repair within 7 calendar days
**3 to 5** Cat 2M Complete permanent repair within 28 calendar days
**1 or 2** Cat 2L No response required

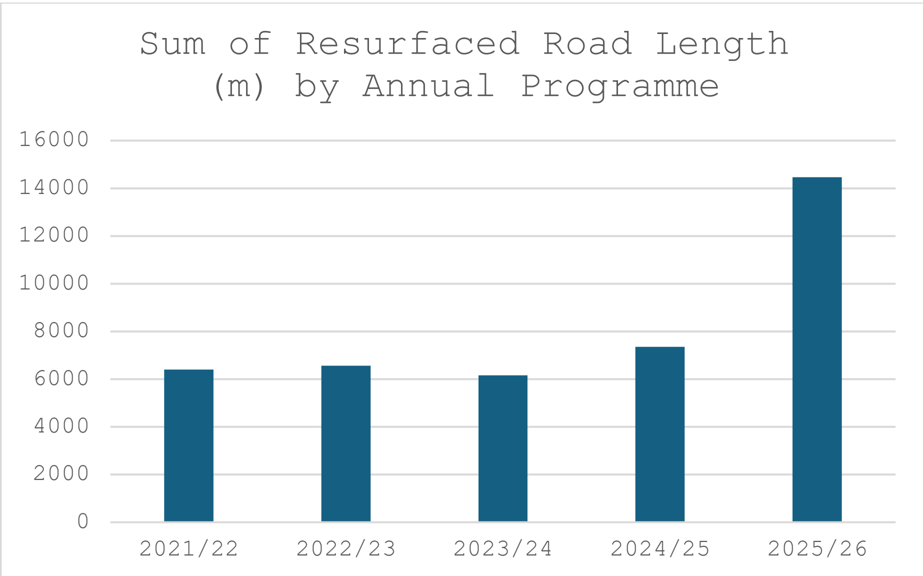
* Emergency Call Out

## Appendix L – Carriageway & Footway Resurfacing 2021- 2026

### 1. Carriageways -Overall Programme 2021- 2026

- Approximately 100 major carriageway resurfacing schemes have been delivered or programmed.
- The programme covers every ward in Brent, demonstrating a borough-wide approach.
- Schemes range from short local repairs of 40–100m to major strategic resurfacing schemes exceeding 1.5km.
- Investment has included both residential roads and the principal road network (A-roads and B-roads).

| Programme | Sum of Length (km) |
|---|---|
| 2021/22 | 6.400 |
| 2022/23 | 6.569 |
| 2023/24 | 6.154 |
| 2024/25 | 7.351 |
| 2025/26 | 14.472 |
| **Total Over Five years** | **40.946 km** |




### 1.1 Carriageways - Programme Coverage and Network Condition

Brent maintains approximately 469.5 km of carriageway. Although around 100 resurfacing schemes have been delivered between 2021/22 and 2025/26, only a small proportion of the network can be renewed each year, meaning that full network renewal would take many decades.

Annual condition surveys show that, whilst increased investment has helped stabilise and gradually improve overall network condition, deterioration continues elsewhere as roads age and traffic volumes increase.

The resurfacing programme therefore adopts a risk-based asset management approach, prioritising investment using condition survey data, engineering assessments and network importance to maximise the benefits of available funding.

Although recent survey results indicate that this strategy is improving network condition, a significant maintenance backlog remains, and sustained long-term investment will be required to continue improving the network and reduce future reactive maintenance.

Using our figures:

- Total Brent carriageway network: 469.5 km
- Major resurfacing completed over five years: 40.946 km

This equates to:

- 8.19 km resurfaced per year (40.946 ÷ 5)
- Approximately 1.74% of the network renewed each year (8.19 ÷ 469.5 × 100)

At this average rate:

- ***469.5 km ÷ 8.19 km/year = approximately 57 years to resurface the entire carriageway network once***.

**1.2 Carriageways - Comparison with the National Average (ALARM Survey)**

The findings of the Annual Local Authority Road Maintenance (ALARM) Survey indicate that English local authorities typically report an average carriageway resurfacing cycle of around 60 to 100 years, with many councils extending beyond this because available funding has not kept pace with asset deterioration. The survey also consistently reports a substantial national maintenance backlog, with councils increasingly adopting a risk-based approach.

Against this benchmark, Brent's implied average resurfacing cycle of approximately 57 years compares favourably and is marginally better than the national average reported through the ALARM Survey. This reflects the significant capital investment made by the Council in recent years, supplemented by Strategic Community Infrastructure Levy (SCIL) funding and an asset management approach that targets structural maintenance where it will deliver the greatest long-term benefit.

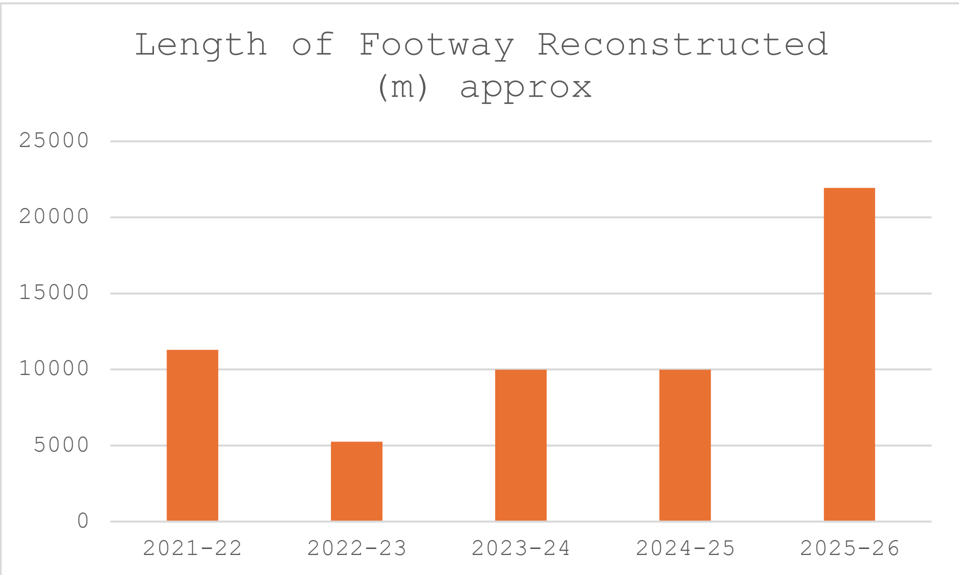
However, a theoretical 57-year resurfacing cycle should not be interpreted as meaning every road will be resurfaced every 57 years. In practice, heavily trafficked A roads and principal bus routes will require resurfacing more frequently due to higher traffic loading, whereas lightly trafficked residential roads may remain serviceable for considerably longer. The Council therefore prioritises investment based on objective condition survey data, engineering assessments, road hierarchy and network importance rather than adopting a fixed renewal cycle.

**Footways -Overall Programme 2021- 2026**

## 2.1 Programme Analysis

Brent has reconstructed 58.46 km of footways over the five-year period, averaging 11.69 km per year. The programme has accelerated significantly in recent years, with 2025/26 representing by far the largest annual investment, delivering almost 22 km of reconstructed footway—more than double the annual average of the preceding four years. This was due to an allocation of approx. £4.5m of SCIL funding for footways over and above that allowed as part of the £3.5m base-level capital highways maintenance funding. This reflects the Council's increased investment in renewing ageing footway infrastructure and addressing areas of greatest need.

| **Year** | **Length Reconstructed (m)** |
|---|---|
| 2021/22 | 11,296 |
| 2022/23 | 5,245 |
| 2023/24 | 9,992 |
| 2024/25 | 9,992 |
| 2025/26 | 21,935.52 |
| **Total** | **58,460.52 m (58.46 km)** |




## 2.2 Network Coverage

Brent maintains approximately 847 km of adopted footways. Over the last five years:

- 58.46 km has been reconstructed.
- This equates to 11.69 km per annum.
- Approximately 1.38% of the footway network is reconstructed each year.

At this average rate:

- ***847 km ÷ 11.69 km/year = approximately 72 years to reconstruct the entire footway network once.***

### 2.3 Comparison with Other Authorities

Unlike carriageways, there is no nationally recognised equivalent to the ALARM Survey that reports average footway reconstruction frequencies across local highway authorities. The ALARM Survey focuses primarily on carriageway condition and maintenance backlogs.

Benchmarking information published in highway asset management strategies from authorities such as Thurrock, West Berkshire, Plymouth and Westmorland & Furness demonstrates that councils generally monitor the percentage of footways requiring maintenance, lifecycle modelling and overall condition rather than reporting an average reconstruction cycle.

These authorities similarly adopt risk-based asset management approaches. There is an indication that, similar to Brent under current funding levels, maintaining footways in a steady-state condition remains a challenge and continued long-term investment is required

| Brent | **Resources and Public Realm Scrutiny Committee**<br>29 July 2026 |
|---|---|
| | **Report from the Corporate Director, Finance and Resources** |
| | **Cllr Gwen Grahl - Deputy Leader and Cabinet Member for Finance and Resources** |

# Budget Update:
# Financial Outturn 2025/26
# Quarter 1 Financial Forecast 2026/27
# Medium Term Financial Outlook

| | |
|---|---|
| **Wards Affected:** | All |
| **Key or Non-Key Decision:** | Not applicable |
| **Open or Part/Fully Exempt:**<br>**(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)** | Open |
| **List of Appendices:** | Three<br>Appendix 1: Financial Outturn 2025/26<br>Appendix 2: Quarter 1 Financial Forecast 2026/27<br>Appendix 2a: Savings 2026/27<br>Appendix 2b: Prudential Indicators<br>Appendix 3: Medium Term Financial Outlook |
| **Background Papers:** | N/A |
| **Contact Officer(s):**<br>**(Name, Title, Contact Details)** | Minesh Patel, Corporate Director of Finance & Resources<br>Tel: 020 8937 4043<br>Email: Minesh.Patel@brent.gov.uk<br><br>Rav Jassar, Deputy Director Corporate & Financial Planning<br>Tel: 020 8937 1487<br>Email: Ravinder.Jassar@brent.gov.uk<br><br>Amanda Healy, Deputy Director, Investment & Infrastructure<br>Tel: 020 8937 5912<br>Email: Amanda.Healy@brent.gov.uk |

1.0 **Purpose of the report**

1.1 This report provides an update on Brent's overall financial position by examining the financial outturn position for 2025/26, the Quarter 1 financial forecast for 2026/27 and the medium-term financial outlook, which is part of the committee's role in undertaking budget scrutiny throughout the year.

1.2 Taken together, the three reports provide a comprehensive view of Brent's financial position by explaining where the Council has come from (2025/26 Outturn), where it currently stands (Quarter 1 2026/27), and where it is heading (MTFS). This enables Scrutiny to assess financial performance, challenge assumptions, monitor delivery of savings, understand emerging risks and evaluate the sustainability of the Council's medium-term financial strategy.

**2.0 Recommendation(s)**

2.1 That the committee note the report.

**3.0 Detail**

3.1 **Contribution to Borough Plan Priorities & Strategic Context**

3.2 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 Financial Outturn 2025/26**

4.1 This report (attached in Appendix 1) sets out the outturn for income and expenditure versus the revenue budget and capital programme for 2025/26 and other key financial data. The General Fund recorded an overspend of £18.3m, representing an adverse movement of £5.8m compared with the Quarter 3 forecast reported to Cabinet in January 2026. This overspend has been funded from reserves earmarked to manage in-year pressures. The Dedicated Schools Grant overspent by £6.6m, which is £1.8m higher than the Quarter 3 forecast. The Housing Revenue Account reported a breakeven position. The capital programme delivered expenditure of £215.4m, equivalent to 65% of the revised budget. The 2025/26 revenue budget also incorporated £20.4m of savings agreed by Full Council in February 2025.

4.2 Overall, the General Fund overspend reflects continued and significant pressures in social care and homelessness services. Although the 2025/26 budget included growth to address rising demand and market driven cost increases, activity levels and complexity exceeded expectations, resulting in overspends in these demand led areas.

**Service Reform and Strategy**

4.3 The Service Reform and Strategy directorate reported a £8.3m overspend in 2025/26, driven predominantly by Adult Social Care and Strategic Commissioning. Adult Social Care overspent by £7.0m as a result of increasing demand, rising complexity of need, higher placement costs and market inflation, particularly within residential, nursing and supported living services. Strategic Commissioning overspent by £2.9m, largely due to higher than anticipated Extra Care placement costs and issues identified through a review of purchase order management. These pressures were partially offset by underspends in Communications, Insight and Innovation, the Change Programme and Integrated Care Partnerships.

**Children, Young People and Community Development**

4.4 The Children, Young People and Community Development directorate closed the year with a relatively small £0.4m overspend, significantly improved from the £2.1m forecast at Quarter 3. The main pressure remained children's social care placements, particularly residential and secure accommodation, where increasing complexity of need and high provider costs created a £2.4m overspend within Forward Planning, Performance and Partnerships. These pressures were largely mitigated by grant funding, vacancy savings and underspends across Early Help, Children with Disabilities, and Safeguarding and Quality Assurance services. The directorate delivered £3.9m of its £4.6m savings target, with the remaining savings expected to be delivered in 2026/27.

**Residents and Housing Services**

4.5 Residents and Housing Services reported the Council's largest departmental pressure, with an £11.7m overspend, entirely attributable to Housing Needs and Support. Demand for homelessness services continued to rise sharply during the year, with 8,795 homelessness applications received and the number of households in nightly paid temporary accommodation rising to 1,428 by April 2026. Rising temporary accommodation demand, increasing provider costs and a shortage of affordable private rented accommodation combined to drive expenditure significantly above budget. While the service continued to invest in prevention activity, temporary accommodation acquisition, leasing arrangements and homelessness reduction initiatives, these measures were insufficient to offset the scale of demand experienced during the year.

**Dedicated Schools Grant (DSG)**

4.6 The Dedicated Schools Grant recorded a £6.6m deficit in 2025/26, which was £1.8m higher than forecast at Quarter 3. The overspend was driven primarily by continuing pressures within the High Needs Block, reflecting increasing demand for SEND provision and the growing number and complexity of Education, Health and Care Plans (EHCPs). The DSG remains one of the Council's most significant financial risks, with expenditure growth continuing to outpace available funding and adding to the accumulated deficit position.

**Housing Revenue Account (HRA)**

4.7 The Housing Revenue Account achieved a broadly balanced position at year end, reporting a small operational underspend before adjustments and maintaining an overall breakeven position. Increased rental income and effective budget management helped offset pressures arising from repairs, maintenance and housing management services. The balanced outturn was achieved despite ongoing challenges associated with maintaining the Council's housing stock and increasing regulatory and compliance requirements within the housing sector.

**Capital Programme**

4.8 The Council delivered £209.8m of capital expenditure in 2025/26 against a revised budget of £328.9m, representing approximately 65% programme delivery. Significant investment continued across regeneration, housing, schools, infrastructure and public assets, including the completion of 543 new council homes. However, the programme reported £119.1m of underspending, largely due to project slippage and rephasing of expenditure across affordable housing, South Kilburn regeneration, corporate assets and housing schemes. Most of the variance is expected to be carried forward into future years to support continued delivery of the Council's major capital priorities.

## 5.0 Quarter 1 Forecast 2026/27

5.1 This report (attached in 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 2026/27.

5.2 There is a forecast overspend of £9.5m against the revenue budget at Quarter 1. Budget pressures also continue to be reported within the Housing Revenue Account (HRA). Although the new ten-year social rent settlement provides greater income certainty from 2026/27, increased demand and the rising cost of repairs and maintenance, now sharpened by new statutory obligations under Awaab's Law, together with the cost of addressing building-safety compliance following the Regulator's C3 judgement, mean that considerable savings and careful financial management remain necessary to maintain a balanced budget. The Dedicated Schools Grant is forecasting an in year overspend of £18.2m, which would increase the cumulative deficit to £38.4m by the end of the financial year. The Capital Programme is forecasting an outturn of £326.6m compared to a revised budget of £348.0m.

5.3 Despite the considerable efforts of the Council to manage its financial position, the operating environment remains volatile, with relatively small changes in demand often resulting in significant financial pressures. This is particularly the case in Children's Social Care, Adult Social Care and Housing Needs, where increases in demand, complexity and the cost of provision continue to place pressure on budgets. The Council is also managing the impact of sustained provider inflation, alongside the continuing effects of the cost-of-living crisis on both expenditure and income streams.

5.4 The most significant forecast pressure is within the Housing Needs and Support service, where rising levels of homelessness and a shortage of suitable temporary accommodation are forecast to result in an overspend of more than £9.5m.

5.5 In response to budget pressures experienced in recent years, the Council introduced a range of spending controls which successfully reduced expenditure and helped mitigate overspending. These measures included proactive vacancy management, tighter controls over agency expenditure and staff payments, and increased scrutiny of spending decisions across all directorates. These controls are now considered business as usual and have been embedded within the Council's day-to-day financial management arrangements to support effective budget control, financial resilience and sound decision-making.

5.6 However, spending controls alone are unlikely to be sufficient to mitigate the scale of the challenge. Therefore, with the exception of expenditure required to maintain health and safety, meet statutory obligations or fulfil contractual commitments, all other spending decisions will be subject to enhanced challenge and may be deferred where possible. Directorates will also be required to identify additional in-year savings, cost avoidance measures and opportunities to reduce expenditure wherever possible.

5.7 Progress against these actions, together with the financial impact achieved, will be reported regularly to Cabinet throughout the year. Delivering these actions will be challenging. However, they are considered necessary to restore the budget to a sustainable position and protect the Council's overall financial resilience. Officers and Members will continue to work collectively to minimise the impact on residents while maintaining essential services within the resources available.

**Savings delivery**

5.8 The current budget also reflects £10.4m of savings agreed by Full Council in February 2026. In contrast to previous years, a new collaborative approach has been developed to address the Council's medium term financial challenge and identify sustainable savings. This approach focuses on identifying high-impact opportunities, including cross-directorate working, improving productivity, better use of digital solutions, and increasing income generation. Further details of these savings are set out in Appendix 2a.

5.9 The table below provides a summary of the Quarter 1 savings delivery position by directorate. Further details on progress achieved to date, key delivery risks and mitigating actions are included within Appendix 2 under the relevant directorate sections. Presenting savings information alongside directorate budget monitoring enables members to consider savings delivery in the broader context of each service's overall financial position, providing greater visibility of emerging pressures, associated risks and the actions being taken to support the Council's ongoing financial sustainability.

| **Directorate** | **Savings Target 2026/27** | **Status** |
|---|---|---|
| Service Reform & Strategy | £2.3m | Broadly on track |
| Children, Young People & Community Development | £1.6m | Most expected to be delivered, but £0.4m at risk |
| Neighbourhoods & Regeneration | £2.5m | Risks identified but expected to be mitigated |
| Finance & Resources | £1.5m | Expected to be fully achieved |
| Residents & Housing Services | £2.6m | Broadly on track |
| **Total** | **£10.4m** | |

5.10 Overall, progress across directorates is reported as broadly in line with expectations, with delivery plans in place covering a range of initiatives including transformation, digital innovation, commissioning and procurement improvements, workforce efficiencies and income generation. While most savings are currently expected to be achieved, a small number of proposals remain subject to delivery risk and are being closely monitored. Where individual savings proposals are delayed or no longer considered achievable, alternative measures are being developed to ensure overall savings targets are maintained. Given the Council's forecast General Fund overspend of £9.5m at Quarter 1, the successful delivery of the savings programme will be critical in strengthening financial resilience. The report makes clear that the Council will need to identify further in-year savings and cost reductions beyond those already built into the budget.

**Homelessness and Temporary Accommodation**

5.11 The Quarter 1 report identifies homelessness and temporary accommodation as the Council's most significant financial challenge, with Housing Needs and Support forecasting a £9.5m overspend in 2026/27. Despite the budget being increased by £8m for 2026/27, the service entered the year with underlying pressures arising from the £11.7m overspend reported in 2025/26, leaving an estimated £3.7m budget gap at the start of the year. Demand continues to remain exceptionally high, with 1,428 households in nightly paid temporary accommodation at the beginning of the financial year, while provider costs have increased by around £10 per night above original budget assumptions. These factors, together with continuing demand growth, are forecast to add several million pounds of additional expenditure during the year.

5.12 The report highlights that the Council is pursuing a range of mitigation measures focused on increasing housing supply and reducing reliance on expensive temporary accommodation. These include the delivery of 406 new homes through the capital programme, targeted allocations of social housing to households in the most costly forms of temporary accommodation, acquisitions through the Local Authority Housing Fund, expansion of leasing arrangements, and continued property acquisitions through i4B. External support has also been commissioned to renegotiate accommodation costs and relocate households from high-cost placements, with 89 moves already completed. Together, these interventions are intended to generate significant cost avoidance, although the report notes that increasing demand may offset some of the anticipated financial benefits.

5.13 The report also highlights several longer-term risks, including continued growth in homelessness applications, limited availability of affordable private rented accommodation, potential impacts arising from the Renters' Rights Act, and ongoing pressures relating to supported exempt accommodation. While homelessness prevention activity remains strong, with 67% of homelessness approaches prevented or relieved during 2025/26, the scale of housing demand across London continues to place substantial pressure on the service. The Council is therefore maintaining a targeted programme of work aimed at improving affordability, increasing housing supply, strengthening prevention activity and managing supported housing costs to reduce the forecast overspend and improve financial sustainability.

**Dedicated Schools Grant**

5.14 The Quarter 1 report identifies the Dedicated Schools Grant as one of the Council's most significant medium-term financial risks. The DSG is forecasting an in-year deficit of £18.2m in 2026/27, which would increase the cumulative DSG deficit to £38.4m by year end. The pressure is being driven primarily by the High Needs Block, reflecting continued growth in the number of children and young people with Education, Health and Care Plans (EHCPs), increasing demand for specialist provision and rising placement costs. While the Government has announced support to fund 90% of eligible historic high-needs deficits accrued up to March 2026, subject to approval of Brent's Local SEND Reform Plan, the report makes clear that this does not address the ongoing structural imbalance between funding and demand. The Council continues to face significant financial pressures from SEND services, and further national reforms and funding solutions will be required to achieve a sustainable position in the longer term.

## 6.0 Medium Term Financial Outlook

6.1 The Medium Term Financial Outlook report (attached in Appendix 3) provides an assessment of the Council's financial position over the period 2027/28 to 2031/32 and highlights the significant challenges that remain despite benefiting from the Government's Fair Funding Review, Business Rates reset and multi-year local government funding settlement. While these reforms have improved funding certainty and provided Brent with a more favourable allocation of resources, the Council continues to face substantial demand-led pressures, particularly in homelessness, adult social care, children's social care and SEND. The report forecasts a cumulative budget gap of approximately £50m by 2031/32, driven primarily by the increasing cost of maintaining existing statutory services rather than the introduction of new services.

6.2 The report identifies homelessness and temporary accommodation as one of the most significant financial risks facing the Council, alongside increasing complexity and demand within adult and children's social care services. The Dedicated Schools Grant also remains a major concern due to continued growth in Education, Health and Care Plans (EHCPs) and high-needs expenditure. These pressures are being experienced against a backdrop of continued economic uncertainty, including inflationary pressures, higher borrowing costs and ongoing cost-of-living challenges affecting residents

6.3 The report notes that Brent has already delivered £248m of savings since 2010, including £10.4m in 2026/27, limiting the scope for further traditional reductions in spending. As a result, future financial sustainability will rely increasingly on transformation, service redesign, digital innovation, productivity improvements, prevention activity and income generation through the Council's Embrace Change programme. The Council is also maintaining spending controls and strengthening financial management arrangements to improve resilience and reduce reliance on reserves

6.4 Alongside the revenue position, the report sets out plans for a capital investment programme exceeding £1.25bn over the next five years, supporting priorities such as affordable housing, regeneration, SEND provision, highways, community facilities and public assets. The Council views this investment not only as a means of improving local services and infrastructure, but also as a way of supporting longer-term financial sustainability through housing growth, regeneration and increased Council Tax and Business Rates income.

6.5 Overall, the report concludes that while Brent remains financially resilient compared with many local authorities, significant financial challenges remain and difficult decisions will be required over the medium term to close the forecast funding gap.

**7.0 Stakeholder and ward member consultation and engagement**

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

**8.0 Financial Considerations**

8.1 This report sets out the financial outturn position for 2025/26, the Quarter 1 financial forecast for 2026/27 and the medium-term financial outlook. Financial considerations are set out throughout the report.

**9.0 Legal Considerations**

9.1 The law requires that the council must plan to balance its spending plans against resources to avoid a deficit occurring in any year. Members need to be reasonably satisfied that expenditure is being contained within budget and that the savings for the financial year will be achieved, to ensure that income and expenditure balance (Section 28 Local Government Act 2003: the council's Financial Regulation 2.3 Revenue Budget Monitoring, Forecasting and Overspends).

**10.0 Equity, Diversity & Inclusion (EDI) Considerations**

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

## 11.0 Climate Change and Environmental Considerations

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

## 12.0 Human Resources/Property Considerations (if appropriate)

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

## 13.0 Communication Considerations

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

| |
|---|
| ***Report sign off:*** |
| ***Minesh Patel***<br>Corporate Director, Finance and Resources |

Appendix 1

| | |
|---|---|
| Brent | **Cabinet**<br>**27 July 2026** |
| | **Report from the Corporate Director, Finance and Resources** |
| | **Lead Cabinet Member**<br>**Deputy Leader, Cabinet Member for Finance and Resources**<br>**(Councillor Gwen Grahl)** |

# Financial Outturn 2025/26

| | |
|---|---|
| **Wards Affected:** | ALL |
| **Key or Non-Key Decision:** | KEY |
| **Open or Part/Fully Exempt:**<br>**(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)** | OPEN |
| **List of Appendices:** | N/A |
| **Background Papers:** | N/A |
| **Contact Officer(s):**<br>**(Name, Title, Contact Details)** | Rav Jassar<br>Deputy Director, Corporate and Financial Planning<br>Email: Ravinder.Jassar@brent.gov.uk<br>Tel: 020 8937 1487<br><br>Amanda Healy<br>Deputy Director, Investment and Infrastructure<br>Email: Amanda.Healy@brent.gov.uk<br>Tel: 020 8937 5912 |

1.0 **Executive Summary**

1.1 This report presents the 2025/26 financial outturn for the General Fund, the Housing Revenue Account, the Dedicated Schools Grant and the capital programme.

1.2 The General Fund recorded an overspend of £18.3m, representing an adverse movement of £5.8m compared with the Quarter 3 forecast reported to Cabinet in January 2026. This overspend has been funded from reserves earmarked to manage in-year pressures. The Dedicated Schools Grant overspent by £6.6m, which is £1.8m higher than the Quarter 3 forecast. The Housing Revenue Account reported a breakeven position. The capital programme delivered expenditure of £215.4m, equivalent to 65% of the revised budget. The 2025/26 revenue budget also incorporated £20.4m of savings agreed by Full Council in February 2025.

1.3 The tables below summarise the outturn position for the General Fund, Dedicated Schools Grant and Housing Revenue Account.

Table 1: 2025/26 Overall Outturn

| Service Area | Revised Budget | Actual Transactions | Over/(Under) Spend | Q3 Forecast |
|---|---|---|---|---|
| | £m | £m | £m | £m |
| Service Reform and Strategy | 183.4 | 191.7 | 8.3 | 8.1 |
| Children, Young People and Community Development | 97.1 | 97.5 | 0.4 | 2.1 |
| Neighbourhoods and Regeneration | 31.8 | 30.1 | (1.7) | (2.0) |
| Finance and Resources | 33.7 | 33.3 | (0.4) | (0.2) |
| Residents and Housing Services | 32.8 | 44.5 | 11.7 | 4.5 |
| **Subtotal Service Area Budgets** | **378.8** | **397.1** | **18.3** | **12.5** |
| Capital Financing | 38.9 | 38.9 | 0.0 | 0.0 |
| Central Budgets | 18.6 | 2.4 | (16.2) | (12.5) |
| Central Funding | (436.3) | (438.4) | (2.1) | 0.0 |
| **Subtotal Central Items** | **(378.8)** | **(397.1)** | **(18.3)** | **(12.5)** |
| DSG Funded Activity | 0.0 | 0.0 | 0.0 | 0.0 |
| **General Fund Outturn** | **0.0** | **0.0** | **0.0** | **0.0** |
| Housing Revenue Account (HRA) | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total (GF, HRA)** | **0.0** | **0.0** | **0.0** | **0.0** |

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

Table 2: 2025/26 Outturn for the Dedicated Schools Grant

| DSG gross income and expenditure | Budget £m | Overspend / (Underspend) £m | Q3 Forecast £m |
|---|---|---|---|
| **Income** | (250.6) | 0.0 | 0.0 |
| **Expenditure** | 250.6 | 6.6 | 4.8 |
| **Total** | **0.0** | **6.6** | **4.8** |

Table 3: 2025/26 Outturn for the Housing Revenue Account

| HRA gross income and expenditure | Budget £m | Overspend/ (Underspend) £m | Q3 Forecast £m |
|---|---|---|---|
| **Income** | (69.9) | (3.4) | (3.6) |
| **Expenditure** | 69.9 | 3.3 | 5.9 |
| **Surplus/Deficit (Transfer to/from HRA reserve)** | **0.0** | **(0.1)** | **0.0** |

Table 4: 2025/26 Capital Outturn

| Capital Board | Revised Budget | Outturn | Variance | | |
|---|---|---|---|---|---|
| | £m | £m | (Underspend)/ Overspend | (Slippage)/ Brought Forward | Variance Total |
| | | | £m | £m | £m |
| Corporate Landlord | 13.4 | 11.8 | (0.1) | (1.5) | (1.6) |
| Housing GF | 73.9 | 50.1 | (17.2) | (6.6) | (23.8) |
| Housing HRA | 27.6 | 18.3 | (0.9) | (8.4) | (9.3) |
| Invest for Brent (I4B) | 41.9 | 0.0 | 0.0 | (41.9) | (41.9) |
| Public Realm | 34.9 | 22.9 | 0.3 | (12.3) | (12.0) |
| Regeneration | 84.2 | 73.5 | 0.1 | (10.9) | (10.8) |
| Children & Young People | 25.5 | 20.5 | 0.2 | (5.2) | (5.0) |
| South Kilburn | 26.9 | 12.3 | 0.8 | (15.5) | (14.6) |
| St. Raphael's | 0.4 | 0.4 | (0.0) | (0.0) | (0.0) |
| **Total** | **328.9** | **209.8** | **(16.8)** | **(102.3)** | **(119.1)** |

1.4 Overall, the General Fund overspend reflects continued and significant pressures in social care and homelessness services. Although the 2025/26 budget included growth to address rising demand and market driven cost increases, activity levels and complexity exceeded expectations, resulting in overspends in these demand led areas.

1.5 Looking ahead to 2026/27, additional budget growth has been built into these services; however, material risks remain. Demand for services, cost inflation and increasing case complexity continue to place pressure on the Council's financial position. Managing these risks will be essential to achieving a balanced outturn for 2026/27. Further detail is provided in the Quarter 1 Financial Forecast and the Medium Term Financial Outlook, which accompany this report.

## 2.0 Recommendation(s)

2.1 That Cabinet note the financial outturn for 2025/26.

## 3.0 Cabinet Member Foreword

3.1 This report sets out the Council's final financial position for 2025/26, covering the General Fund, the Housing Revenue Account, the Dedicated Schools Grant and the capital programme. It reflects another demanding year for local government, during which the Council was required to deliver £20.4 million of agreed savings while continuing to protect essential services and respond to rising demand. The General Fund recorded an £18.3 million overspend, which has been met from reserves set aside to manage in-year pressures. The Housing Revenue Account reached a break-even position, while the Dedicated Schools Grant recorded a £6.6 million deficit. These figures underline the importance of maintaining strong financial control, improving forecasting and ensuring that agreed savings and mitigations are delivered in full.

3.2 There are nevertheless important areas of progress. Historic debt fell by £23.7 million during the year, from £230.5 million to £206.8 million, representing the first overall reduction in five years. Council Tax collection improved to 91.6 per cent while Business Rates collection rose from 93.4 per cent to 94.1 per cent. These improvements reflect the work undertaken following the review of the Council Tax service, including additional capacity, more timely recovery action, better use of data and more targeted engagement with residents. This has been accompanied by support for those facing genuine hardship, with the Council awarding the full £1.5 million Hardship Fund to more than 13,000 households. Further improvement is required, but the direction of travel is positive and demonstrates that strengthened systems are beginning to produce results.

3.3 The Council also delivered £215.4 million of capital investment during 2025/26. This included investment in regeneration, roads, parks, public buildings, housing and additional places for children with special educational needs and disabilities. A particular achievement was the completion of 543 new council homes, including homes at Fulton Road, Watling Gardens and Grand Union Phase 2.

3.4 The overall position, however, remains concerning. Once again, the largest overspends are concentrated in our statutory services, particularly homelessness and adult social care, alongside continuing pressure within the High Needs Block of the Dedicated Schools Grant. Brent has an ageing population, with more residents requiring increasingly complex and costly packages of care. At the same time, private rents and temporary accommodation costs continue to rise in a city where housing remains unaffordable for far too many people. The Council will continue to invest in preventative services and the supply of affordable housing, but it cannot by itself reverse demographic change, reshape the national care market or correct the wider failure of London's housing market. The principal policy and funding levers in these areas remain with central government.

3.5 It is therefore welcome that the Government has committed to a different approach to local government finance, including greater certainty through multi-year settlements and a stronger recognition of need. That change of direction must now lead to a sustainable funding system for adult social care, homelessness and SEND, so that councils are not expected to meet national pressures from increasingly constrained local resources. Brent remains financially resilient and will continue to collect the income it is owed, challenge unnecessary expenditure and strengthen accountability across every service.

## 4.0 General Fund Revenue Outturn

### 4.1 Service Reform and Strategy

Table 5: 2025/26 Outturn for Service Reform and Strategy

| Service Reform and Strategy | Budget £m | Overspend / (Underspend) £m | Q3 Forecast £m |
|---|---|---|---|
| Adult Social Care | 125.7 | 7.0 | 8.7 |
| Strategic Commissioning & Capacity Building | 16.1 | 2.9 | (0.3) |
| Public Health | 26.2 | 0.0 | 0.0 |
| Leisure | 1.8 | 0.3 | 0.3 |
| Integrated Care Partnerships | 0.2 | (0.3) | 0.0 |
| Communications Insight and Innovation | 12.8 | (1.2) | (0.3) |
| Change Programme | 0.7 | (0.4) | (0.3) |
| **Total** | **183.4** | **8.3** | **8.1** |

**Summary**

4.2 Service Reform & Strategy directorate has an overspend of £8.3m at the end of the year, an increase of £0.2m overall from the forecast position reported at Quarter 3.

**Adult Social Care**

4.3 Adult Social Care reported an overspend of £7.0m at year end. The Quarter 3 forecast had assumed an overspend of £8.7m based on the prevailing spend run rate. However, the final position improved by £1.7m following a detailed review of expenditure, which identified costs relating to the prior financial year. These costs were subsequently adjusted for centrally, resulting in a more accurate reflection of 2025/26 expenditure and reducing the reported overspend to £7.0m.

4.4 Adult Social Care expenditure in 2025/26 continues to be dominated by Physical Support services, reflecting the high volume of older adults and individuals with long-term physical conditions requiring care. Demand remains particularly strong for homecare, residential care and nursing support. This pattern of need has contributed to sustained increases in unit costs across the sector. Homecare hours have risen by 3.4% since 2024/25, while the complexity of need has driven significant uplifts in weekly placement costs, most notably for Residential Dementia placements (+40.1%) and Nursing Dementia placements (+10.9%).

4.4 These pressures have been compounded by wider cost drivers, including increases in National Insurance, the London Living Wage, and the rising cost of new placements. Collectively, these factors have intensified the financial strain on the Council's placement budgets.

4.5 Alongside Physical Support, Learning Disability Support represents the next largest area of expenditure. Costs in this area are driven by high-cost, long-term supported living arrangements and specialist care packages. During 2025/26, the number of Supported Living packages increased by 5.6%, with the average weekly cost rising by 9.5%. This reflects a growing cohort of individuals requiring 1:1 or 2:1 support, as well as increasingly complex behavioural and health needs.

4.6 The Council continues to spot purchase residential and nursing placements, supported by market intelligence from the North West London Dynamic Purchasing System to inform negotiation. While spot purchasing provides essential flexibility to meet increasingly complex assessed needs, it also exposes the Council to higher provider rates. As such, Brent, as with other Councils, has seen new placement average weekly costs increase significantly - for example residential care costs rising by over 26%. Average placements costs for new packages however remain within median level compared to North West London comparators. Feedback from providers indicates factors include responding to market inflation and compensating for low uplifts.

4.7 The scale of these cost increases, which exceed the growth assumptions built into the 2025/26 budget, has created significant challenges in delivering planned savings. Of the £4.8m savings required for the year, £1.3m remain unachieved. These include a review of housing related support contracts (£0.5m), implementation of Telecare Service Charging (£0.4m), increasing reablement services (£0.2m) and managing demand at the front door, prevention and early intervention (£0.1m). These shortfalls reflect both the intensity of demand led pressures and the impact of market driven cost inflation.

4.8 The risks and issues experienced during 2025/26 have informed the development of strengthened approaches to tracking and forecasting spend and income for 2026/27. The directorate is implementing improved financial monitoring processes and targeted mitigation plans to support more accurate forecasting and ensure that the budget remains deliverable in the context of ongoing demand and market pressures.

**Strategic Commissioning & Capacity Building**

4.9 The Strategic Commissioning & Capacity Building service recorded an overspend of £2.9m in 2025/26. The majority of this pressure, £2.6m, arose within Commissioning and Contracts, with the largest contributing factor being higher than anticipated expenditure on Extra Care placements. Originally intended as a cost-effective alternative to residential care, complex extra care packages now frequently match or exceed traditional care home costs.

4.10 During Quarter 4, a detailed review of Purchase Orders was undertaken. This exercise identified expenditure that had not been captured in previous forecasts, resulting in a large adjustment to the year-end position. The findings highlighted weaknesses in the end-to-end Purchase Order process, particularly around reconciliation and the timely reflection of commitments within financial forecasts.

4.11 To mitigate the risk of recurrence in 2026/27, the directorate is implementing a more robust and systematic approach to Purchase Order management. This includes ensuring that all Purchase Orders are fully reconciled against the contracts register, strengthening the link between commissioning activity and financial reporting. Additional training will be provided to all budget holders to reinforce correct Purchase Order procedures and ensure appropriate use.

4.12 Further controls are being introduced for any expenditure falling outside approved contractual arrangements. Such spend will now require formal logging and explicit confirmation of agreement prior to commitment, providing an additional safeguard against unapproved or unplanned financial exposure.

4.13 To support stronger oversight, a Market Sustainability and Oversight Board has been established. This Board will provide enhanced scrutiny of commissioning activity, contractual compliance and market-related cost pressures. Its role is to ensure that only agreed and approved expenditure is incorporated into financial forecasts, thereby improving forecasting accuracy, strengthening financial assurance and supporting more effective budget management.

**Public Health**

4.14 The Public Health grant ended the year in a break even, unchanged from Quarter 3 forecast. Inflationary pressures in NHS-commissioned contracts were managed within the grant allocation and the closing balance on the ringfenced Public Health grant reserve is £10.4m.

**Leisure**

4.15 Bridge Park Community Leisure Centre officially closed on 31 July 2025, following an extended period of community consultation. As the budget was built based on an assumption of an earlier closure date, a £0.3m overspend has resulted from part-year running costs, unchanged from the Quarter 3 forecast.

**Communications, Insight and Innovation**

4.16 Communications, Insight and Innovation underspent by £1.2m, a £0.9m increase from the Quarter 3 forecast. The underspend is attributed to income overperformance (£0.5m), staffing underspends (£0.4) and proactive budget management. The Embrace Change Programme is also reporting an underspend of £0.4m, an increase of £0.1m since the forecast at Quarter 3, driven primarily by delayed recruitment.

**Integrated Care Partnerships**

4.17 Integrated Care Partnerships is also reporting an underspend of £0.3m, which was not forecast at Quarter 3, due to staffing contributions from other funding streams that have reduced the overall staffing spend.

## 4.18 Children, Young People and Community Development (CYPCD)

Table 6: 2025/26 Outturn for Children, Young People and Community Development

| CYPCD - General Fund | Budget<br><br>£m | Overspend / (Underspend)<br><br>£m | Q3 Forecast<br><br>£m |
|---|---|---|---|
| Central Management | 2.8 | (2.0) | (2.0) |
| Community Safety and Prevent | 1.8 | 0.1 | 0.1 |
| Communities and Partnerships | 0.2 | 0.0 | 0.1 |
| Employment Skills and Enterprise | (0.4) | 0.0 | 0.3 |
| Early Help | 4.9 | (0.4) | 0.0 |
| Looked After Children (LAC) and Permanency | 6.8 | 0.1 | 0.1 |
| Children With Disabilities | 14.8 | (0.2) | (0.2) |
| Safeguarding & Quality Assurance | 2.3 | (0.2) | (0.1) |
| Family Support & Child Protection | 9.7 | 0.1 | 0.4 |
| Forward Planning Performance and Partnerships | 50.1 | 2.4 | 2.3 |
| Inclusion | 3.4 | 0.4 | 0.8 |
| Setting and School Effectiveness | 0.2 | 0.2 | 0.3 |
| Virtual School | 0.5 | (0.1) | 0.0 |
| **TOTAL** | **97.1** | **0.4** | **2.1** |

4.19 The CYPD directorate has closed the financial year with a General Fund budget overspend of £0.4m, which is £1.7m lower than the £2.1m forecast at Quarter 3. This improved position primarily reflects lower than anticipated cost pressures across the directorate, particularly within centrally held budgets and Early Help services, which are largely supported by external grant funding.

4.20 The improved outturn is mainly attributable to the strategic use of grant funding to offset expenditure, alongside the use of reserves and the management of staffing vacancies where feasible.

4.21 The overall budget pressure continues to be driven primarily by overspends within Looked After Children placement budgets, with the most significant cost escalation occurring in residential placements. Residential care remains the highest-cost provision, and increasing complexity of need, limited market capacity and rising provider fees have collectively contributed to the sustained financial pressure in this area.

4.22 Pressures against the placement budgets led to an overspend in the Forward Planning Performance and Partnerships (FPPP) department of £2.4m due to an increase in the number of children placed in residential care homes; with a significant increase seen in the second half of the financial year, as well as placements in secure accommodation.

4.23 The Inclusion service also faced budget pressures, resulting in an overspend of £0.4m. This was primarily driven by staffing cost pressures within the Educational Psychology and 0–25 SENAS teams, along with savings that were not achieved in relation to the planned reduction in contracts for targeted services.

4.24 The Setting and School Effectiveness service recorded an overspend of £0.2m. The main pressures arose within the music service, primarily due to lower than anticipated income from service level agreements and music provision to schools, as well as reduced funding from the ACE Music Education Grant and charitable donations.

4.25 The Family Support and Child Protection service reported an overspend of £0.1m, primarily driven by expenditure on client subsistence and recruitment and retention fees for social workers. Budgets for these costs are held centrally due to the variable and demand-led nature of this expenditure.

4.26 LAC and permanency is reporting an overspend of £0.1m, due to staff pressures in the Care Planning management team.

4.27 Budget pressures across the directorate were partially offset by underspends in several service areas. Early Help reported an underspend of £0.4m, primarily because the newly established Targeted Prevention Hub became operational only midway through the year. As a result, staffing expenditure was lower than anticipated during the initial implementation period. The Children with Disabilities service recorded a further underspend of £0.2m, largely driven by posts that remained vacant throughout the year. Recruitment challenges and the time required to fill specialist roles contributed to the reduced staffing spend. Similarly, Safeguarding and Quality Assurance reported an underspend of £0.2m, again attributable to vacancies held during the year. While these vacancies generated short-term financial benefits, they also highlight ongoing workforce pressures across the directorate. Collectively, these underspends helped to mitigate the overall financial pressure arising from significant overspends in placement budgets, particularly within Looked After Children services.

**Savings**

4.28 The directorate was required to delivery £4.6m of savings for 2025/26. Of these, £3.9m of the agreed savings were delivered, with the remainder planned to be delivered in 2026/27. In addition, the directorate identified and implemented further in-year savings measures, which are reflected in the reported outturn.

**4.29 Residents and Housing Services**

Table 7: 2025/26 Outturn for Residents and Housing Services

| Residents and Housing Services | Budget £m | Overspend / (Underspend) £m | Q3 Forecast £m |
|---|---|---|---|
| Housing Needs and Support | 14.0 | 11.7 | 4.5 |
| Quality Assurance and Resident Experience Service | 2.5 | 0.0 | 0.0 |
| Private Housing Services | 0.2 | 0.0 | 0.0 |
| Residents Services | 15.7 | 0.0 | 0.0 |
| Housing and Resident Services Corporate Director | 0.4 | 0.0 | 0.0 |
| **Total** | **32.8** | **11.7** | **4.5** |

**Summary**

4.30 The Resident and Housing Services is reporting a £11.7m net overspend for 2025/26. The overspend is fully attributable to the high level of pressures in the Housing Needs and Support service.

### Housing Needs and Support

4.31 The Housing Needs and Support projected overspend has increased by £7.2m since Quarter 3. The 2025/26 budget uplift, alongside increased Homelessness Prevention Grant, was expected to cover prior-year pressures and new demand, however demand has risen significantly beyond expectations.

4.32 An initial £5m pressure was identified in Quarter 2, with limited movement at Quarter 3, followed by a sharper increase in demand and costs between November and March. This reflects continued growth in Stage 1 Temporary Accommodation demand, with no sustained stabilisation. The rise is partly linked to increased Section 21 evictions ahead of the Renters' Rights Act, with overall placement levels remaining materially above historic norms.

4.33 Housing Needs and Support continues to represent the most significant financial pressure within the department. By the end of 2025/26, Brent had received a total of 8,795 homelessness support applications, comprising 5,309 single individuals and 3,486 families. This equates to an average of approximately 169 new applications per week, highlighting the sustained and intense demand for housing services. This reflects a 40% increase compared with March 2025, when total applications stood at 6,281 (3,538 single individuals and 2,743 families). Demand for the service, and the associated cost pressures, therefore remains high.

4.34 In April 2026, there were 1,428 households in nightly paid accommodation, compared with 1,182 households in April 2025. This represents an overall increase of 9% since December 2025, when 1,312 households were in accommodation, with approximately half of the annual increase occurring between Quarter 3 and Quarter 4.

4.35 Spending on homelessness prevention services has also increased as part of a focus on early intervention. While this results in higher short-term costs, the benefits of prevention are expected to reduce future demand for temporary accommodation and homelessness services over time, rather than delivering immediate savings.

4.36 Progress continues to be made in the key priority of decanting households living in the highest cost nightly paid Temporary Accommodation (TA) properties (B&B), into more affordable accommodation. The Council has also entered in a number of lease arrangements to achieve cost avoidance in comparison to more expensive B&B placements.

### Quality Assurance and Resident Experience Service

4.37 The Quality Assurance and Resident Experience Service is projecting a break-even position, which is consistent with the Quarter 3 forecast.

**Private Housing Services**

4.38 Private Housing Services are projecting a break-even position, unchanged from the Quarter 3 forecast. Additional licensing income of £3m generated in-year was transferred to reserves in order to manage future years costs as licensing charges cover multiple years.

**Resident Services**

4.39 The Resident Services budget is projecting a break-even position, consistent with the Quarter 3 forecast. Higher than anticipated spend on the funeral service and printing costs were largely offset by additional income achieved by the Registration and Bereavement team as a result of a higher demand for services.

**Housing and Resident Services Corporate Director**

4.40 The Corporate Director budget is projecting to achieve a break-even position. This is consistent with the Quarter 3 forecast.

**4.41 Neighbourhoods and Regeneration**

Table 8: 2025/26 Outturn for Neighbourhoods and Regeneration

| Neighbourhoods and Regeneration | Budget £m | Overspend / (Underspend) £m | Q3 Forecast £m |
|---|---|---|---|
| **Public Realm** | 21.2 | (2.0) | (1.8) |
| **Inclusive Regeneration & Climate Action** | 2.3 | (0.1) | 0.0 |
| **Property & Assets** | 8.3 | 0.4 | (0.2) |
| **Total** | **31.8** | **(1.7)** | **(2.0)** |

4.42 Neighbourhoods & Regeneration are reporting an underspend of £1.7m for 2025/26. This is a change from the £2.0m underspend forecast at Quarter 3, with the largest movement coming from Property & Assets.

**Public Realm**

4.43 Public Realm are reporting an underspend of £2.0m for 25/26, compared to the underspend of £1.8m forecast at Quarter 3. This underspend position comes largely from the Healthy Streets & Parking Service, who overachieved on income, which enabled the containment of pressures elsewhere within the department.

4.44 The improved financial position from Healthy Streets & Parking came largely from operational improvements such as enhanced deployment planning, targeted enforcement activity, and increased late-night enforcement operations at identified hotspot locations. This resulted in higher levels of compliance activity and associated parking income through PCN issuance.

4.45 Regulatory Services were also able to overachieve on their projected income, which improved their forecast from Quarter 3. This was due to additional fee income generated from increased demand for licences and increase works performed by the pest control team.

4.46 Within Public Realm the waste service has experienced pressures due to a combination of high inflation on the contract price, property growth, ad hoc nighttime collection requirements, extra litter picking, and additional ground maintenance work performed. To enable management of these pressures, the service has continued the drive to improve the quality of recyclable material collected, which can be evidenced through less loads being rejected by the Material Recovery Facility (MRF) which dropped from 17.9% to 14.1%; or an additional 612 tonnes being recycled. The increase in recycling tonnage reflected a corresponding decrease in the residual waste stream tonnage.

4.47 The waste service continued its focus on increasing the diversion of food waste from the general waste stream; with the installation of 140 new food waste housing units and bins in housing estates. This led to 444 tonnes of food waste being collected. This year also saw the introduction of a trail for the collection of food waste from flats above shops (FLASH), which is a requirement of Simpler Recycling reforms. 63 units were installed on our high streets as part of the trial. Initial participation has been encouraging across the designated sites resulting in over 12 tonnes of food waste being collected. Once the trial has been concluded and the findings analysed, the FLASH collection service will be rolled out across the Borough.

4.48 Pressures which were experienced within both Highway Management and Parks, were able to be managed within the department. Highways had some pressure due additional pothole patching works required in year. And Parks costs increased towards the end of the year, as a result of a high volume of health and safety remedial tree works, emergency repair of water leaks, and additional spend on the repair of play equipment.

**Inclusive Regeneration & Climate Action**

4.49 Inclusive Regeneration & Climate Action are reporting an underspend of £0.1m which is a slight adjustment from the break-even position reported at Quarter 3.

4.50 The improved position is a result of additional savings offered by the Climate Action service due to a change in funding sources for their projects, with additional grant funding able to be utilised.

4.51 As has been previously reported Building Control's revenue generation has been impacted by a slowdown in major development appointments, largely driven by delays and cancellations linked to wider economic conditions. However, these pressures have been manged within the service in year. This is largely due to additional income from Planning fees, helped by the revised fee structure for 2025/26.

**Property & Assets**

4.52 Property & Assets are reporting a £0.4m overspend for 2025/26. This is in comparison to a £0.2m underspend which was forecast at Quarter 3.

4.53 The changed position from Quarter 3 largely comes from additional costs from within Facilities Management. The service were expecting pressures, as reported at Quarter 3, due to additional overtime costs in Cleaning and Security Services. However, additional revenue costs were identified in year in relation to repairs expenditure, which were required as part of the Facilities contract. This has led to the department reporting an overspend of £0.3m.

4.54 Commercial Property are reporting an overspend of £0.6m, this is largely as a result of vacant property and expired leases. Work ongoing to mitigate this through the active marketing of available properties, supported by collaboration with agents where necessary.

4.55 These overspends were offset within the department by an underspend on the Energy budget. Energy is purchased in advance through annual tranches; this enabled the department to take advantage in securing lower energy costs for the year.

**4.56 Finance and Resources**

Table 9: 2025/26 Outturn for Finance and Resources

| Finance and Resources | Budget £m | Overspend / (Underspend) £m | Q3 Forecast £m |
|---|---|---|---|
| **Finance Services** | 12.8 | 0.0 | 0.0 |
| **Organisational Assurance & Resilience** | 4.7 | 0.0 | 0.0 |
| **Shared Technology Services** | 0.0 | 0.0 | 0.0 |
| **Human Resources & Organisational Development** | 4.4 | (0.2) | (0.1) |
| **Legal Services** | 5.6 | 0.0 | (0.1) |

| | | | |
|---|---|---|---|
| **Democratic Services** | 6.3 | (0.3) | 0.0 |
| **Total** | **33.7** | **(0.4)** | **(0.2)** |

4.57 Finance & Resources are reporting an underspend of £0.4m for 2025/26. This is an improved position from the £0.2 underspend forecast at Q3.

4.58 The Human Resources & Organisational Development service is reporting an underspend of £0.1m, this is unchanged from the underspend forecast at Q3. This underspend is largely due to a review of the service structure, and the implementation of spending controls to scrutinise spend in the service. The introduction of the new Occupational Health contract also resulted in a cost reduction for the service in 25/26.

4.59 Legal Services are reporting a break-even position for 2025/26, which is a slight adjustment from the £0.1m underspend reported at Q3. This is due to a reduction in staff time spent on capital projects, resulting in additional staffing costs recorded as revenue spend.

4.60 Democratic Services are reporting an underspend of £0.3m, an improvement from the break-even position forecast at Q3. This underspend largely comes from a review of postage arrangements for the Council resulting in reduced costs. The outturn was also improved due to a reduction in the budget pressures forecast earlier in the year for the Complaints team.

4.61 The other services of Finance, Organisational Assurance & Resilience, and Shared Technology Service report a break-even position, which is unchanged from reporting at Q3.

## 5.0 Central Items

### Central Budgets and Central Funding

5.1 Central Budgets contains the budgets for activities that are not attributable to specific service areas. This includes a central contingency held to manage in-year service pressures and provide flexibility for investment in Council priorities throughout the financial year.

5.2 Central Funding contains the budgets for the Council's core funding for the Council's services, consisting of Council Tax, Business Rates, Revenue Support Grant and specific central government grants, which includes part of the direct funding for Adult Social Care and Children's Social Care. In 2025/26, this did not include direct funding for Homelessness and Temporary Accommodation, which is included within Residents and Housing Services.

5.3 In 2025/26, Central Funding recorded a net underspend of £2.1m, as a result of an improved position on the Eight Authority Business Rates pool (which is not continuing into 2026/27 because of the Business Rates reset) and year-end adjustments on the Collection Fund. Central Budgets recorded a small underlying overspend of £0.5m due to one-off items, with the total net overspend for the Council at £16.7m.

5.4 To ensure that the Council met its statutory obligation to balance the General Fund revenue budget without adjusting the service area outturns, a drawdown of £16.7m from the Future Funding Risks reserve to Central Budgets was carried out. This generated a final net underspend of £16.2m on Central Budgets, which together with the £2.1m underspend on Central Funding offsets the £18.3m net service area overspend.

**Council Tax**

5.5 The net collectible amount for Council Tax for 2025/26 (after exemptions, discounts and Council Tax Support) as at 31 March 2026 was £238.7m.

5.6 The in-year target for 2025/26 was 92.5% collection of Council Tax, which is an increase of 1.3% on the 91.2% achieved in 2024/25. The actual in-year collection was 91.6% which is 0.4% higher than the amount achieved in 2024/25.

5.7 Following the identified need for significant improvement in Council Tax collection, an external review of the service was completed, highlighting key areas for operational and strategic enhancement. In response, the Council had implemented a structured Council Tax Improvement Plan for 2025/26, focusing on increasing in-year collection, strengthening recovery processes, and improving resident engagement.

5.8 During Q4, progress has included the introduction of additional capacity within the service, enabling a more proactive and timely approach to billing and recovery. This has supported the clearance of backlogs and improved processing times for current workloads. There has been an increase in the volume and timeliness of reminder notices and summons issued, supporting improved collection performance. Work has progressed on targeted interventions, improved use of data to prioritise cases, and enhanced support for residents through hardship and engagement initiatives, ensuring a balanced approach between maximising collection and supporting vulnerable households.

5.9 There has been a marked improvement in in-year collection during 2025/26. Overall collection levels were higher than in 2024/25, despite the fact that net collectable income increased by £23.2m over the same period. This demonstrates that the service has not only kept pace with the increased tax base but has improved its effectiveness in securing payments.

5.10 In addition to stronger in-year performance, arrears recovery has also improved. Taken together, these trends indicate that the changes implemented following the recent Council Tax service review are beginning to have a positive impact. While progress remains gradual, the direction of travel is clearly positive, and early evidence suggests that the strengthened processes and recovery approaches are contributing to more robust and sustainable collection performance overall.

5.11 At the meeting of Full Council on 27 February 2025, alongside the budget for 2025/26, an amended Council Tax Support (CTS) Scheme from 1 April 2025 was approved. This introduced a standard 35% minimum payment for working age households and applied a percentage reduction to each of the income bands.

5.12 The end of year collection rate for those on CTS of working age is 78%, with 69% having made a payment towards their 2025/26 council tax bill. Until December 2025 the numbers making payment increased month on month following the dispatch of soft reminders in May and 7,134 formal reminders sent out in June 2025. Following the issue of reminders, cases where no payment was received progressed to summons stage, resulting in the granting of liability orders at court. While this strengthens the Council's ability to recover outstanding debt, a proportion of cases have moved onto deductions from benefits. In these instances, repayment rates are typically low, meaning balances reduce slowly and there is an increased risk of arrears carrying forward into 2026/27.

5.13 To offset the impact of the changes on the recipients of CTS, a Hardship Fund was agreed as part of the 2025/26 budget, providing £1.5m of support, £0.4m of which was funded by the Greater London Authority (GLA). The fund is targeted at working age CTS recipients who have exhausted other financial support options. By October 2025, take up was lower than anticipated and a review of the approach used to assess applications was undertaken. Since that point, a focused administrative effort resulted in 13,154 awards totaling £1.5m by the end of March 2026, helping residents, many paying Council Tax for the first time, move towards sustainable payment. With funding confirmed for 2026/27, this support will continue.

5.14 During the 2025/26 financial year, the budget for 2026/27 was set. As part of this, the Council calculated the taxbase for 2026/27. This included keeping the assumption of 97% long term collection due to the ongoing challenges with collection. Collection continues beyond the end of the financial year, but a lower in-year collection target increases the pressure on the debt recovery team to collect more of that debt and achieve the 97% long-term collection rate. Evidence suggests that debt becomes much harder to collect after two years have passed, so the continued low in-year collection of Council Tax is a key risk to the Council's financial resilience in the medium term.

**Business Rates**

5.15 The budgeted net collectable amount for Business Rates (NNDR) for 2025/26 was £149.8m (after exemptions, reliefs and discounts). This was based on the forecast used for the NNDR1 form in January 2025 and has increased by 6.9% from £140.1m in 2024/25. This increase is largely driven by the Government's decision to reduce Retail, Hospitality and Leisure Relief from 75% to 40% from 1 April 2025.

5.16 The actual net collectible amount for NNDR as at 31 March 2026 was £149.3m, a decrease of £0.5m from the reported in Quarter 3. This is driven by additional empty properties and reductions in the gross rates payable by businesses.

5.17 Any movement in the net collectible amount for NNDR does not directly affect the General Fund in the current financial year 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 budgeted amount, 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.

5.18 The reduction in business rates income resulting from the additional empty property relief is an unfunded relief, meaning that this will result in a deficit that will affect the budget. However, the Council holds a Collection Fund reserve for the purpose of smoothing out any surpluses/deficits on the Collection Fund. It is expected that this deficit will be contained within the available reserve.

5.19 The in-year target for 2025/26 was 94.5% collection of Business Rates, which is an increase of 1.1% on the 93.4% achieved in 2024/25. The actual in-year collection was 94.1% which is 0.7% higher than the amount achieved in 2024/25.

5.20 Included within the outstanding debt for 2025/26 are a number of significant unpaid business rates liabilities where active recovery work is ongoing. This includes several cases involving suspected Business Rates avoidance arrangements, for which the Council is currently pursuing legal remedies. In some instances, ratepayers are pursuing changes in property use that may result in lower rateable values and have subsequently challenged their Business Rates liabilities through the Valuation Office Agency (VOA). The investigation and resolution of such cases, including Checks, Challenges and Appeals (CCAs), can be lengthy where current VOA timescales average 180 days to complete. Despite these challenges, the Council remains committed to maximising collection and will continue to pursue all outstanding liabilities, taking appropriate recovery and legal action where necessary to ensure that businesses pay the rates for which they are responsible.

5.21 Collection performance continues to be impacted by external factors, most notably business rates avoidance schemes and the 2026 NNDR revaluation. Collection performance has been adversely affected by increased numbers of Checks, Challenges and Appeals (CCAs) submitted to the VOA following NNDR revaluation increases. Higher liabilities have affected some ratepayers' ability and willingness to pay, leading to requests for recovery holds pending VOA decisions. These delays defer collection activity, particularly on high value accounts and have impacted in year collection and arrears collection performance.

5.22 Based on historical data, the long-term collection target for NNDR is 98%. Historically, collection of arrears becomes significantly more difficult with each year that passes after the debt has been raised. Therefore, to achieve the long-term collection target, a marked improvement in the Council's collection of arrears must be seen quickly to make up for the lower expectations for in-year collection. It is also important for the Council to continue to make improvements to in-year collection, as this remains the best way of achieving the long-term target.

5.23 Furthermore, there remain 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, the increase to employer's national insurance contributions and the reduction in consumer spending power as a result of the ongoing cost-of-living crisis.

5.24 One key area of potential concern is the Retail, Hospitality and Leisure (RHL) industry, which was particularly affected by the Covid-19 pandemic. During the pandemic relief was provided to RHL businesses at 75% of the liability. In 2025/26, this relief had been reduced to 40% of the liability, more than doubling the amount of business rates these businesses must pay. The government has introduce two new multipliers for RHL from 2026/27 (Standard RHL Multiplier at 43.0p – 5.0p below the Standard non-domestic rating multiplier & Small business RHL multiplier at 38.2p – 5.0p below the Small business non-domestic rating multiplier), these changes will formalise the lower collectable income. Due to these permanent changes along with the revaluations, this could cause some businesses classed as RHL to be adversely affected as liabilities could increase at higher levels. The impact of this change on the affected businesses is being monitored closely and further updates will be provided in future reports.

5.25 The government has also introduced a 15% discount on all pubs & live music venues, trying to protect these businesses from closures due to increasing operating costs. Some of the major costs being utilities; staffing and inflation. Although the government has recognised the support needed here; there has been no indication in terms of support for other sectors/ businesses that are also struggling from these financial pressures.

**Debt Recovery**

5.26 During 2025/26, the Council achieved significant progress in reducing historic debt through the Income and Debt Improvement Programme. The figures relate exclusively to debt balances brought forward from previous financial years and exclude debt raised during 2025/26. The exception is Adult Social Care and Sundry Debt, where the reported figures include debt raised during 2025/26. The movement in these balances provides a clear measure of recovery performance and the Council's progress in reducing outstanding arrears.

5.27 Historic debt across the five debt streams reduced from £230.5m as at 31 March 2025 to £206.8m as at 31 March 2026, representing a reduction of £23.7 million. This is the first overall reduction in historic debt balances in five years and demonstrates the positive impact of strengthened recovery performance, enhanced debt management controls, and the delivery of targeted debt recovery initiatives throughout 2025/26.

5.28 The table below summarises the movement in debt balances across key income streams:

Table 10: Movement in debt balances

| Debt Line | 31 March 2023 | 31 March 2024 | 31 March 2025 | 31 March 2026 |
|---|---|---|---|---|
| Adult Social Care | £18.3m | £23.0m | £28.4m | £31.7m |
| Council Tax | £63.1m | £75.4m | £84.3m | £71.2m |
| Business Rates | £31.2m | £36.7m | £41.0m | £32.4m |
| Sundry Debt | £19.6m | £23.4m | £24.5m | £23.5m |
| Housing Benefit | £53.0m | £58.4m | £52.3m | £48.0m |
| Total | £185.2m | £216.9m ⬆ | £230.5m ⬆ | £206.8m ⬇ |

**Aged Debt Write Offs**

5.29 The Council remains committed to exhausting all reasonable recovery options before recommending any debt for write-off. In line with the Debt Recovery Policy, this includes issuing dunning notices, telephone and email engagement, senior management discussions, and, where appropriate, escalation to legal action, court proceedings and enforcement agents.

5.30 As part of routine financial management, outstanding debts are regularly reviewed to determine whether they remain recoverable. The write off of uncollectable debt is a standard accounting practice that ensures the Council's financial records reflect realistic expectations of income recovery.

5.31 Historically, the Council did not routinely write off bad debts annually. The increase in the value of debt written off in 2025/26 reflects investment in additional resources, enabling more thorough reviews and ensuring that genuinely irrecoverable or statute-barred debts are appropriately identified.

5.32 In accordance with the Council's Constitution, any single debt write off exceeding £20,000 must be reported to Cabinet. In addition, all write offs irrespective of value are reported to the Corporate Director of Finance and Resources to ensure full financial oversight, transparency, and audit compliance. For the period from 1 April 2025 to 31 March 2026, the total value of debts exceeding £20,000 that have been recommended for write-off across all income streams amounts to £1,070,221.15, as summarised in the table below:

Table 11: Summary of write offs

| Debt Type | Write Off Amount |
|---|---|
| Housing Benefit Overpayments | £987,257.67(24 Accounts) |
| Adult Social Care - Residential Care Charge | £82,963.48 (1 Account) |
| **Total** | **£1,070,221.15** |

5.33 Housing Benefit Overpayment and Adult Social Care debt can accumulate to significant balances due to the nature of the client groups involved, who are often on low incomes, in receipt of benefits, vulnerable, or have limited capacity to repay outstanding liabilities. Recovery can be further constrained by changes in personal circumstances, including ill health, financial hardship, vulnerability, death, or disengagement from services, which can make collection activity both difficult and prolonged.

5.34 Unlike Council Tax debt, these debt types cannot generally be referred to enforcement agents under the Taking Control of Goods framework, limiting the range of enforcement options available to the Council. Furthermore, in many cases debtors do not own property or other significant assets against which the Council could seek to secure the debt through legal action, such as charging orders. This significantly reduces the prospects of recovery and restricts the Council's ability to pursue more robust enforcement measures. As a result, some debts may become uneconomical to pursue, have limited recovery prospects, or become legally irrecoverable. The Council is therefore required to periodically review and write off such balances in accordance with its debt management and accounting policies, ensuring that outstanding debt levels reported in the accounts present a realistic and prudent assessment of recoverable income.

5.35 All debts proposed for write-off have been pursued in line with the Council's Debt Recovery Policy. This ensures that all reasonable recovery options have been fully explored and exhausted prior to any recommendation for write-off. Any subsequent write-off is then processed in accordance with the Council's write-off procedure.

5.36 Despite best efforts, a small proportion of debt will inevitably remain uncollectable. Writing off such debt is recognised as good financial management and ensures that the Council's accounts remain accurate. The impairment for doubtful debt is reviewed annually to ensure it reflects the level of debt considered irrecoverable.

5.37 If debts that are no longer recoverable are not written off, they would continue to appear as outstanding, overstating the accounts receivable balance and misrepresenting the impairment required. Once a debt is deemed irrecoverable, it must be formally written off and the impairment adjusted accordingly to maintain accurate financial reporting and compliance with accounting standards.

**Virements**

5.38 Table 12 shows the virements which have been entered to adjust the budgets at Corporate Directorate level from November 2025 to the end of 2025/26. Cabinet are recommended to approve these virements.

Table 12: Virements and adjustments in 2025/26 budget between 31.10.2025 and 31.03.2026

| | **2025/26 In-Year Budget at 01.11.2025** | **In-year growth** | **Transfer of functions between services** | **Technical Adjustments** | **2025/26 Closing Budget** |
|---|---|---|---|---|---|
| | **£m** | **£m** | **£m** | **£m** | **£m** |
| **Service Reform and Strategy** | 182.1 | 1.3 | 0.0 | 0.0 | 183.4 |
| **Children, Young People and** | 97.2 | 0.0 | 0.0 | (0.1) | 97.1 |

| | | | | | |
|---|---|---|---|---|---|
| **Community Development** | | | | | |
| **Neighbourhoods and Regeneration** | 31.8 | 0.0 | 0.0 | 0.0 | 31.8 |
| **Residents and Housing Services** | 32.9 | 0.1 | 0.0 | (0.2) | 32.8 |
| **Finance and Resources** | 32.7 | 1.0 | 0.0 | (0.1) | 33.7 |
| **Central Budgets** | 16.0 | (2.4) | 0.0 | 0.1 | 13.7 |
| **Capital Financing** | 38.6 | 0.0 | 0.0 | 0.3 | 38.9 |
| **Core Funding** | (431.4) | 0.0 | 0.0 | 0.0 | (431.4) |
| **Total Budget** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

5.39 In-year growth items are budget movements from the Central Items budget to Departmental budgets which were not actioned at the start of the financial year. The table above includes the following in-year growth items added between November 2025 and the end of 2025/26:

- Permanent funding for salaries in Finance and Resources (£0.1m)
- Temporary funding for one-off pressures in Adult Social Care in Service Reform and Strategy (£1.3m)
- Temporary funding for salaries in Residents and Housing Services (£0.1m)
- Temporary funding to Finance and Resources for debt recovery improvement project (£0.6m)
- Temporary funding for salaries in Finance and Resources (£0.3m) - Complaints service.

5.40 Transfers of functions between services are budget movements between Corporate Directorates, which occur when a department is moved from one service to the other. The virement ensures that the department and the related budget remain together. The table above does not include any transfer of functions between services items added between November 2025 and the end of 2025/26.

5.41 Technical adjustments are budget movements resulting from events which are provided for in the MTFS, but only confirmed during the year (e.g. pay award), budget movements resulting from changes to processes (e.g. centralisation of budgets) or other budget movements between directorates resulting from changes to the Council's structure. The table above includes the following technical adjustment items added between November 2025 and the end of 2025/26:

- Adjustments to service budgets in respect of financing of the Capital Programme, previously agreed at Full Council (£0.3m Capital Financing, -£0.2m Residents and Housing Services, -£0.1m Children, Young People and Community Development, -£0.03m Finance and Resources)

- Temporary transfer of £0.02m budget from Finance and Resources to Residents and Housing Services for Customer Services
- Reprofiling to 2026/27 of previous temporary funding to Service Reform and Strategy from Central Budgets (£0.1m) due to recruitment delays

## 6.0 Dedicated Schools Grant (DSG)

Table 13: 2025/26 Outturn for Dedicated Schools Grant by block

| Funding Blocks | Overall DSG Funding 2025/26 | Overspend/ (Underspend) | Q3 Forecast |
|---|---|---|---|
| | £m | £m | £m |
| **Schools Block** | 126.0 | (0.4) | 0.0 |
| **High Needs Block** | 82.8 | 8.2 | 4.8 |
| **Early Years Block** | 44.1 | (1.0) | 0.0 |
| **Central Block** | 2.4 | (0.2) | 0.0 |
| **Total DSG** | **255.3** | **6.6** | **4.8** |

6.1 The DSG outturn for 2025/26 reports an in-year deficit of £6.6m compared to £4.8m reported at Q3 against the total funding allocation of £255.3m. The adverse movement is largely attributable to continued pressures within the High Needs (HN) Block, although this has been partially mitigated by underspends across the remaining blocks, including £0.4m within the School Block, £1.0m within the Early Years (EY) Block and £0.2m within the Central Block.

6.2 At the end of 2024/25, the cumulative DSG deficit stood at £13.6m, reflecting the sustained increases in demand for High Needs provision and ongoing pressures on top-up funding. Following 2025/26 in year deficit of £6.6m, the overall cumulative DSG deficit has now increased to £20.2m.

6.3 The EY Block outturn reflects a £1.0m underspend. In recognition of the potential refund of the EY Block funding to the Department for Education (DfE), a provision has been included within the 2025/26 financial year accounts. This reflects the expected adjustment arising from the final EY funding allocations, which are based on actual take up of the free entitlements as determined by the January 2026 census. The DfE is expected to publish the final allocations in July 2026.

6.4 The HN Block reported an overspend of £8.2m compared to £4.8m reported in Quarter 3. The increase in overspend is primarily driven by increase in the top-up funding for children placed in special schools and academies due to an increase in pupil numbers. There was an increase in the number of children requiring Education, Health and Care Plans (EHCPs) which was 4,306 as at March 2026 compared to 3,892 as at March 2025, an increase of 10.6%. This led to increases in the top-up funding for in borough mainstream academies, special schools, placements in independent day special schools, alternative education for children awaiting placements as well as the post-16 provision.

6.5 The Schools Block surplus of £0.4m arose from underspends related to unused budgets earmarked for in-year pupil growth as well as underspends against the contingency budget which was not fully utilised.

6.6 The £1.0m under-spend against the EY Block is mainly driven from the additional funding from the DfE to cover the increase in provision of free childcare for working parents from September 2025 to 30 hours. This allocation was provided based on an estimated take up of hours by working parents in Brent. However, take-up has been lower than predicted by the DfE, leading to underspends of £0.6m reported against the under 2- to 2-year-old and the 2-year-old working parent entitlements.

6.7 EY Block funding is calculated using different census points depending on the entitlement type. Funding for the universal entitlements for all 3- & 4-year-olds, the additional entitlements for eligible working parents of 3- & 4-year-olds, and entitlements for 2-year-olds receiving additional support is based on January 2025 and January 2026 census. In contrast, funding for the working parents' entitlements for 2-year-old and under 2 is derived from termly headcount data from summer and autumn 2025 terms, together with the January 2026 census. As the final allocations are based on actual take-up of entitlements, there is a risk that the DfE may clawback once final census and headcount data is confirmed. An allowance has been made for the potential clawback, with final EY allocations expected to be published in July 2026.

6.8 The budgets held for central service also saw an underspend of £0.2m due to vacancies held throughout year and a reduction in spend towards the training offer. This budget included a contingency of £0.1m which was not utilised and contributed to the underspend.

6.9 The DSG deficit will be disclosed as an earmarked unusable reserve in line with DfE regulations (the School and Early Years Finance (England) Regulations 2023). The regulations make clear the requirement for any DSG deficit balance to be held within the local authority's overall DSG and carried forward to be funded from future year's funding and/or recovery plans agreed with the DfE. This also means that authorities cannot fund a deficit from the General Fund without the secretary of state's approval. The recent outcome of the SEND Review confirmed this arrangement will be in place until the end of the 2027/28 financial year.

6.10 2025/26, maintained school balances increased by £1.6m (£1.0m decrease last year) from £11.9m to £13.6m. Despite the overall increase, the underlying position reflects financial pressure driven by reduced income linked to falling pupil numbers particularly within the Primary phase. Of the 54 maintained schools, 31 increased their balances and 23 decreased their balances. Also included in this total are 8 schools in deficit and at the end of 2025/26, 4 schools that were previously in deficit recovered their deficit; however, 4 new schools have closed with deficit balances. School budgets remain under significant strain from rising costs, alongside funding reductions in some case due to falling pupil numbers on roll.

6.11 Brent provides targeted financial oversight and recovery support to schools that fall into deficit. The core support includes Licensed deficit arrangements, where the Councils may allow a school to operate with a licensed deficit if it has a robust, council approved plan to repay the deficit, usually within three years. Support is also provided with deficit recovery planning, where finance and education improvement teams work with headteachers and governors to create, monitor, and review a detailed recovery plan. The Council uses a risk-based framework to track progress and intervene when needed.

## 7.0 Housing Revenue Account (HRA)

Table 14: 2025/26 Outturn for Housing Revenue Account

| **HRA gross income and expenditure** | | | | |
|---|---|---|---|---|
| | **2024-25 Actual** | **2025-26 Budget** | **2025-26 Actual** | **2025-26 Variance** |
| | **£m** | **£m** | **£m** | **£m** |
| **HRA** | | | | |
| **Income** | (70.3) | (69.9) | (73.3) | (3.4) |
| **Expenditure** | 68.2 | 69.9 | 73.3 | 3.4 |
| **Total** | **(2.1)** | **0.0** | **0.0** | **0.0** |

7.1 The Housing Revenue Account (HRA) outturn for 2025/26 is a break-even position, with the general HRA balance maintained at £4.5m. As summarised in Table 14, gross income of £73.3m was £3.4m higher than the £69.9m budget, offset by an equal £3.3m increase in manageable expenditure, leaving a £0.1m transfer to the HRA reserve. This represents a significant improvement on the £2.3m deficit forecast at Quarter 3, which would have drawn down reserves, and reflects additional rental income together with a number of favourable movements offsetting the in-year cost pressures set out below.

7.2 Sustained inflationary pressures and elevated interest rates continued to affect both revenue and capital expenditure during the year. Higher material and labour costs increased repairs and maintenance spend, while higher borrowing costs raised the cost of financing the capital programme. The break-even outturn was achieved by offsetting these pressures – most notably on repairs and interest – against additional rental income and the favourable movements described below.

7.3 Demand for repairs and maintenance services remained significantly above budgeted levels. A high volume of complex repairs, an increase in damp and mould cases, and the transition to new service contracts placed sustained pressure on the budget, alongside the new statutory obligations introduced by Awaab's Law, which came into force for the social rented sector on 27 October 2025. Outturn expenditure of £25.9m was £8.5m above the £17.4m budget (2024/25: £21.4m). The scale of the variance also reflects that the budget was set below the prior-year outturn, understating the level of demand experienced.

7.4 Supervision and management costs closed at £16.4m, a £0.9m underspend against the £17.3m budget. This reflects the capitalisation of officer time attributable to capital projects and in-year vacancies, partially offset by additional resourcing associated with new housing stock and backlog reduction.

7.5 Rents, rates, taxes and other charges closed at £7.0m, a £1.3m overspend against the £5.7m budget. This arose across a range of areas, including decants, council tax on void and temporary units, and insurance.

7.6 Interest payable and similar charges closed at £14.0m, £2.0m above the £12.0m budget (2024/25: £10.9m), reflecting the rising cost of financing the HRA's Capital Financing Requirement in a higher interest rate environment. This is consistent with the net interest charge to the HRA calculated in accordance with Government regulations.

7.7 Total income of £73.3m was £3.4m above budget. This was driven principally by dwelling rents of £62.8m, £3.7m above the £59.1m budget (2024/25: £58.6m), reflecting the expanded asset base from additional properties brought into the HRA and the in-year rent uplift. Modest shortfalls on certain service charge and other income lines partially offset this favourable position.

7.8 The movement on the allowance for bad or doubtful debts was a £2.6m credit, against a budgeted £1.4m charge – a £4.0m favourable variance. This arises from the release of a provision previously held against leaseholder service charge debt that is no longer required. Tenant rent arrears nonetheless remain a risk to be managed, with collection performance monitored against the 98% assumption adopted in the HRA 30-year Business Plan.

7.9 A number of further movements supported the break-even position. The planned revenue contribution to capital was not required to be made in-year; a £3.1m gain was realised on the disposal of HRA non-current assets; and net provision movements, including those relating to the self-referral to the Regulator of Social Housing, were broadly favourable. A £0.4m surplus before reserve movements was transferred to earmarked reserves.

7.10 The statutory outturn also includes significant non-cash entries, principally impairments and revaluation losses of £87.1m, together with a corresponding downward revaluation adjustment. These reflect movements in the carrying value of HRA assets and are reversed out in full through the adjustments between the accounting and funding basis. They have no impact on the HRA balance, on rent levels, or on the resources available to the service.

7.11 The general HRA balance was increased by £0.1m to £4.6m, compared with the substantial drawdown anticipated at Quarter 3 – an improvement of £4.6m in the in-year position. The Major Repairs Reserve increased from £3.6m to £7.2m over the year, after a £14.8m depreciation transfer and £11.2m applied to the capital programme, providing capacity to support future capital investment.

7.12 Looking ahead, the ten-year rent settlement (CPI+1%, equating to 4.8% for 2026/27) and the introduction of Social Rent convergence from 2027/28 provide greater income certainty to support investment in the stock. Significant cost pressures remain, including the phased expansion of Awaab’s Law to further hazard categories from October 2026, continued investment to meet the Decent Homes Standard and Warm Homes commitments, and delivery of the improvement plan associated with the Council’s C3 consumer standards grading and self-referral to the Regulator of Social Housing. These factors will continue to shape the HRA Business Plan and the Medium Term Financial Strategy.

## 8.0 Capital Programme

8.1 The Council’s Capital Programme is an ambitious five-year investment plan containing a variety of projects that facilitate the Borough Plan, for example by investing in regeneration projects for prosperity in Brent; road, parks and pavement improvements for a cleaner borough and delivering additional

SEND places to give residents the best start in life. A particular highlight of the 2025/26 programme was the delivery of 543 new council homes. The 2025/26 – 2029/30 Capital Programme budget is £824.5m, financed from a combination of capital receipts, Community Infrastructure Levy (CIL), grants, contributions, reserves and external borrowing.

8.2 In 2025/26, the Council delivered £209.7m capital expenditure against a revised capital budget of £328.9m. The variance consists of £16.8m net underspend and £102.3m slippage. These figures include the capital outturn for i4B Holdings Ltd where the planned £40m loan and equity facility was not drawn down and is expected to be drawn down in 2026/27.

Table 15: 2025/26 Capital Outturn

| Capital Board | Revised Budget | Outturn | FY Variance | | |
|---|---|---|---|---|---|
| | £m | £m | (Underspend)/ Overspend | (Slippage)/ Brought Forward | Variance Total |
| | | | £m | £m | £m |
| Corporate Landlord | 13.4 | 11.8 | (0.1) | (1.5) | (1.6) |
| Housing GF | 73.9 | 50.1 | (17.2) | (6.6) | (23.8) |
| Housing HRA | 27.6 | 18.3 | (0.9) | (8.4) | (9.3) |
| Invest for Brent (I4B) | 41.9 | 0.0 | 0.0 | (41.9) | (41.9) |
| Public Realm | 34.9 | 22.9 | 0.3 | (12.3) | (12.0) |
| Regeneration | 84.2 | 73.5 | 0.1 | (10.9) | (10.8) |
| South Kilburn | 26.9 | 12.3 | 0.8 | (15.5) | (14.6) |
| Children & Young People | 25.5 | 20.5 | 0.2 | (5.2) | (5.0) |
| St. Raphael’s | 0.4 | 0.4 | (0.0) | (0.0) | (0.0) |
| **Total** | **328.9** | **209.8** | **(16.8)** | **(102.3)** | **(119.1)** |

8.3 The level of slippage across the 2025/26 Capital Programme reflects the inherent complexity of delivering a large investment programme in a challenging operating environment. Ambitious NCIL and SCIL schemes received Cabinet approval later in the financial year, compressing the time available for delivery. The Council also faced national pressures beyond its direct control such as a constrained contractor market, changes to procurement law and new Government grants announced late in the year. More specific project factors are covered in the Board level commentary below.

8.4 Officers reviewed the governance of the capital programme in 2025/26 with the objectives of strengthening risk management, reducing slippage and streamlining processes. For 2026/27, the capital outturn reporting will follow the revised capital board structure. Public Realm and Corporate Landlord have been merged to a new Corporate Assets Board, whilst the reporting of the housing capital programme will be split between Affordable Housing Supply and HRA & Housing Management.

8.5 Of the final capital outturn of £209.7m, £100.8m was funded by prudential borrowing. This has a direct impact on revenue budgets through interest costs and minimum revenue provision (a prudent charge to revenue for the repayment of borrowing).

**Corporate Landlord**

8.6 Corporate Landlord, which comprises Retained Estates, Digital Strategy, ICT and Libraries, has a final outturn for 2025/26 of £11.9m against a revised budget of £13.4m. The variance of £1.6m consists of £1.5m net slippage and a £0.1m underspend. The underspend is driven by the Grove Park Pavillion refurbishment project not going ahead as Cabinet approved the potential sale of the building instead.

8.7 The £1.5m net slippage is mainly due to delays in appointing a suitable contractor for the Roy Smith House refurbishment project (£0.8m) and Energy Efficiency projects on Council buildings (£0.4m) where grant and Carbon Offset funding was only confirmed later in the year. Accelerated spend was reported on Digital Strategy (£0.3m) as the team has started to mobilise the Digital Strategy Roadmap programmes to deliver the anticipated cross-cutting savings.

**Housing General Fund**

8.8 Housing GF has a final outturn 2025/26 spend of £50.1m against a budget of £73.9m. The £23.8m budget variance is split between £17.2m underspend and £6.4m slippage.

8.9 Underspend of £17.2m is primarily driven by the temporary accommodation acquisition projects as the budgets were calculated at the price caps and savings have been achieved compared to them. In addition, due to a shortage of available properties at suitable prices, the Council has bought fewer larger properties than planned under the Local Authority Housing Fund (LAHF) and only 7 of the target 15 properties under the Council Housing Acquisition Programme (CHAPs). The £6.2m slippage across both projects is primarily for the completion of 8 LAHF properties in conveyancing at 31 March (CHAPs requires exchange by year end) as well as refurbishments of properties purchased in 2025/26. 31 properties were purchased under these schemes in 2025/26 providing much-needed temporary accommodation.

8.10 There is accelerated spend of £2.1m on Church End as the project nears completion. This is offset by £1.7m slippage on Disabled Facilities Grant adaptations and £0.6m on Empty Property Grant. There is a full pipeline of works for both schemes, and the team is confident both schemes will use their budgets in full in 2026/27.

8.11 543 units out of the anticipated 820 New Council Homes for 2025/26 were completed and handed over in year. This includes the completion of Fulton Road, Watling Gardens, and the Grand Union Phase 2 developments. The remaining housing projects – Clock Cottage, Alperton Bus Garage, Church End and Pharamond – are now anticipated to complete in 2026/27.

**Housing HRA**

8.12 Housing HRA has a final outturn 2025/26 spend of £18.3m against a budget of £27.6m with £8.4m of the variance attributable to slippage. The single largest cause of the slippage is £4.0m on Alperton Bus Garage relating to spend that will be recognised when the housing is handed over to Brent. Project completion has been delayed to 2026/27 due to delays from the developer.

8.13 Following a £3.9m overspend on the major repairs programme in 2024/25, improved financial control and careful prioritisation decisions, there is no net overspend on the programme in 2025/26, alleviating pressure on HRA revenue budgets. The £2.2m slippage includes £2.5m funded by the major repairs reserve (offset by £0.3m accelerated spend on Granville Homes remediation) that will provide a much-needed additional budget in 2026/27. Overspends from prior commitments on the Kilburn Square refurbishment (£4.1m) and an accelerated programme of voids works (£0.9m) and condition surveys (£0.4m) were offset by reduced expenditure on the Windmill Court refurbishment (£4.4m) and External Fabric Works (£0.9m). Despite these positive steps, this area of the programme continues to face major challenges due to the age of Brent's housing stock and the need to invest to address the issues identified in the self-referral to the Regulator of Social Housing.

**PRS I4B and First Wave Housing**

8.14 The budget was set on the basis that Brent would provide a £40m loan and equity facility to I4B Holdings Ltd to continue their acquisition programme to deliver homes in the private rented sector. The new facility is expected to be drawn down in 2026/27.

**Public Realm**

8.15 The revised Public Realm 2025/26 capital budget of £34.9m represented a significant increase on the £18.1m outturn in 2024/25. This created challenges for delivery capacity, especially as many schemes are dependent on delivery with strategic partners or only received funding in the latter part of the year. As a result, total spend of £22.9m represents 65% of the total 2025/26 budget with £12.3m of slippage offset by £0.3m of overspend.

8.16 £3.9m of the slippage is from Health Streets & Parking programmes, notably on Wembley High Road transformation (£1.3m) due to delays in obtaining TFL approvals and the Local Electric Vehicle Infrastructure (LEVI) project (£1.2m) which is still at the procurement phase. The £3.2m slippage is from delays on SCIL and NCIL programmes, including across Highways Maintenance, Public Safety CCTV and the Church End & Roundwood Green Corridors scheme. Other slippage includes £2.5m on parks and pitch improvements, £0.8m on waste vehicles and £0.5m on unspent Pride in Place Impact Funding where project activities have commenced in 2026/27.

8.17 Despite the challenges in the Public Realm programme, the additional investment has delivered significant, noticeable improvements to the Borough including significant footways reconstruction, carriageways resurfacing, secure cycle parking and green corridors.

**Regeneration**

8.18 The final outturn against the 2025/26 Regeneration capital budget of £84.2m was £73.5m with the variance largely attributable to £10.9m slippage. £6.7m of this slippage relates to Wembley Housing Zones as the discovery of a water leak has now delayed the expected completion of the 281 homes (141 affordable) to November 2026 from September 2026. The medical centres projects have a total slippage of £1.7m as discussions with the NHS are ongoing. Slippage in relation to Bridge Park Regeneration is £0.7m as a community group has appealed the decision made by the Department for Culture, Media and Sport (DCMS) not to list the site and this is delaying demolition works. The GLA granted an extension of six months for the UK Shared Prosperity Fund completion to September 2026 and therefore slippage on these projects now totals £0.2m.

**South Kilburn**

8.19 The South Kilburn programme shows a high-budget variance of £14.6m against the revised 2025/26 budget of £26.9m with £15.5m slippage offset by £0.8m overspend.

8.20 The overspend is driven by a £1.0m overspend on the Neville, Winterleys, Carlton House and Carlton Hall (NWCC) project to deliver 95 affordable units. The overspend arose due to historic discrepancies, including the exclusion of key costs such as EA fees and SCIL payments, alongside inaccurate actuals in the South Kilburn dataset. The team has now identified and reconciled these issues, and steps are being taken to ensure future forecasts and reported budgets robustly reflect all financial commitments. In addition, Officers are currently preparing a safeguarding grant bid to the GLA to mitigate the impact.

8.21 The largest item of slippage is £6.7m on the District Heating Network due to a delay in awarding the contract after the tenders came back higher than expected. The preferred contractor has now been appointed, and a revised £36m budget has been agreed by Cabinet. In addition, there is slippage of £1.9m on the Carlton and Granville Centre refurbishment due to disputes with the contractor that are now resolved and £3.1m across the single delivery partner sites due to the rescheduling of rehousing activities as the procurement progresses.

**Schools and CYP**

8.22 The Children & Young People capital programme had a successful 2025/26 despite £5.2m of slippage offset by £0.2m of overspend. A large number of projects completed in year including the provision of over 200 new SEND places at the new Wembley Manor SEND School and 3 Additionally Resourced Provision (ARP) at St Margaret Clitherow Catholic Primary, Newman Catholic College and Preston Park Primary. Other project completions included Brent Children's Care Home and the replacement of Northview Primary School Nursery as part of the Council's duty to maintain its school buildings.

8.23 Slippage of £5.2m predominantly relates to £4.9m on the SEND expansion programme as St Gregory's ARP (£2.5m) is now part of the Department for Education School Rebuilding Programme, extending delivery timetables, and £2.5m on the Welsh Harp Post-16 Centre as construction is scheduled for January 2027.

**Capital Financing**

8.24 The final capital financing revenue outturn position was £38.9m against a revised £38.9m budget with nil variance. This reflects a reduction in outturn compared to 2024/25 due to the impact of one-off adjustments in 2024/25, as well as savings achieved from slippage in the capital programme and completed housing schemes appropriating to the HRA. In addition, the Council was able to secure relatively low borrowing rates from its "little and often" approach to borrowing small amounts regularly to take advantage of temporary reductions in interest rates and ensure we do not hold more cash than we need.

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

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

**10.0 Financial Considerations**

**10.1** This report sets out the financial position for the General Fund revenue budget, the Housing Revenue Account and the Dedicated Schools Grant for 2025/26. There are no direct financial considerations in noting this report.

**11.1 Legal Considerations**

**11.1** There are no legal considerations arising out of this report.

**12.0 Equity, Diversity & Inclusion (EDI) Considerations**

**12.1** There are no EDI considerations arising out of this report.

**13.0 Climate Change and Environmental Considerations**

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

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

**14.1** There are no HR or property considerations arising out of this report.

**15.0 Communication Considerations**

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

***Report sign off:***

***Minesh Patel***
**Corporate Director, Finance and Resources**

This page is intentionally left blank

Appendix 2

| | |
|---|---|
| Brent | **Cabinet**<br>**27 July 2026** |
| | **Report from the Corporate Director, Finance and Resources** |
| | **Lead Cabinet Member**<br>**Deputy Leader, Cabinet Member for Finance and Resources**<br>**(Councillor Gwen Grahl)** |

# Quarter 1 Financial Forecast 2026/27

| | |
|---|---|
| **Wards Affected:** | **ALL** |
| **Key or Non-Key Decision:** | **KEY** |
| **Open or Part/Fully Exempt:**<br>**(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)** | **OPEN** |
| **List of Appendices:** | **One:**<br><br>**Appendix A: Prudential Indicators** |
| **Background Papers:** | **N/A** |
| **Contact Officer(s):**<br>**(Name, Title, Contact Details)** | Rav Jassar<br>Deputy Director, Corporate and Financial Planning<br>Email: Ravinder.Jassar@brent.gov.uk<br>Tel: 020 8937 1487<br><br>Amanda Healy<br>Deputy Director, Investment and Infrastructure<br>Email: Amanda.Healy@brent.gov.uk<br>Tel: 020 8937 5912 |

## 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 2026/27.

1.2 The Council's revised General Fund revenue budget for 2026/27 is £501.8m. There is a forecast overspend of £9.5m against the revenue budget at Quarter 1. If sustained until the year end, this would require a transfer from unallocated reserves. Equally, any overspend not dealt with in 2026/27 could potentially carry over into the following year, therefore increasing the requirement for further savings whilst at the same time depleting the

Council's reserves. The Council is taking a number of mitigating actions, including continuing to implement spending controls. If the overspend increases, further in-year savings may be required in order to contain identified pressures as much as possible.

1.3 The current budget also reflects £10.4m of savings agreed by Full Council in February 2026. In contrast to previous years, a new collaborative approach has been developed to address the Council's medium term financial challenge and identify sustainable savings. This approach focuses on identifying high-impact opportunities, including cross-directorate working, improving productivity, better use of digital solutions, and increasing income generation. An update on the progress towards delivery of the savings, including timelines, key risks and mitigating actions is included in the service area updates in Section four.

1.4 Budget pressures continue to be reported within the Housing Revenue Account (HRA). Although the new ten-year social rent settlement provides greater income certainty from 2026/27, increased demand and the rising cost of repairs and maintenance, now sharpened by new statutory obligations under Awaab's Law, together with the cost of addressing building-safety compliance following the Regulator's C3 judgement, mean that considerable savings and careful financial management remain necessary to maintain a balanced budget. Further details are set out in section 11. The Dedicated Schools Grant is forecasting an in year overspend of £18.2m, which would increase the cumulative deficit to £38.4m by the end of the financial year. Further details are set out in section 10. The Capital Programme is forecasting an outturn of £326.6m compared to a revised budget of £348.0m. Further details are set out in section 12.

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

Table 1: 2026/27 Quarter 1 forecast for the General Fund

| | **Budget** | **Forecast** | **Overspend / (Underspend)** |
|---|---|---|---|
| | **£m** | **£m** | **£m** |
| **Service Reform and Strategy** | 205.7 | 205.7 | 0.0 |
| **Children, Young People and Community Development** | 111.0 | 111.0 | 0.0 |
| **Neighbourhoods and Regeneration** | 36.5 | 36.5 | 0.0 |
| **Finance and Resources** | 32.7 | 32.7 | 0.0 |

| | | | |
|---|---|---|---|
| **Residents and Housing Services** | 62.3 | 71.8 | 9.5 |
| **Subtotal Service Area Budgets** | **448.2** | **457.7** | **9.5** |
| **Capital Financing** | **41.9** | **41.9** | **0.0** |
| **Central Budgets** | **11.7** | **11.7** | **0.0** |
| **Total Budget Requirement** | **501.8** | **511.3** | **9.5** |
| **Funding** | **(501.8)** | **(501.8)** | **0.0** |
| **Grand Total General Fund Budgets** | **0.0** | **9.5** | **9.5** |
| **Dedicated Schools Grant (DSG) Funded Activity** | 0.0 | 18.2 | 18.2 |
| **Housing Revenue Account (HRA)** | 0.0 | 0.0 | 0.0 |
| **Net Total*** | **0.0** | **27.7** | **27.7** |

*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.

Table 2: 2026/27 Quarter 1 forecast for the Dedicated Schools Grant

| **DSG gross income and expenditure** | | | |
|---|---|---|---|
| | **Budget** | **Forecast** | **Overspend / (Underspend)** |
| | **£m** | **£m** | **£m** |
| **DSG** | | | |
| **Income** | (262.2) | (262.2) | 0.0 |
| **Expenditure** | 262.2 | 280.4 | 18.2 |
| **Total** | **0.0** | **18.2** | **18.2** |

Table 3: 2026/27 Quarter 1 forecast for the Housing Revenue Account

| **HRA gross income and expenditure** | | | |
|---|---|---|---|
| | **Budget** | **Forecast** | **Overspend/ (Underspend)** |
| | **£m** | **£m** | **£m** |
| **HRA** | | | |
| **Income** | (84.4) | (84.4) | 0.0 |
| **Expenditure** | 84.4 | 84.0 | 0.0 |
| **Total** | **0.0** | **0.0** | **0.0** |

Table 4: 2026/27 Quarter 1 forecast for the Capital Programme

| Portfolio/ Programme | Original Budget 2026/27 | Revised Budget 2026/27 | Current Forecast | FY Variance | |
|---|---|---|---|---|---|
| | | | | (Underspend)/ Overspend | (Slippage)/Brought Forward |
| | £m | £m | £m | £m | £m |
| Corporate Assets | 50.1 | 61.5 | 56.8 | (0.2) | (4.5) |
| Affordable Housing Supply | 51.3 | 67.3 | 66.9 | (0.4) | - |
| Housing HRA & Management | 44.9 | 49.5 | 49.5 | (0.0) | 0.0 |
| Regeneration | 68.2 | 79.0 | 72.9 | 1.1 | (7.2) |
| Child and Young People | 34.3 | 30.2 | 30.2 | 0.0 | - |
| South Kilburn | 45.0 | 60.5 | 50.4 | (2.8) | (7.3) |
| **Grand Total** | **293.8** | **348.0** | **326.6** | **(2.3)** | **(19.1)** |

**Current Economic Environment**

1.6 Since the 2026/27 budget was agreed by Full Council on 23 February 2026, the wider economic situation has become more uncertain. Ongoing conflict in the Middle East has created volatility in global markets, particularly in energy prices. The full impact will depend on how the situation develops, but the immediate effect has been a rise in fuel costs and higher inflation.

1.7 CPI inflation increased to just over 3% in March before easing slightly to 2.8% in April. The Bank of England now expects inflation to remain higher for the rest of 2026 than previously forecast, compared with the February assumption of an average rate of 2.5%. Higher inflation increases the cost of delivering council services and creates a risk of overspending in 2026/27 compared with the budget agreed earlier in the year.

1.8 Interest rates also remain elevated at 3.75%, following the most recent cut in December 2025. In February, a gradual fall towards 3.25% was expected. However, with inflation now likely to stay higher for longer, interest rates may remain at current levels or even rise. This would increase the cost of borrowing to fund the Council’s Capital Programme beyond the assumptions built into the February budget.

1.9 Residents in Brent continue to face significant financial pressures. The cost-of-living crisis triggered by the 2022 energy price shock has not fully eased, and the latest rise in energy costs is adding further strain on household budgets. If the economy slows, more residents may require support from the Council. Any increase in demand for support services would place additional pressure on the Council's finances and reduce the resources available for investment in local services.

**Maintaining Financial Control**

1.10 The £10.4 million savings identified for 2026/27, developed in partnership with the Embrace Change Portfolio, were sufficient to balance the budget based on the forecasts available at the time the budget was set. However, as outlined in this report, the economic environment has become increasingly challenging, and is expected to place additional pressure on services during 2026/27.

1.11 Despite the considerable efforts of the Council to manage its financial position, the operating environment remains volatile, with relatively small changes in demand often resulting in significant financial pressures. This is particularly the case in Children's Social Care, Adult Social Care and Housing Needs, where increases in demand, complexity and the cost of provision continue to place pressure on budgets. The Council is also managing the impact of sustained provider inflation, alongside the continuing effects of the cost-of-living crisis on both expenditure and income streams.

1.12 The most significant forecast pressure is within the Housing Needs and Support service, where rising levels of homelessness and a shortage of suitable temporary accommodation are forecast to result in an overspend of more than £9.5m. Section 8 of this report sets out the Council's strategy for addressing these pressures.

1.13 In response to budget pressures experienced in recent years, the Council introduced a range of spending controls which successfully reduced expenditure and helped mitigate overspending. These measures included proactive vacancy management, tighter controls over agency expenditure and staff payments, and increased scrutiny of spending decisions across all directorates. These controls are now considered business as usual and have been embedded within the Council's day-to-day financial management arrangements to support effective budget control, financial resilience and sound decision-making.

1.14 However, spending controls alone are unlikely to be sufficient to mitigate the scale of the challenge. Therefore, with the exception of expenditure required to maintain health and safety, meet statutory obligations or fulfil contractual commitments, all other spending decisions will be subject to enhanced challenge and may be deferred where possible. Directorates will also be required to identify additional in-year savings, cost avoidance measures and opportunities to reduce expenditure wherever possible.

1.15 Progress against these actions, together with the financial impact achieved, will be reported regularly to Cabinet throughout the year. Delivering these actions will be challenging. However, they are considered necessary to restore the budget to a sustainable position and protect the Council's overall financial resilience. Officers and Members will continue to work collectively to minimise the impact on residents while maintaining essential services within the resources available.

## 2.0 Recommendation(s)

2.1 That Cabinet note the overall financial position and the actions being taken to mitigate the issues arising.

2.2 That Cabinet note the prudential indicators for treasury management in Appendix A.

2.3 That Cabinet approve the virements set out in section 9.13 of this report.

## 3.0 Cabinet Member Foreword

3.1 This report provides the first assessment of the Council's financial position for 2026/27. Regrettably, the General Fund is currently forecast to overspend by £9.5 million, while the Dedicated Schools Grant is forecasting an in-year deficit of £18.2 million. These figures are concerning at this early stage and underscore the need for close monitoring, strong financial control and further action. It is, however, important that all other service areas besides Residents and Housing Services are currently forecasting a balanced position. This reflects the additional investment made when the budget was set last year and the efforts of services to manage demand within the resources available.

3.2 The General Fund pressure is concentrated primarily in homelessness and temporary accommodation. Demand has continued to rise, alongside provider costs and private rents, despite an additional £8 million being added to the Housing Needs budget for 2026/27. This is not a picture of widespread overspending across the Council, but it is the consequence of a housing market in which suitable and affordable homes remain out of reach for too many residents. The Council cannot resolve those pressures alone, but it is taking practical action to reduce costs and improve outcomes.

3.3 During the year, 406 new social homes are expected to become available, helping more households move out of expensive temporary accommodation. We are not standing still, with the Council working at pace to reduce our exposure to high temporary accommodation costs, with 89 such households moved out of some of the most expensive accommodation. We also continue to make direct allocations of new council homes to those with the highest housing priority, which in turn has also unlocked significant savings. Adult Social Care and Children's Services are also currently forecasting balanced positions, and the opening of The Gardens children's home will help reduce reliance on costly external placements. Alongside this, the Council expects to continue delivering £324.6 million of capital investment in housing, regeneration, schools, SEND provision and neighbourhood infrastructure.

3.4 The most serious medium-term risk remains the Dedicated Schools Grant, with a further in-year deficit of £18.2 million currently forecast. The Government's decision to provide grant support for 90 per cent of eligible high-needs deficits accrued up to March 2026 is a welcome and significant intervention, subject to approval of Brent's Local SEND Reform Plan. However, it does not remove the continuing pressure created by rising demand and the increasing cost of specialist provision. The Government's fairer funding settlement has strengthened Brent's position, yet homelessness and SEND continue to place considerable pressure on local budgets. Brent remains financially resilient and focused on delivery, but further national action is essential if councils are to protect statutory services while continuing to invest across the borough.

## 4.0 Revenue Detail

**Service Reform and Strategy**

Table 5: 2026/27 Quarter 1 forecast for Service Reform and Strategy

| Service Reform and Strategy | Budget (£m) | Forecast (£m) | Overspend / (Underspend) (£m) |
|---|---|---|---|
| Adult Social Care | 144.6 | 144.6 | 0.0 |
| Change Programme | 0.7 | 0.7 | 0.0 |
| Communications Insight and Innovation | 12.3 | 12.3 | 0.0 |
| Integrated Care Partnerships | 0.2 | 0.2 | 0.0 |
| Leisure | 1.8 | 1.8 | 0.0 |
| Public Health | 28.5 | 28.5 | 0.0 |
| Strategic Commissioning & Capacity Building | 16.1 | 16.1 | 0.0 |
| Strategy and Partnership (Reform) | 1.5 | 1.5 | 0.0 |
| **Total** | **205.7** | **205.7** | **0.0** |

**Summary**

4.1 The Service Reform & Strategy (SRS) directorate's budget for 2026/27 includes £2.3m of savings and £25.3m of growth. Of the growth allocation, £12.3m relates to inflationary pressures, while £8.2m reflects demand-led growth across Adult Social Care and Strategic Commissioning, driven by demographic change and rising market costs.

4.2 At this early stage of the financial year, the directorate is forecasting a breakeven position by year-end. However, a significant proportion of the budget funds demand-led care packages, where activity levels and unit costs can fluctuate throughout the year. As such, the forecast remains subject to a number of risks and uncertainties, which are outlined in the following sections and may impact the financial position as the year progresses.

**Risks and uncertainties**

**Adult Social Care, Strategic Commissioning & Capacity Building and Integrated Care Partnerships.**

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

4.3 Demand for social care services has been increasing as people live longer, complexity of needs increases and as children transition into adult social care services. In the 2025/26 financial year, the number of service users increased by 6% from the previous year. Although the increase in client numbers has reduced to 1% by the end of May, there has been an increase in the average costs as new packages are around 14-16% more expensive than those ending due to complexity of need and rising market prices, meaning that even with stable or declining placement numbers, overall expenditure continues to rise. When setting the budgets for 2026/27, growth for both demography and inflation were factored in. Any increases above the modelled growth could cause budget pressures and as such, the trends for both are being carefully monitored with focused attention on higher cost packages.

4.4 In comparison to the 2026/27 modelling for Adults Placements that informed budget setting, at Q1 the trend indicates that homecare demand has been reduced but the demand for supported living and residential care have increased as with clients with more complex needs being placed, indicating a potential risk of £3.5m overspend if this is not mitigated. The service is taking a number of proactive steps to strengthen oversight of demand and manage market pressures more effectively. This includes strengthening the decision-making process with a multi-disciplinary panel and reviewing high-cost packages of care to ensure that the level of care is appropriate for the clients, with exploration into alternative solutions also being made, whilst prioritising the well-being of the client.

4.5 Recruitment and retention of staff remains a risk nationally in the social care sector. The sector continues to be faced with high staff turnover and vacancy rates. 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, with over 20 conversions over the last year. An internal realignment of staffing was also undertaken to better align the structure to Brent's priorities.

4.6 Partnership working with the NHS is a key factor in management of finances within the social care sector, with linkages between the Council and NHS for Section 117 and Continuing Healthcare (CHC) clients. This relationship has seen significant improvement during the last year, and the continuation of this progress will be important to ensure that any financial pressures can be mitigated early on.

**Public Health**

4.7 Public Health is forecast to break even against the 2026/27 budget of £28.5m. The budget reflects the ring-fenced Public Health Grant allocation, including funding now consolidated within the grant for drug and alcohol services and smoking cessation.

4.8 Although reported within the main Public Health Grant, these funding streams remain subject to separate monitoring and reporting requirements. Finance and the service will need to track spend against the relevant grant categories, including Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG) and Stop Smoking activity.

4.9 There is an emerging risk from the new sexual health contract, where costs may increase depending on the final contract and demand assumptions. This will be monitored closely and the budget pressure will be managed within the allocated grant funding.

4.10 The Public Health reserve balance carried forward into 2026/27 was £10.4m, with £3.6m planned to be drawn down this financial year to various projects including support to the community health and wellbeing strategy, place leadership, family wellbeing centres and knife crime prevention. This will continue to be managed in line with the ring-fenced grant conditions and the reserve plan has been updated to support agreed priorities.

**Leisure**

4.11 Leisure is currently forecast to break even at Quarter 1. The position remains financially sensitive due to reliance on income generation, contract performance and inflation-linked costs. Bridge Park remains closed for 2026/27, reducing the overall leisure offer and placing greater reliance on maintaining income and participation levels across the remaining sites.

4.12 Willesden Sports Centre remains the principal financial risk within the Leisure Services forecast for 2026/27. The budget for the year includes provision for the underlying PFI pressure, following the full utilisation of the historic smoothing reserve. Despite this provision, the service continues to manage a number of ongoing risks associated with the PFI arrangement. A formal review of the contract and financial position has now been completed, and work is underway to implement actions aimed at mitigating the budget pressures identified. This includes strengthened contract management, improved financial oversight and closer monitoring of operational performance. Given the scale and complexity of the PFI arrangement, the financial position will be closely monitored throughout the year, with updates provided as part of the Council's regular budget reporting cycle.

4.13 Vale Farm is now operating under a new agency contract arrangement. The Quarter 1 forecast assumes the contract operates within the agreed financial parameters, with performance monitored against the guaranteed minimum return and monthly income and expenditure statements.

**Communications, Insight and Innovation**

4.14 Communications, Insight and Innovation is currently forecast to break even at Quarter 1. The service includes Change and Customer Insight, Communications, Digital Strategy and ICT Solutions, including Brent's funding for the Shared Technology Service.

4.15 Key risks for 2026/27 include the delivery of savings and securing income opportunities within the conference and events team.

**2026/27 Savings**

4.18 The SRS budget includes savings of £2.3m for 2026/27, to be delivered through a combination of income maximisation, workforce efficiencies, commissioning and procurement savings, digital initiatives and wider service efficiencies. At Quarter 1, delivery is broadly on track, although a number of key dependencies and risks have been identified and continue to be actively monitored. Management focus will remain on confirming delivery timelines, achieving income targets, evidencing reductions in contract expenditure, validating workforce-related savings and implementing mitigating actions where there is a risk of under delivery.

**Summary of Key Assumptions**

4.19 Table 6 summarises the main assumptions made in the forecast which could have a significant impact if there are changes.

Table 6: Summary of key assumptions in forecast for Service Reform and Strategy

| Key Assumption | Downside if worse | Upside if better | Mitigations |
|---|---|---|---|
| Increases to the cost of social care packages above what has been modelled, with client numbers remaining in line with what was modelled | Due to increasing demand for supported living and residential placements rather than homecare placements there is a risk of £3.5m over the modelled forecast | If high cost packages can be reviewed to decrease costs to below the modelled cost of care packages this will result in costs less than what was anticipated | 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. |
| Increases to social care client numbers above what has been modelled, with package costs remaining in line with what was modelled | Additional budget pressures should there be clients beyond those modelled as part of the MTFS. | Client numbers falling below those modelled would reduce the cost to the Council. | The Council is working on developing PowerBI tools to allow for better monitoring of placements. Consistent monitoring and reporting will be made to facilitate early identification of pressures so mitigating actions can be taken. |

## 5.0 Children, Young People and Community Development (CYPCD) (General Fund)

Table 7: 2026/27 Quarter 1 forecast for Children, Young People and Community Development

| CYP Department | Budget (£m) | Forecast (£m) | Overspend (Underspend) (£m) |
|---|---|---|---|
| Forward Planning, Performance & Partnerships | 58.3 | 58.3 | 0.0 |
| Inclusion | 3.0 | 3.0 | 0.0 |
| Setting and School Effectiveness | 0.2 | 0.2 | 0.0 |
| Virtual School | 0.7 | 0.7 | 0.0 |
| Early Help | 6.7 | 6.7 | 0.0 |
| LAC and Permanency | 7.1 | 7.1 | 0.0 |
| Children with Disabilities | 14.9 | 14.9 | 0.0 |
| Safeguarding and Quality Assurance | 2.3 | 2.3 | 0.0 |
| Community Development | 1.4 | 1.4 | 0.0 |
| Family Support and Child Protection | 9.6 | 9.6 | 0.0 |
| Community Safety & Prevention | 1.9 | 1.9 | 0.0 |
| Employment Enterprise and Migration | 0.3 | 0.3 | 0.0 |
| Central Management & Grants | 6.0 | 6.0 | 0.0 |
| **TOTAL** | **111.0** | **111.0** | **0.0** |

**Summary**

5.1 The Children, Young People and Community Development (CYPCD) directorate's budget for 2026/27 includes £1.6m of savings and £6.7m of growth. Of the growth allocation, £2.1m relates to inflationary pressures, while £4.6m reflects demand-led growth for children's placements. The budget also includes £4.49m of new Social Care grant funding. (See paragraph 5.12).

5.2 At this early stage in the financial year, the Quarter 1 forecast indicates a break-even position for the CYPCD General Fund. However, as the year progresses, financial pressures may emerge, particularly within children's placement services.

**Detailed Narrative**

5.3 The main financial risk within the Forward Planning, Performance & Partnerships (FPPP) service relates to the cost of children's placements, particularly residential care and secure placements for young people.

5.4 In recent years, the Council has seen an increase in high-cost residential placements during the second half of the year, creating additional financial pressures. The 2026/27 budget includes growth funding of £6.4m to reflect expected demographic and inflationary pressures and allows for some increase in placements later in the year. The most significant financial impact is likely to arise from new residential placements and secure placements for young people who are remanded. The growth allows for an increase of 6.2 residential placements (on a full-time equivalent basis or FTE) and an overall increase in numbers across the LAC and Children with Disabilities population of 64 FTE.

5.5 The placements budget is influenced by several factors beyond residential care numbers. These include changes in the number and cost of other placement types, variations in grant income and external contributions (such as funding for Unaccompanied Asylum-Seeking Children), and the number of young people requiring secure placements following serious offences.

5.6 The current forecast assumes that the placements budget will break even by year-end. This projection is based on scenario modelling of current placement numbers and placement types and includes an allowance for a net increase of five residential placements above the 48 placements recorded at the end of April. However, demand for placements can fluctuate significantly during the year. Based on current assumptions, the final outturn could range from an underspend of £1.4m if residential placement numbers reduce and remain at 44 throughout the year, to an overspend of £3.2m if placement numbers increase to 58, based on an average annual cost of £374k per placement.

5.7 Measures are in place to help manage these risks. The Council's new children's home, The Gardens, is now operational and is expected to accommodate some children during the year at a lower cost than equivalent private sector provision. Children's care plans continue to be reviewed and challenged at Director level to ensure that placements remain appropriate to assessed need. In addition, the Council is working with West London partner authorities to increase the availability of local authority-run residential provision across the sub-region, which will provide further placement options in the future.

Special Educational Needs (SEN) Transport

5.8 At this stage in the financial year, the SEN Transport expenditure is expected to remain within the allocated budget of £15.8m. Although the number of children and young people with Education, Health and Care Plans (EHCPs) continues to grow, the successful implementation of the Travel Assistance Policy Implementation Plan (TAPIP) has contributed towards managing the cost of this service at a sustainable level.

**Risks and uncertainties**

5.9 Adult Education and Other Service Pressures

There a potential financial pressure arising from a reduction in the Adult Skills Fund (ASF) grant provided by the Department for Works and Pensions. This reduction coincides with increased staffing, supplies and service delivery costs. A review is currently underway to identify mitigating actions, including securing additional external funding opportunities and controlling expenditure where possible. There is also a risk that planned savings linked to the reduction of contracts for targeted services may not be fully delivered.

5.10 Integrated Care Board (ICB) Funding Contributions

There remains a significant financial risk arising from disputes and delays in agreeing cost-sharing arrangements with the Integrated Care Board (ICB) for complex care packages. In a number of cases, engagement with the ICB has not resulted in timely resolution, leading to prolonged uncertainty over funding contributions and increasing pressure on the Council’s budgets. For 2025/26, income contributions from the ICB totalled £1.3m; however, delays in agreement continue to impact financial planning and expose the Council to potential unfunded costs.

5.11 Legal Costs

There is an ongoing financial risk associated with judicial review cases and significant legal costs arising from age assessments for Unaccompanied Asylum-Seeking Children. These costs are inherently difficult to predict and have varied considerably, ranging from approximately £300k in both 2023/24 and 2024/25 to £75k in 2025/26. Any resulting financial pressures in the current year will be managed within the overall budgets held by the directorate, which may constrain other areas of spend.

5.12 Children's Social Care Transformation Funding

CYPCD has secured significant new government funding through the Families First Partnership (FFP) programme. This includes £4.49m Children’s Social Care Transformation Fund, in addition to the existing £1.4m Children’s Social Care Prevention Grant. Together, these funding streams provide an important opportunity to strengthen early intervention and preventative services, including targeted early help, children in need support, and child protection activity. **T**he

FFP programme for 2026/27 marks a shift from transformation planning to implementation and service delivery, with all local authorities and safeguarding partners expected to have fully operational reformed services in place by March 2027. The updated April 2026 guidance introduces monitoring indicators and explicit data duties to track the rollout of Family Help and Multi-Agency Child Protection Teams (MACPT). The programme aims to deliver long-term improvements by expanding access to coordinated early intervention for families, reducing care entry rates, and lowering dependence on high-cost external residential placements.

**2026/27 Savings**

5.13 The directorate is required to deliver £1.6m of savings in 2026/27 as part of the Council’s wider budget strategy. These savings are expected to come from a range of measures, including improved grant management, stronger procurement and contract management, rationalisation of lower-value expenditure, greater use of technology and automation, tighter control of agency costs, a review of fees and charges, and improvements to customer access and service delivery.

5.14 At this stage of the financial year, the service is confident that the majority of these savings can be delivered. However, overall savings for the directorate are particularly challenging due to the demand-led and volatile nature of the children’s placements budget.

5.15 £0.4m of the directorate's allocated savings is currently assessed to be at risk, primarily relating to savings linked to digital transformation and commissioning and procurement activity. Further work is underway with relevant stakeholders to develop and implement plans to secure these savings. If these savings cannot be fully delivered, this would create an in-year overspend. Any such pressure would be reflected in the next quarterly financial update, and appropriate management actions will be taken to maintain overall financial control.

**Summary of Key Assumptions**

Table 8: Summary of key assumptions in forecast for Children, Young People and Community Development

| Key Assumption | Downside if worse | Upside if better | Mitigations |
|---|---|---|---|
| LAC and Care Leaver placements forecast assumes numbers of 823 FTEs and unit costs reflect | An increase in the number of high cost residential or secure placements would place additional | Increased step-down arrangements result in falling number of | Ongoing review of packages for best outcomes and focus on stepdown arrangements to |

| | | | |
|---|---|---|---|
| current trends. Forecast allows for 53 residential placements by the end of the financial year. | pressure on the budget. e.g., an increase by 5 placements in year could cause an additional pressure of £1.9m. | residential placements. A single stepdown from a residential placement to a semi-independent placement could reduce expenditure by c£0.2m in-year. | support children to transition from residential to foster and/or semi-independent placements.<br><br>Supporting the transition of care leavers to their own tenancies, to improve outcomes and independence.<br><br>Innovative support and partnering with Health for CYP Mental Health and Wellbeing, among other preventative measures.<br><br>Use of the Council- run care home |
| Health contributions for CYP placements and Children with Disabilities (CWD) packages will be lower than the 2025/26 levels. | The cost 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. |
| Assume numbers of SEN clients requiring transport do not increase significantly and the take up of Travel Assistance | An increase in the numbers would place additional pressure on the budget | Underspend in the budget | Tracking and monitoring KPIs through SEN Transport Boards. Continuing |

| | | | |
|---|---|---|---|
| is in line with expectations | | | contract monitoring |

## 6.0 Neighbourhoods and Regeneration

Table 9: 2026/27 Quarter 1 forecast for Neighbourhoods and Regeneration

| Neighbourhoods and Regeneration | Budget (£m) | Forecast (£m) | Overspend / (Underspend) (£m) |
|---|---|---|---|
| **Public Realm** | 25.7 | 25.7 | 0.0 |
| **Inclusive Regeneration & Climate Resilience** | 2.5 | 2.5 | 0.0 |
| **Property & Assets** | 8.3 | 8.2 | 0.0 |
| **Total** | **36.5** | **36.5** | **0.0** |

**Summary**

6.1 Neighbourhoods and Regeneration Directorate are currently forecasting a breakeven position at Quarter 1.

6.2 The 2026/27 budget includes growth funding awarded to the department of £6.8m. This includes £3.8m to account for the expected inflationary and demographic impact on contracts within the department, and an additional £3m investment in Public Realm and Street Cleansing. This Public Realm investment is designed to deliver clearer and more visible improvements in cleanliness across the borough. The budget also reflects the savings target for the directorate of £2.5m.

**Risks and uncertainties**

6.3 Within Inclusive Regeneration & Climate Resilience there are pressures on income generated by Building Control and Planning.

6.4 Building Control income targets were set when income from major projects and market share were significantly higher. Since the introduction of the Building Safety Act (BSA) in October 2023, Higher Risk Building applications must be made to the Building Safety Regulator and charged on a cost recovery basis. This change, alongside reduced major development activity, has resulted in a sustained and structural reduction in income that is unlikely to reverse under the new regulatory regime. There is a legal requirement for Building Control income to be applied in line with CIPFA guidance, with some income ringfenced to specific activities and non-chargeable functions expected to be funded through the General Fund. The current income target therefore requires review for current and future years to ensure continued alignment with CIPFA guidance and the legislative framework. Workforce capacity presents a further risk. The service faces ongoing recruitment and retention challenges due to a sector wide shortage of qualified surveyors, with some vacancies remaining unfilled. In addition, the workforce profile is ageing, increasing the risk of loss of specialist expertise and further pressure on service delivery and income generation. The service is actively working to mitigate these pressures in 2026/27 through various measures. Mitigations are already underway, including reviewing recruitment and retention approaches, developing clearer career pathways, and improving market competitiveness through job description and market supplement reviews. Further options, including alternative delivery models such as commissioning, are being explored; however, these are medium term measures and will take time to implement. While government funding has been announced to support training and capability development, the impact of these initiatives is expected to be gradual due to the scale of sector wide challenges.

6.5 Planning and Development services continue to face similar pressures, with application and pre-application fee income remaining lower due to the ongoing economic climate. No changes to the fee structure are proposed for 2026/27, and current arrangements will therefore continue, providing a stable position for the service during the year. Income from the Land Charges team is expected to remain a sustainable source of support for Planning and Development. Looking ahead, planning fee reform for local authorities may be introduced in future years; however, these proposals are still under consultation, and the financial impact is not yet clear.

6.6 Within Public Realm, the Service Development and Contracts Performance service are expecting a pressure from additional business rate liability from changes in depot operations. Ad-hoc waste contract costs are being monitored closely due to ongoing demands on the service to collect additional waste, the removal of graffiti, and increased new container requests. The service is adapting an improvement strategy through campaigns, promotion of waste diversion and increase recycling participation to absorb some of the above pressures within allocated budgets.

6.7 Focus for waste programmes in 26/27 include the roll-out of services required to comply to Simpler Recycling requirements such as the roll-out of food waste collection to flats above shops and properties on North Circular Road as well as the collection of flexible plastics. Other key projects include the roll-out of twin stream recycling to all 1,400+ communal properties, alongside improvements to bin infrastructure, signage, and containers. A dedicated project team will be established to ensure delivery, performance management, and long-term embedding of improvements. This will ensure that Brent is compliant with the required recycling policies but also improve the recycling performance leading to reduced disposal costs on residual waste.

6.8 A strong focus will be placed on driving sustained behaviour change and improving material quality. Key initiatives include expanded education and engagement activity across schools, estates, faith, and community groups. The programme will aim to increase participation, reduce contamination, and improve capture rates across all material streams. In parallel, the service will be enhanced through consistent free provision of reusable recycling sacks for paper and card, food caddies, and caddy liners. Collectively, these initiatives are designed to deliver measurable improvements in recycling performance while ensuring the service remains accessible and aligned with future national requirements.

6.9 Within waste contracts upcoming priorities for 2026/27 will centre around a program of works to utilise Packaging Extended Producer Responsibility (pEPR) funding to support the transformation of waste and recycling services. Funded for this was first allocated in 2025/26, with a further £5.3m expected to be received in 2026/27 The proposed approach is to allocate funding across a balanced programme.

6.10 Property and Assets must secure replacement tenants for properties with expired leases and current vacancies in order to achieve income targets. To address this risk, the service continues to actively market available space and engage external agents where appropriate. Ongoing cost pressures also remain within Facilities Management, particularly due to overtime requirements across Cleaning and Security services. Mitigating actions are in place, with any underspends within Property and Assets helping to offset these pressures.

6.11 Based on the current forecasts of energy prices from the Council’s 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 2026/27. The current estimate is an underspend of £0.6m, which will help reduce the anticipated pressures across Property and Assets.

**2026/27 Savings**

6.12 As part of the savings programme for 2026/27, Neighbourhoods & Regeneration are required to deliver £2.5m of savings. Savings were identified within efficiency and income maximisation programmes, and also departmental specific savings.

6.13 Within the directorate specific savings, there are some risks to delivery:

- NR01 26-27 Lane Rental - It was expected the Lane Rental scheme would come into operation in Autumn 2026 and immediately generate income for the Council. There are delays to this scheme whilst its approval transfers from DfT to the London Mayor, and it is now unlikely to be operational and generate any income in 2026/27.
- NR02 26-27 – Asset utilisation. A number of options were considered for this saving, with the final one identified as looking to establish Padel Courts within the Borough. The delivery model of this scheme has yet to be confirmed which is leading to delays. This brings a risk to its income generation ability to achieve the saving.

6.14 The department expects to be able to mitigate these savings in 2026/27, which will ensure that the directorate's full saving commitment is achieved.

**Summary of Key Assumptions**

Table 10: Summary of key assumptions in forecast for Neighbourhoods and Regeneration

| Key Assumption | Downside if worse | Upside if better | Mitigations |
|---|---|---|---|
| That newly implemented in-year savings can be achieved. This also assumes that the service would otherwise have broken even. | If the savings are not achieved, it will put pressure on the Council's overall budget. | There are significant pressures on the Council's overall budget, so if further savings are achieved to will go towards alleviating this. | Work has already begun to implement the savings. And alternative proposals are sought where not fully achievable through the original proposal. |
| Building Control is able to mitigate pressure on its income generation. | In 25/26 the department reported a £630k overspend, without mitigation the same could occur. | The department is able to generate more income providing additional revenue to the Council. | Cases arriving through the BSR are being closely monitored to ensure accurate forecasting. A reserve was created in 2023/24 to mitigate pressures whilst a longer term plan is implemented. In |

| | | | |
|---|---|---|---|
| | | | 2026/27 there is £340k remaining. |
| Recycling performance will improve and material prices for the recyclates will be in the forecast range. | There is a £529k difference between the central and worst case when modelling the cost of the recyclate reprocessing budget. | If recycling improves it will reduce the cost of waste disposal, leading to a rebate on forecast charges. Based on prior years this could be up to £500k. | The monthly data around tonnage, rejections and market prices for recycling are closely monitored. With ongoing work to improve recycling performance. |
| The waste contract has some variable elements which are paid for as used, for example winter maintenance. It is assumed that usage will be within the expected range. | This is demand led service can create a financial pressure for the service due to severe winter weather. | The expected budget for this element would not be utilised. This could then be used to cover pressures within the service which are mentioned above. | The service is aware of the costs of the variable elements. The volume is therefore closely monitored to ensure that the usage is appropriate. |

## 7.0 Finance and Resources

Table 11: 2025/26 Quarter 1 forecast for Finance and Resources

| Finance and Resources | Budget (£m) | Forecast (£m) | Overspend / (Underspend) (£m) |
|---|---|---|---|
| **Finance Services** | 11.9 | 11.9 | 0.0 |
| **Organisational Assurance & Resilience** | 4.8 | 4.8 | 0.0 |

| | | | |
|---|---|---|---|
| **Shared Technology Services** | 0.0 | 0.0 | 0.0 |
| **Human Resources & Organisational Development** | 4.3 | 4.3 | 0.0 |
| **Legal Services** | 5.5 | 5.5 | 0.0 |
| **Democratic Services** | 6.2 | 6.2 | 0.0 |
| **Total** | **32.7** | **32.7** | **0.0** |

**Summary**

7.1 The Finance & Resources directorate is reporting a breakeven position at Q1.

**Risks & Uncertainties**

7.2 Within Democratic Services, the Complaints department has been noting a significant increase in the volume of complaints received. This puts significant pressure on the staffing of this service to ensure the complaints are resolved. Growth funding has been received to increase the capacity of the team, which will be monitored to ensure it is sufficient to reduce the workload pressure.

7.3 The Insurance service has experienced pressure in recent years due to changes to schools' insurance, with competition from a government backed insurance programme. Also, inflation is having an impact on the cost of insurance, due to claims for injuries with the increased values of personal injury settlements, and the cost of vehicle repairs from vehicle damage claims relating to footways and highways. A review of claims will be undertaken to ensure the budget is sufficient for the expected claims.

7.4 Shared Technology Services (STS) is expected to breakeven, the costs for Shared Technology Services are split between Brent, Southwark and Lewisham, so income is equal to expenditure for STS. The Brent IT service is managed with the Service Reform and Strategy directorate.

**2026/27 Savings**

7.5 The directorate is required to deliver £1.5m of savings in 2026/27. These savings have all been identified within the directorate as part of the savings programme and include measures across the themes of commissioning & procurement, digital programme, efficiency and workforce.

7.6 Work is progressing to ensure saving plans are implemented and at Q1 all saving are expected to be achieved in 2026/27. In particular, with commissioning savings, contracts have been reviewed to ensure the necessary amendments are made to ensure the saving is deliverable in year. On the digital programme, projects are progressing to confirm the proposals that will be implemented which will enable the saving to be delivered in 26/27. Where any savings are not achievable through their original proposal, the department will look for other opportunities to ensure the total savings are still delivered.

## 8.0 Residents and Housing Services

Table 12: 2026/27 Quarter 1 forecast for Residents and Housing Services

| Residents and Housing Services | Budget (£m) | Forecast (£m) | Overspend /(Underspend) (£m) |
|---|---|---|---|
| Housing Needs and Support | 37.2 | 42.2 | 9.5 |
| Housing Partnership and Tenant Engagement | 2.5 | 2.5 | 0.0 |
| Private Housing Services | 0.1 | 0.1 | 0.0 |
| Residents Services | 22.4 | 22.4 | 0.0 |
| Housing and Resident Services Corporate Director | 0.1 | 0.1 | 0.0 |
| **Total** | **62.3** | **71.8** | **9.5** |

**Summary**

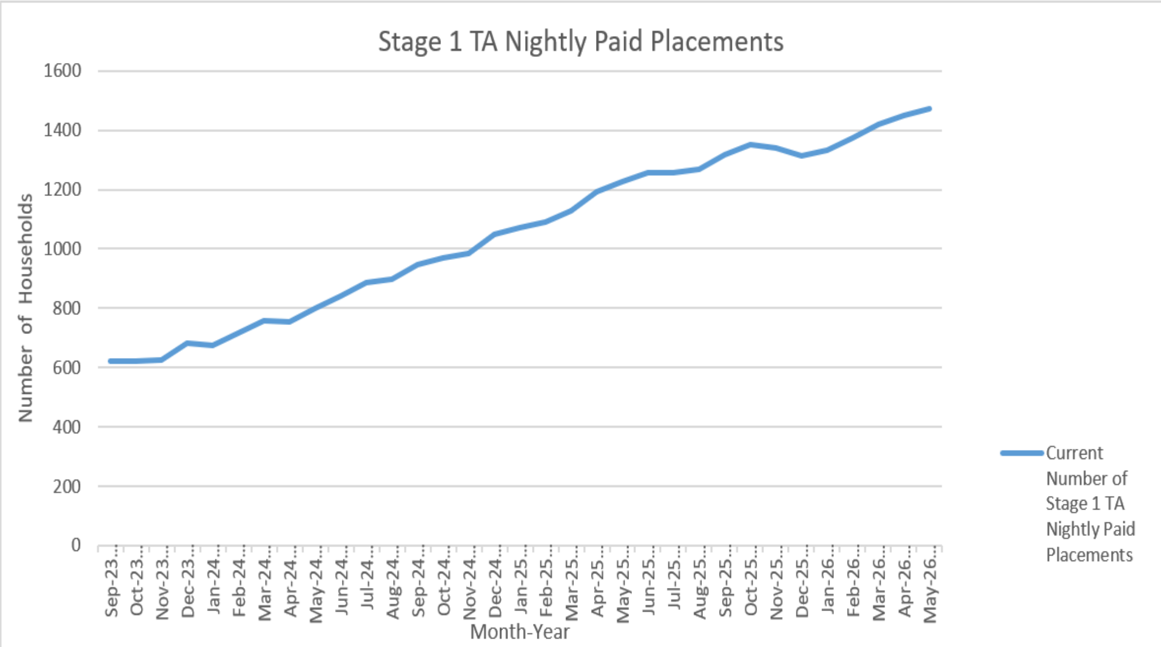
8.1 The Residents and Housing Service department is currently forecasting a £9.5m overspend for the financial year 2026/27. Significant pressures continue to be experienced by this directorate, largely in the Housing Needs and Support service. While mitigation plans are in place, delivery risks remain, particularly in relation to housing supply and market conditions.

8.2 The Housing Needs and Support budget overspent by £11.7m in 2025/26 due to an extremely high level of demand for this service and a lack of affordable Private Rented Sector (PRS) offers. In 2026/27, £8m of growth was built into the base budget, to deal with continuous pressures and demand. Accordingly, this places the 2026/27 budget in a £3.7m overspend position at the outset. Projections and forecasts for 2026/27 are continuously under review, modelling the current demand and costs in comparison to projected trends and movements.

8.3 In April 2026, there were 1,428 households in nightly paid accommodation, compared with 1,182 households in April 2025. This represents an overall increase of 9% since December 2025, when 1,312 households were in accommodation, with approximately half of the annual increase occurring between Q3 and Q4. As a result, the 2026/27 financial year begins with a projected overspend of £3.7m, with revised demand for 2026/27 estimated to cost a further £1.9m above initial assumptions.

8.4 Since the budget was set in February, there have been continued inflationary pressures, particularly relating to provider costs, although the scale remains subject to ongoing review. The original assumption of a £1.4m increase for 2026/27 reflected the best estimate at that time; however, more recent information suggests average costs have risen by around £10 a night per placement. Based on current activity levels, this could result in expenditure being up to £3.9m higher than initially anticipated for 26/27. These figures remain indicative and will continue to be monitored as part of regular financial updates.

8.5 Demand continues to increase in the nightly paid accommodation cohort. There has been an overall increase of 2% (30 households) in the use of nightly paid accommodation since the beginning of the financial year, in line with the increase observed in 2025/26. While this represents a slower rate of growth compared to previous periods, the substantial increases seen in prior financial years have resulted in a significantly high baseline of households in Stage 1 accommodation. This, coupled with increases in nightly rates from current providers, remains a concern. The slower rate of growth is a direct result of the recent influx of new-build social housing, which has been available for allocation to homeless households.




8.6 The Council is expecting 406 new properties to be added to its portfolio during 2026/27 as part of the capital program. These are mostly HRA properties, some of which may house people in temporary accommodation, depending on allocations, therefore alleviating pressures on this service. In 25/26, of the 265 social housing allocations made to homeless households from the properties at Clearwater, Aneurin Bevan Court, and Fulton Road, 162 were direct offers targeting individuals in the most expensive forms of temporary accommodation. These households were prioritized based on their placement in higher priority bands (A and B), with the aim of reducing overall accommodation costs. The remaining 103 properties were allocated through Locata via the Choice-Based Lettings (CBL) system. These were offered to households who submitted bids and are in the highest priority banding, with allocations made in order of longest waiting time. The absence of mandatory auto-allocations for households in the highest priority bands within the Locata system continues to be a limiting factor in managing housing demand effectively. The options for implementing this approach are being explored. An annual cost saving of approximately £4.8m could be achieved on stage 1 accommodation as a result.

8.7 If the remaining social housing homes within the current pipeline are made available with an average occupancy of 3 months during the financial year and used to target the households in the most expensive forms of temporary accommodation, this could result in a cost avoidance of circa £1.8m in 2026/27. However, due to the increasing level of demand, the number of households in TA and the associated costs, there is a risk that this benefit could be counterbalanced.

8.8 In addition, if a household is moving out of a leased TA unit into the new council accommodation, then the void will be used to decant a family from Stage 1. However, if there is less than six months left on the lease, and the owner does not renew, which has been the case as more landlords are leaving the PRS market, a hand back will be required. Therefore, there is no void to use for a decant resulting in no cost avoidance.

**New Supply of Temporary Accommodation & PRS**

8.9 The increase in supply for new temporary accommodation is achieved by seeking new accommodation via acquisition or leasing.

<u>Acquisition:</u>

8.10 While 42 properties have been successfully acquired under the LAHF programme, the transition to bringing these homes into active use has progressed more slowly than anticipated. Following acquisition, some properties have remained vacant due to a combination of process-related delays and timing constraints associated with the utilisation of grant funding. This has led to further pressures on temporary accommodation provision into 2026/27, as households remain in nightly paid accommodation awaiting move-on opportunities. To mitigate this going forward, the team are implementing strengthened reporting and monitoring arrangements and are reviewing end-to-end processes to support a timelier progression from acquisition to occupancy.

8.11 Leasing

Various leasing options continue to be assessed to secure cost-effective nightly paid placements. However, negotiations, assessments and evaluations require time.

8.12 To help accelerate progress and strengthen commercial negotiations, Greenlight Commercial & Consulting have been engaged to support this workstream with a number of lease proposals in review. Greenlight also work to decant the top 100 most expensive nightly paid placements to cheaper accommodation. To date, 89 moves have been completed, resulting in a cost reduction of approximately £3,742 per night.

8.13 Greenlight sourced over 300 units that are due for completion in 2026/27, with occupancy expected to be staggered throughout the year. These are 10-years plus one day leases, enabling the full LHA rate to be recovered under the housing benefits subsidy rules.

8.14 Private Rented Sector Acquisitions - I4B Holdings Ltd

I4B Holdings Ltd continue with an acquisitions program and are on track to deliver 19 street property acquisitions to allow for discharge of duty to households from the housing waiting list into PRS. They regularly review the viability of new build/block purchases which could provide significant numbers of accommodation for the company. This route continues to provide steady investment in cost avoidance measures to mitigate our housing waiting list which currently saves the Council circa £6m per annum on stage 1 accommodation costs.

8.15 In April 2024, a new model of support for Brent residents was developed for three years through the piloting of Cost-of-Living Outcome Based Review (OBR) projects and guided by a series of design principles. The approach has a single, joined-up model including the Community Wellbeing Programme aligned with the Resident Support Fund (RSF), to support residents to be more resilient in the longer term and aligns 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 (MTFS) to support this model.

8.16 Other services within the department are also projecting to achieve a break-even position for the year. The 2025/26 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 Residents and Housing Services department is forecasting to achieve a balanced financial position. However, there are risks and uncertainties that could impact the year's final financial outturn position.

**Risks and uncertainties**

8.17 Housing Needs and Support continues to represent the most significant area of within for the department. This is primarily driven by an exceptionally high and sustained level of demand for housing services and emergency accommodation, a challenge that is experienced nationally but particularly acute within London. As of the end of 2025/26, Brent received 8,795 homelessness support applications, including 5,309 from single individuals and 3,486 from families. This volume equates to approximately 169 new applications per week, underscoring the sustained and intense demand for housing services. This level of demand reflects a 21% increase compared to the 7,285 applications recorded during the 2024/25 period, with the need for housing support and associated costs remaining elevated. Despite the reduction in overall households, the volume of individuals and families requiring assistance continues to place considerable strain on resources, leading to sustained high costs for the provision of services. The Renters' Rights Act 2025 has now become law and whilst it is anticipated that some landlords will exit the private rented sector market, resulting in a possible increase of homeless applications, it is anticipated the new legislation will have an overall positive impact on homelessness demand. This is because the ban on Section 21 'no fault' evictions in the private rented sector, scheduled to be implemented on 1 May 2026 means that all new possession claims will have to proceed under Section 8 instead. Landlords will be able to serve a Section 8 notice for reasons such as rent arrears, anti-social behaviour, selling the property or where a close family member needs to move back in. However, there will need to be clear evidence to support the grounds, and the claim can still be contested by the tenant. Projections will be updated once more data becomes available on the impact of the legislation.

8.18 Given that these challenges are experienced across London, the availability of Bed and Breakfast (B&B) and annexe accommodation is severely limited throughout the capital. This shortage of suitable accommodation is driving reliance on higher-cost providers and, in some cases, placements outside of Brent. Such arrangements not only increase financial pressures due to elevated accommodation costs but also impose additional burdens on families, including increased travel expenses for children attending schools in Brent.

8.19 The supply of settled TA properties, leased from private landlords and intended to transition families out of Bed and Breakfast (B&B) and annexe accommodation, has also declined. This reduction is primarily driven by a decrease in the procurement of new properties under Private Sector Leasing

(PSL) schemes, coupled with landlords opting not to renew leases on existing properties upon expiration.

8.20 A targeted programme of work has been established to address and contain the projected overspend. Multiple workstreams have been initiated, focusing on improving the affordability of temporary accommodation and exploring new and alternative housing supply options. Council officers are proactively renegotiating contract prices and identifying alternative solutions to relocate some of the highest-cost cases, with the objective of reducing overall expenditure within the Housing Needs service. Officers continue to rigorously assess and manage homelessness applications to prevent or relieve demand where possible. In the 2025/26 financial year, 67% of homelessness approaches were successfully prevented or relieved.

8.21 In the 2026/27 financial year, i4B is continuing its street property acquisition programme with an initial target of acquiring 19 homes. i4B, a housing company wholly owned by Brent Council, was established to acquire, let, and manage a portfolio of affordable, high-quality PRS properties. These properties are leased to homeless families at Local Housing Allowance (LHA) rates, enabling the Council to prevent or discharge homelessness duties, thereby reducing reliance on temporary accommodation and associated costs while ensuring families have access to secure and responsible landlords. i4B remains self-financing, with the current portfolio generating annual savings in temporary accommodation costs. This self-financing portfolio generates annual savings exceeding £6m by reducing reliance on temporary accommodation. While new builds and acquisitions alone will not fully resolve the homelessness challenge, the Council is actively utilising its available resources and powers to expand housing supply. Any additional supply secured through i4B will contribute to mitigating the risk of overspending and help manage future housing costs.

8.22 In addition, supported exempt accommodation properties continue to create financial pressures for the Council and represent a budgetary risk for 2026/27. Unlike other landlords, providers of supported exempt accommodation are not bound by Local Housing Allowance (LHA) caps and can charge higher rents once they demonstrate that support services are being provided. Housing Benefit subsidy levels depend on Rent Officer determinations, which are based on the rent claimed by providers. This issue reflects a national challenge, highlighting the need for clearer regulation regarding the criteria that providers must meet to qualify as Supported Exempt Accommodation. Greater clarity on what constitutes minimal care would enable a more consistent approach to assessing individual support needs across the sector. Historically, costs associated with supported exempt accommodation have not posed a significant budgetary pressure for the Council and have been managed within corporate central budgets.

However, an overspend of £2.1m occurred in 2025/26 and this area of spend being carefully monitored.

8.23 A dedicated working group has been established within the Council with the objective of minimising opportunities for exploitative landlords to enter the Supported Exempt Accommodation market. The group has developed a clear strategy outlining the Council's processes for reviewing both new landlords seeking to join this market and those already operating within it. Senior managers have met with the providers with the greatest subsidy loss to the council to discuss options to reduce this loss. The reviews process will also assess individuals' support care needs and verify that providers are delivering the appropriate level of care. This strategy and reviews process should bring the cost of SEA under control and, in time, should lead to cost avoidance and/or savings. The Supported Housing (Regulatory Oversight) Act 2023 introduced a number of important reforms to the supported housing system, with a particular focus on reforming supported exempt accommodation (SEA). The strategy introduced the Government's requirement of councils to develop a local supported housing strategy by end of 2026/27. It also introduced the Government's intention to introduce a dedicated supported housing licensing scheme that Councils would be asked to deliver. To address this the Council has established a dedicated working group to focus on developing a clear strategy. This will involve reviewing both new and existing landlords and verifying the adequacy of care provision. The Council continues horizon scanning to ensure alignment with emerging regulatory requirements and to inform future operational and financial planning.

**2026/27 Savings**

8.24 A total of £2.6m in savings is planned to be delivered from the department's budgets in 2026/27. Savings delivery across the service areas is progressing broadly in line with planned timelines, with all proposals supported by defined delivery approaches and clear accountability. Income generation initiatives, including Registration, Cemeteries and Licensing, are performing positively, supported by uplifted fees and increased demand.

8.25 Workforce-related efficiencies, particularly agency control measures, are being realised through strengthened governance and recruitment to permanent roles, reducing reliance on temporary staffing. Programme-based savings, such as the Resident Experience Board, are advancing, with benefits emerging incrementally as implementation is embedded, though these continue to require close oversight to ensure full financial realisation. Demand-led savings linked to the shift from Housing Benefits to Universal Credit have progressed. However, the Housing Benefit team's caseload remains high due to residual Housing Benefit work and a slight rise in Council Tax Support assessments. The team is monitoring impacts on assessment timescales, and mitigations include recruitment to vacancies and automation. Efficiency savings allocated per service level are largely on track, with delivery plans in place and monitored regularly. Commissioning and Procurement savings arising from long term temporary accommodation leasing deals are in line with planned timelines.

8.26 The original plan to deliver £270k of savings through the Xantura platform is no longer viable for 2026/27 due to development delays and increased integration costs; instead, savings will be achieved through enhanced early intervention by increasing staffing capacity within the Family Wellbeing Centres to prevent homelessness.

**Summary of Key Assumptions**

Table 13: Summary of key assumptions in forecast for Residents and Housing Services

| 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 £326 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 £326 per week per person. | The service is focusing on moving homeless clients along the various pathways.<br><br>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 £0.3m per quarter | A 5% improvement in the collection rate will recover £0.3m per quarter | 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 | A 3% increase in costs above budgetary assumptions | A 3% cost reduction in costs would result in a | The department continues looking for best way to achieve value for |

| | | | |
|---|---|---|---|
| within existing budgets. | could cost an additional £1.2m per annum | circa £1.2m saving for the year. | money, utilising the most efficient procurement and service delivery options and negotiations. |

## 9.0 Central items

### Collection Fund – Council Tax

9.1 The net collectible amount for Council Tax for 2026/27 (after exemptions, discounts and Council Tax Support) as at 31 May 2026 was £253.3m. As at the end of May 2026, the amount collected was 19.2% which is 0.1% lower than the amount collected in the same period in 2025/26, and the percentage collected in the same period in 2024/25.

9.2 The service have set an in-year target for 2026/27 of 93.5% collection of Council Tax, which is an increase of 1.9% on the 91.6% achieved in 2025/26. Based on the collection in the year to date, a similar or lower level of collection on the current year liabilities can be expected at the end of 2026/27, compared to previous years, meaning that improvements are required to collection across the remainder of this financial year in order to meet this target.

9.3 The collection rate as at 31 May 2026 for those on CTS of working age is 17.5% (17.3% at 31 May 2025, 0.2% increase) with 68% having made a payment towards their 2025/26 council tax bill. The numbers making payment have increased since April following the dispatch of 8,500 soft reminders and 2,300 formal reminders. So far 1,401 have been issued with a summons as no payment has been received following the formal reminder. At the summons hearing on 9 July the Council will obtain liability orders and for some cases deductions from benefits will be set up to reduce the balances. However, the collection for these balances will be slow and likely means that these individuals will carry forward arrears into 2027/28.

9.4 To continue with offsetting the impact of the changes on the recipients of CTS, a Hardship Fund was agreed as part of the 2026/27 budget, providing £1.5m of support, £0.4m of which is funded by the Greater London Authority (GLA). As of 31 May 2026, 730 applications have been received for support from this fund and 523 (71%) have been approved. The dispatch of recovery notices have generated more applications for this support.

9.5 The Council Tax service has made clear progress following the implementation of the Council Tax Improvement Plan, with additional staffing capacity, more proactive billing and recovery activity, and improved use of data all contributing to stronger performance. Backlogs have been reduced, processing times have improved, and the increased volume and timeliness of reminders and summonses are supporting better in-year collection. In this context, it is important to note that the total amount to collect has increased by £13.9m. Arrears recovery has also strengthened, and while progress remains gradual, early evidence shows that the enhanced processes, targeted interventions and resident-focused engagement are delivering a positive and sustainable improvement in overall collection performance.

**Collection Fund – Business Rates**

9.6 The budgeted net collectable amount for Business Rates (NNDR) for 2026/27 was £159.5m (after exemptions, reliefs and discounts). This was based on the forecast used for the NNDR1 form in January 2026 and has increased by £9.7m from £149.8m in 2025/26. This increase is largely due to the 2026/27 revaluations of the rateable values of non-domestic properties. The rateable value has increased by 20.6% on the rateable value for 2025/26 based on the NNDR1 forecasts. This is 1% above the national average increase for England.

9.7 The actual net collectible amount for NNDR as at 31 May 2026 was £156.8m, a decrease of £2.7m from the forecast used in the NNDR1. This is driven by additional empty properties and reductions in the gross rates payable by businesses. Further 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.

9.8 Any movement in the net collectible amount for NNDR does not directly affect the General Fund in the current financial year 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 budgeted amount, 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.

9.9 As at 31 May 2026, the amount collected for NNDR was 16.2%, which is 1.6% lower than the amount collected in the same period in 2025/26 (17.8%) and 1.1% lower than the equivalent collection in 2024/25. Collection in 2025/26 was 94.1%, but the service is targeting a return to 95.5% in-year collection in 2026/27.

9.10 Collection performance continues to be impacted by external factors, most notably business rates avoidance schemes and the 2026 revaluation. Collection performance has been adversely affected by increased numbers of Checks, Challenges and Appeals (CCAs) submitted to the VOA following NNDR revaluation increases. Higher liabilities have affected some ratepayers' ability and willingness to pay, leading to requests for collection and recovery holds pending VOA decisions. These delays defer collection activity, particularly on high value accounts and has impacted in year collection and arrears collection performance**.**

9.11 Based on historical data, the long-term collection target for NNDR is 98%. Historically, collection of arrears becomes significantly more difficult with each year that passes after the debt has been raised. Therefore, to achieve the long-term collection target, a marked improvement in the Council's collection of arrears must be seen quickly to make up for the lower expectations for in-year collection. It is also important for the Council to continue to make improvements to in-year collection, as this remains the best way of achieving the long-term target.

9.12 Furthermore, there remain 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, the increase to employer's national insurance contributions and the reduction in consumer spending power as a result of the ongoing cost-of-living crisis.

**Virements**

9.13 Table 14 shows the virements and adjustments which have been entered to adjust the budgets at Corporate Directorate level between the budget approved at Full Council in February 2025 and 30 April 2025. Cabinet are recommended to approve these virements.

Table 14: Virements and adjustments in 2026/27 budget between Full Council February 2026 and 30.04.2026

| | **2026/27 Budget agreed at Full Council 23 February 2026** | **In-year growth** | **Transfer of functions between services** | **Technical Adjustments** | **2026/27 In-Year Budget at 30.04.2026** |
|---|---|---|---|---|---|
| | **£m** | **£m** | **£m** | **£m** | **£m** |
| **Service Reform and Strategy** | 204.5 | 0.2 | 0.0 | 1.0 | 205.7 |
| **Children, Young People and Community Development** | 110.8 | 0.0 | 0.0 | 0.2 | 111.0 |
| **Neighbourhoods and Regeneration** | 35.8 | 0.3 | 0.0 | 0.4 | 36.5 |
| **Residents and Housing Services** | 60.2 | 0.2 | 0.0 | 1.9 | 62.3 |
| **Finance and Resources** | 32.3 | 0.0 | 0.0 | 0.3 | 32.7 |

| | | | | | |
|---|---|---|---|---|---|
| **Capital Financing** | 39.4 | 0.0 | 0.0 | 2.5 | 41.8 |
| **Central Budgets** | 18.8 | (0.8) | 0.0 | (6.2) | 11.7 |
| **Core Funding** | (501.8) | 0.0 | 0.0 | 0.0 | (501.8) |
| **Total Budget** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

9.14 In-year growth items are budget movements from the Central Items budget to Departmental budgets which were not actioned at the start of the financial year. The table above includes the following in-year growth items added in April 2026:

- Temporary funding for Business Cases in Service Reform and Strategy (£0.2m) and Neighbourhoods and Regeneration (£0.3m)
- Temporary funding for the Embrace Change Portfolio in Residents and Housing Services (£0.2m)

9.15 Transfers of functions between services are budget movements between Corporate Directorates, which occur when a department is moved from one service to the other. The virement ensures that the department and the related budget remain together. The table above does not include any transfers of functions between services in April 2026.

9.16 Technical adjustments are budget movements resulting from events which are provided for in the MTFS, but only confirmed during the year (e.g. pay award), budget movements resulting from changes to processes (e.g. centralisation of budgets) or other budget movements between directorates resulting from changes to the Council's structure. The table above includes the following technical adjustment items added between Full Council on 23 February 2026 and 30 April 2026:

- Adjustments to allocation of growth and savings and in respect of changes arising from the Fair Funding Review (£1.0m to Service Reform and Strategy, £0.2m to Children, Young People and Community Development, £0.4m to Neighbourhoods and Regeneration, £1.9m to Residents and Housing Services, £0.3m to Finance and Resources, £2.5m to Capital Financing and £6.2m from Central Budgets).

## 10.0 Dedicated Schools Grant (DSG)

Table 15: 2026/27 Quarter 1 forecast for Dedicated Schools Grant by block

| **Funding Blocks** | **Overall DSG Funding 2026/27** | **Forecast Expenditure** | **Overspend/ (Underspend)** |
|---|---|---|---|
| | **£m** | **£m** | **£m** |
| Schools Block | 129.6 | 129.6 | 0.0 |
| High Needs Block | 84.7 | 104.3 | 19.6 |
| Early Years Block | 45.4 | 44.0 | (1.4) |

| | | | |
|---|---|---|---|
| Central Block | 2.5 | 2.5 | 0.0 |
| **Total DSG** | **262.2** | **280.4** | **18.2** |

**Summary**

10.1 There have been increases across the DSG funding Blocks for 2026/27, bringing the total DSG allocation to £452.2m for Brent. Of this, £176.5m from the School block and £10.6m from the High Needs Block are recouped by the Department for Education (DfE) and paid directly to academies, with a further £3.2m recouped from the Schools Block for National Non-Domestic Rates (NNDR), which are paid directly to billing authorities on behalf of schools. This results in a net allocation of £262.2m as reflected in the table above. For 2026/27, no transfer has been made from the Schools Block to the High Needs Block, reflecting funding formula constraints and affordability pressures on schools, in contrast to previous years.

10.2 The High Needs Block budget is forecast to face a funding deficit of £19.6m in 2026/27. This reflects significant and sustained budget pressures arising from a 10.6% increase in Education, Health and Care Plans (EHCPs) as of March 2026, alongside a 12.6% increase in the number of Brent children placed in independent schools over the same period due to insufficient provision within the borough. No additional growth funding has been provided in 2026/27 to address this rising demand or inflationary cost pressures. While the High Needs Block allocation increased by £4.3m, this uplift primarily reflects the consolidation of the annualised Core Schools Budget Grant (CSBG) funding introduced in 2025/26 for special units and resourced provision, rather than new funding to support increasing demand. As a result, the High Needs Block is projected to experience an in-year budget pressure of £19.6m in 2026/27.

10.3 The number of children with Special Educational Needs and Disabilities (SEND) requiring EHCPs increased from 3,892 in March 2025 to 4,306 in March 2026, representing a growth of 10.6%. This increase has driven projected growth in top-up funding expenditure across in-borough mainstream academies and special schools, placements in independent day special schools due to insufficient in-borough capacity, and alternative education provision for children awaiting placements. Additional pressures have also arisen from a growing number of young people progressing into post-16 provision.

10.4 No additional growth funding has been allocated for the 2026/27 financial year to address these forecast pressures. As a result, the funding gap is expected to widen, further intensifying the financial challenges within the High Needs Block.

10.5 The Early Years Block is forecasting an underspend of £1.4m in 2026/27, as identified at the budget setting stage. The Early Years allocation for 2026/27 is based on DfE estimates derived from termly census data, in line with the updated funding methodology. In contrast, expenditure is based on local estimates of participation and provision costs. This represents a change from previous years, where both funding and expenditure were aligned to the January census, resulting in greater consistency. As a result, any variance between estimated and actual participation levels increases the risk of underspend or clawback at year end.

10.6 At the end of quarter 1, the Schools Block and Central block are forecast to break even.

10.7 The cumulative DSG deficit brought forward from 2025/26 was £20.2m. This includes an in-year deficit of £6.6m recorded in 2025/26. The deficit has been disclosed as an earmarked unusable reserve in line with the School and Early Years Finance (England) Regulations 2024.

10.8 The Council continues to monitor its High Needs Block Deficit Recovery Management Plan, which outlines a series of long-term actions aimed at managing the cumulative deficit. The plan is overseen by the Corporate Director of CYPCD and the Corporate Director of Finance & Resources who coordinates and monitors actions set out in the Plan. The Plan is grouped into three themes: a) managing demand, b) increasing the sufficiency of local places and c) financial management adjustments. As at the end of quarter 4, 2025/26, cost avoidance against the three themes equated to £1.8m. The combined impact of these longer-term recovery actions, alongside anticipated funding increases, is expected to mitigate the rate of growth in the deficit as much as possible, however, the deficit is still forecast to increase. New Key Performance Indicators will be agreed to monitor progress throughout 2026/27.

**Risk and Uncertainties**

10.9 The DSG cumulative deficit of £20.2m as of March 2026 reflects a continued deterioration in the financial position, driven primarily by pressures within the High Needs Block. Based on the forecast position at Quarter 1, a further in-year overspend of £18.2m is expected in 2026/27, which would increase the cumulative deficit to £38.4m by the end of the financial year. This highlights the ongoing mismatch between funding and demand. While the Government has indicated that it will take an “appropriate and proportionate” approach to deficits arising in 2026/27, the lack of clarity on the scale and limits of this support creates uncertainty for financial planning and risk management.

10.10 In respect of historic deficits, the Government has indicated that funding support may cover up to 90% of the accumulated deficit up to March 2026 and committed to support at the same level towards deficits in the 2026/27 and 2027/28 financial years, subject to conditions and the delivery of locally agreed SEND reform plans. This introduces delivery and compliance risk, as access to funding is contingent on meeting specific requirements, and there is a possibility that some of the anticipated 90% support may not be realised if these conditions are not fully met or delivery is delayed.

10.11 Although the Government has set out a programme of SEND reforms and additional short-term funding streams, including the High Needs Stability Grant, these measures are at an early stage of implementation and have yet to deliver tangible financial or operational benefits. There remains significant uncertainty regarding the pace of implementation and whether these reforms will materially reduce demand for EHCPs or the cost of placements, meaning underlying cost pressures are likely to persist in the medium term.

10.12 The extension of the statutory override to March 2028 provides temporary mitigation by allowing DSG deficits to be held off the General Fund. From April 2028, the Government's intention to assume responsibility for future SEND costs should reduce the Council's exposure to ongoing in-year pressures. However, this does not resolve the issue of historic and accruing DSG deficits, for which no confirmed long-term solution has yet been set out. As a result, while future risks may reduce, the Council remains exposed to a potentially significant residual liability relating to deficits built up to 2027/28, particularly as further deficits are expected to accumulate over the next two financial years.

## 11.0 Housing Revenue Account (HRA)

Table 16: 2026/27 Quarter 1 forecast for Housing Revenue Account

| **HRA gross income and expenditure** | | | |
|---|---|---|---|
| | **Budget** | **Forecast** | **Overspend/ (Underspend)** |
| | **£m** | **£m** | **£m** |
| **HRA** | | | |
| **Income** | (84.4) | (84.4) | **0.0** |
| **Expenditure** | 84.4 | 84.4 | **0.0** |
| **Total** | **0.0** | **0.0** | **0.0** |

**Summary**

11.1 Budgets for the Housing Management function sit within the ring-fenced Housing Revenue Account (HRA), which holds a balanced budget for

2026/27 of £84.4m of income matched by £84.4m of expenditure. This is up from £69.3m budgeted in 2025/26 (£73.3m outturn), reflecting the 4.8% rent increase permitted under the Government's new ten-year social rent settlement from April 2026, together with planned growth in the housing portfolio.

11.2 The HRA is currently forecasting a break-even position, though it continues to face significant risks and financial pressures.

**Risks and uncertainties**

11.3 While inflation and interest rates have eased from their recent peaks, they continue to exert pressure on both operational and capital costs. CPI inflation has fallen to around 2.8% and the Bank Rate to 3.75%, but both remain above the lows of the previous decade and there is renewed upside risk to inflation. The cost of materials and labour for repairs and maintenance, and of financing new build and improvement programmes, therefore, remains elevated.

11.4 The HRA is also contending with elevated demand for repairs and maintenance. A large volume of complex repairs, together with increased instances of damp and mould, continues to strain budgeted resources. This pressure is compounded by Awaab's Law, in force since October 2025, which requires damp and mould and all emergency hazards to be remedied within fixed statutory timescales, with its scope widening to further hazards through 2026 and 2027. These compliance obligations, alongside the underlying demand for responsive maintenance, are expected to continue throughout the year and may push costs beyond original estimates.

11.5 The repairs and maintenance contracts introduced for the service add further uncertainty. As they continue to embed, actual costs and the efficiencies they will deliver remain difficult to predict, which could affect expenditure forecasts.

11.6 Further pressures stem from the capital programme. While the Government has set out additional funding for the sector – including the Warm Homes Plan, the Warm Homes: Social Housing Fund for energy-efficiency works, and building-safety remediation funding – these streams are competitive, time-limited and, for many authorities, insufficient to meet the full cost of environmental priorities and statutory requirements such as carbon reduction and fire safety. Forthcoming standards, including the reformed Decent Homes Standard and proposed minimum energy-efficiency standards for the social rented sector, are expected to add further pressure. This shortfall strains the HRA's capital resources, complicating efforts to invest in sustainable, energy-efficient improvements while balancing other essential needs.

11.7 The financial and operational risks of adding 326 properties to the portfolio during the year must also be acknowledged. Portfolio growth can strain management and maintenance resources, raising operational costs and challenging consistent service quality. Careful planning and resource allocation will be critical to ensuring expansion supports long-term financial sustainability.

11.8 Managing rent debt is also crucial to the HRA's financial health. The 4.8% rent increase, while underpinning income, adds to affordability pressures for tenants and could raise arrears and bad-debt provisions, directly affecting revenue and the Council's capacity to fund services and maintenance. Persistent rent debt strains financial planning and drives higher write-offs. Robust, ethical debt recovery and proactive tenant engagement therefore remain essential to minimising arrears and safeguarding the service's financial stability.

11.9 The Council remains under regulatory scrutiny following its April 2025 self-referral to the Regulator of Social Housing, prompted by building-safety compliance failings – including fire-safety actions incorrectly recorded as complete and inconsistencies in asbestos, water-safety and detector data. The Regulator issued a non-compliant C3 consumer grade on 28 May 2025. The Council has since been delivering a Housing and Asset Management Service Improvement Plan, with regular engagement with the Regulator, and reports that that good progress is being made, with stock-condition survey coverage now above 70% of homes with the target of 100% planned on being achieved this year. The programme nonetheless remains a significant risk and financial pressure on the HRA: remediation and recovery costs are still being quantified, with comparable authorities reportedly incurring around £2.3m in similar circumstances. There is also a risk to grant funding for housing development while the Council operates under regulatory scrutiny, until full compliance is demonstrated.

11.10 While the HRA's reserves stand at the target level of 5% of turnover, this is relatively low compared with the Council's peers. The smaller reserve base limits the Council's capacity to absorb unforeseen pressures or emergencies, particularly given the wider strain on its overall reserves. Strengthening reserves will be important to improve financial resilience and flexibility in managing future challenges.

11.11 These risks are continuously monitored and reflected in the HRA Business Plan and the Council's Medium Term Financial Strategy (MTFS). The Government's ten-year rent settlement also provides greater certainty over future rental income, supporting longer-term investment planning.

## 12.0 Capital Programme

12.1 As at Quarter 1, the capital programme is forecasting expenditure of £32.6m against a revised budget of £348.0m for an overall variance of £21.4m. The £21.4m variance comprises net slippage of £19.1m and net underspend of £2.3m. Each board continues to assess its portfolio with key risks including delivery timelines, market conditions and funding dependencies. These are being actively managed through regular oversight and adjustments to ensure the programme remains aligned with strategic priorities and delivery expectations.

Table 17: 2026/27 Quarter 1 forecast for the Capital Programme

| Portfolio/Programme | Original Budget 2026/27 | Revised Budget 2026/27 | Current Forecast | FY Variance | |
|---|---|---|---|---|---|
| | | | | (Underspend) / Overspend | (Slippage)/Brought Forward |
| | £m | £m | £m | £m | £m |
| Corporate Assets | 50.1 | 61.5 | 56.8 | (0.2) | (4.5) |
| Affordable Housing Supply | 51.3 | 67.3 | 66.9 | (0.4) | - |
| Housing HRA & Management | 44.9 | 49.5 | 49.5 | (0.0) | 0.0 |
| Regeneration | 68.2 | 79.0 | 72.9 | 1.1 | (7.2) |
| Child and Young People | 34.3 | 30.2 | 30.2 | 0.0 | - |
| South Kilburn | 45.0 | 60.5 | 50.4 | (2.8) | (7.3) |
| **Grand Total** | **293.8** | **348.0** | **324.6** | **(2.3)** | **(19.1)** |

### Budget Adjustments

12.2 The Council, at its February 2026 meeting approved a 2026/27 capital budget £293.8m. At the end of the 2025/26 financial year slippage of £102.3m was identified and added to this approved budget.

12.3 As at Quarter 1 budgets totalling £48.1 million have been reprofiled out of the 2026/27 budget to give a revised budget figure of £348m. Of the reprofiled amounts, significant items are:

- £30.4m I4B budget reprofiled over future financial years to 2029/30.
- £5.4m St Raphael’s Estate Regeneration moved to 2028/29.
- £4.0m SEND Capital Programme budget moved to 2027/28.
- £2.8m in relation to Welsh Harp Post-16 Centre moved to 2027/28.
- £1.4m budget for Waste Vehicles Purchases reprofiled to 2029/30.

More details on budget revisions are contained in the medium term financial outlook report.

**Corporate Assets**

12.4 The Corporate Assets Board consists of the Corporate Landlord portfolio and Public Realm. Corporate Landlord is responsible for overseeing the strategic management and investment in the Civic Centre, digital strategy, libraries and other council properties while Public Realm relates to improvements to community infrastructure in Brent including roads, parks and CCTV.

12.5 Corporate Assets is reporting a net projected variance of £4.7m due mainly to slippage of £3.0m on Gladstone Park Youth and Community Centre Redevelopment as the scheme is subject to planning permission, which is expected to be submitted in the autumn of 2026, and £1.1m slippage on controlled parking works in Beresford Avenue, Mount Pleasant CPZ and North End Road. The slippage is partially offset by forecast accelerated spend on Retained Estates due to essential projects that have been brought forward to 2026/27, with a corresponding decrease in expenditure expected in later years.

12.6 As agreed by Cabinet in January 2026 the initial £0.5m of the Government's Pride in Place Impact Fund awarded to the Council has been directed towards the priority thematic areas of "Pride in Parks" and "Pride in High Streets / Don't mess with Brent". Specific investments include the refurbishment of Roundwood Park's public toilets, new street signs and posts, and additional CCTV capacity to support effective enforcement.

12.7 The second and final £1.0m tranche of this capital funding is included in the 2026/27 budget and will continue to support the priority themes set out above, alongside an additional theme of "Pride in Estates" - this will support the wider strategic goal to improve community spaces, safety, and the public realm.

12.8 The Pride in Place Impact Fund is separate to the broader Pride in Place Programme that the Government has selected Harlesden and St Raphael's to be part of. In each of these local areas, the Council will establish Neighbourhood Boards to develop and oversee investment plans. Recruitment for the Independent Chairs of these Boards is underway. Officers are also currently working through the implications for the Capital Programme.

12.9 The revised 2026/27 budget of £61.5m compares to budget of £47.8m in 2025/26, reflecting that the Council has chosen to prioritise public realm improvements and digital transformation. Significant increases in the level of capital expenditure from one year to next puts pressure on capacity and increases the risk of slippage. The large number of small projects within the public realm element of the Board area can be difficult to forecast, especially because the area is especially prone to factors beyond the Council's control such as poor weather or specific grant conditions. A key challenge for the Corporate Landlord area will be realising cashable savings from the Digital Strategy in line with its objectives. This is monitored through quarterly updates to the Capital Programme Board.

**Housing**

12.9 The Affordable Housing Supply Board is forecasting a net variance of £0.4m comprised of £1m underspend mostly against brought forward budgets. This is offset by overspend of £0.7m, including £0.5m against Clock Cottages, which has exhausted its budget due to multiple delays in handover. There is remaining GLA safeguarding grant of £0.5m to finance this project, however any further overspends will need to be funded by additional borrowing.

12.10 Delays in handover are one of the most significant risks in the Affordable Housing Supply capital programme as completion on Church End, Alperton Bus Garage and Pharamond has been delayed from the original timetable. The causes of these delays are multi-faceted but include developer delays and the need to seek agreements with multiple stakeholders, such as UK Power Networks. These delays have an impact on the viability of these schemes, which is already under severe pressure due to high build and borrowing costs. Another emerging challenge is new fire safety requirements and officers are putting in place interim measures to comply with the requirements and enable the blocks to be occupied, whilst also collaborating with other London boroughs on longer term solutions.

12.11 The Housing HRA and Management Board is forecasting a nil variance, which is important given the financial pressures in the HRA and the need to invest in essential improvements in existing housing. Due to brought forward slippage and identification of one off sources of funding that do not involve additional borrowing, the major repairs budget for 2026/27 has increased by almost £9m compared to 2025/26. Nevertheless, difficult prioritisation decisions are still required given the scale of improvements required.

12.12 Budget changes in the major repairs programme include virements from brought forward slippage (£2.5m) and enfranchisement (£1.2m) to:

- £0.8m for major repairs for which an insurance claim has been submitted. Brent self insures HRA properties up to £0.5m;
- £0.3m for a new programme of structural surveys. This budget may be revised further following the tender exercise;

- £2.0m to complete a major ongoing block refurbishment including contingency;
- £0.3m for adaptations to HRA properties for disabled or elderly residents; and
- £0.3m for staff capitalisation.

**Regeneration**

12.13 The Regeneration programme is delivering new homes, infrastructure and community assets to support inclusive growth and sustainability. The current forecast is a net variance of £6.1m; £7.2m slippage offset by £1.1m overspend.

12.14 The projected £7.2m slippage is primarily due to design and planning works at Grand Union Canal being delayed, resulting in expected slippage of £3.2m. Staples Corner Growth Area and Neasden Civic Partnership Programme are each showing slippage of £1.1m (total £2.2m) due to updated delivery plans. The level of slippage reflects the complexities of delivering the Council's ambitious regeneration programme with the need to liaise with a variety of stakeholders such as businesses, registered providers and other public bodies.

12.15 Wembley Housing Zones is projecting an overspend of £1.1m mainly due to contract variations agreed to date, the impact of a water leak and the acquisition of Ujima car park freehold. The project is expected to be completed by November 2026 with the delivery of 291 homes (50% affordable) as well as a significant land receipt for the Council

**Children and Young People**

12.16 The Children and Young People (CYP) Board oversees the planning, delivery, and monitoring of capital investment in Brent's school estate, including projects that support the expansion of school places, improvements to existing facilities, and the development of specialist provision such as SEND (Special Educational Needs and Disabilities) infrastructure. The programme ensures that educational environments across the borough are safe, inclusive, and fit for future learning needs. The capital delivery and CYP team liaise closely with schools and the Department for Education to deliver the programme.

12.17 CYP Board is forecasting a nil variance. Some reprofiling of budgets has taken place to more accurately reflect anticipated expenditure:

- SEND Capital Programme - £4m reprofiled to 2027/28 primarily due to delays in works at Woodfield School.
- Welsh Harp Post-16 Centre - £2.8m reprofiled to 2027/28 following revised cost estimates received from the contractor.

- SEND Capital Programme Phase II - £1.6m reprofiled across 2027/28 and 2028/29. This reflects indicative costs returned by the contractor.

**South Kilburn**

12.18 The South Kilburn regeneration programme continues to deliver significant investment in new homes, infrastructure, and community facilities**.**

12.19 The procurement process for the Single Delivery Partner (SDP) is progressing well with the contract expected to be awarded in the autumn. Bids have been received from three shortlisted bidders and are currently being evaluated. The SDP model is intended to streamline delivery and improve co-ordination of the major regeneration programme but carries risks such as dependence on a single supplier. Finance and Legal, as well as commercial consultants and legal advisers, are heavily involved in the process to ensure risks from a single provider are addressed, land receipts are maximized and delivery is robust and secure. The £2.8m projected underspend relates to net underspend on SDP sites, due to updated rehousing forecasts and some costs being reclassified as revenue. These budgets are under review as part of the SDP procurement process and will be revised following discussions with the appointed SDP.

12.20 The remaining £7.3m variance in the Capital Programme is slippage, predominantly £5.0m on the District Heat Network project. £12.7m expenditure is still expected in year on design and initial construction. The slippage has been caused by a longer than expected procurement process. A reprofiling exercise will take place following discussions with the contractor and consultants. The GLA's Green Finance Facility have approved a £12.0m loan offering a substantial discount on the Council's usual borrowing rates from the PWLB.

12.21 Longer delivery timetables on the SDP as the partner seeks to maximise land receipts (such as through planning variations to increase the quantity of homes) could impact the viability of the heat network. This creates a balancing effect, whereby any delay in heat network income could be offset through additional receipts. The Council will actively manage this trade-off through the regeneration programme including through the establishment of a fortnightly co-ordination group to ensure that neither the overall development value nor the viability of the heat network scheme is compromised. Delivering the regeneration at pace remains a key priority.

**Capital Financing**

12.22 Capital financing consists of interest costs on prudential borrowing to fund the capital programme and minimum revenue provision (a prudent charge for the repayment of borrowing). The current forecast is a nil variance from the budget of £41.9m. This reflects the £3.0m growth compared to 2025/26, which takes account of the cumulative nature of capital borrowing and minimum revenue provision, as well as current high interest rates.

12.23 It is exceptionally challenging to accurately forecast the capital financing outturn as it is reliant on a number of factors beyond the Council's control such as interest rates, the valuation of completed housing transferring to the HRA and whether lenders exercise their options to call LOBO loans. In addition, it is dependent on accurate forecasting of the capital outturn and the timing of capital receipts being in line with expectations. Finance will refine the estimates based on updated interest rates and capital forecasts ahead of Q2.

12.24 The Council is managing the risks in line with the approach set out in the Treasury Management Strategy and the advice of external Treasury Advisers. Central to this approach is borrowing "little and often" to take advantage of short-term reductions in interest rates and ensure the Council does not hold cash balances for longer than necessary.

**Treasury Management Prudential Indicators**

12.25 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 in Appendix A.

## 13.0 Stakeholder and ward member consultation and engagement

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

## 14.0 Financial Considerations

14.1 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 2026/27. Financial implications of agreeing to this report are included within the forecasts provided.

## 15.0 Legal Considerations

15.1 The law requires that the council must plan to balance its spending plans against resources to avoid a deficit occurring in any year. Members need to be reasonably satisfied that expenditure is being contained within budget and that the savings for the financial year will be achieved, to ensure that income and expenditure balance (Section 28 Local Government Act 2003: the council's Financial Regulation 2.3 Revenue Budget Monitoring, Forecasting and Overspends).

**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 or environmental considerations arising out of this report.

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

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

**19.0 Communication Considerations**

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

***Report sign off:***

***Minesh Patel***
**Corporate Director, Finance and Resources**

Appendix 2a



| Reference | Saving category | Brent Lead | Service Areas Impacted | Proposal name | Brief description | 2026/27 |
|---|---|---|---|---|---|---|
| **CC01 26-27** | **Commissioning & procurement** | **Rhodri Rowlands** | All | Holistic grant management | Ensure a consistent charging methodology & community investment. | £0.5 |
| | | | | Tail spend rationalisation | Reduce administration burden through consolidation of low value purchases with a target of 10% reduction in spend. | £0.6 |
| | | | | Review procurement and third party spend | A reduction in third-party spend is proposed through targeted contract reviews, improved supplier engagement, and strategic procurement planning. | £1.6 |
| | | | | Oxygen finance early payment | Faster payment of supplier invoices to generate pre-agreed rebate fee. | £0.3 |
| **CC02 26-27** | **Digital programme** | **Amit Shanker** | All | Optimising Oracle | Ongoing Oracle optimisation through assessing Oracle's current deployment and aligning to improvement opportunities. | £0.3 |
| | | | | Use of technology and AI | Digital transformation focused on unlocking productivity and building a more agile organisation based on successes of co-pilot and existing AI deployment roll out across Council. | £0.5 |
| | | | | Robotic Process Automation | Expanding Brent’s RPA programme by delivering 25 new automations focused on high-volume, rules-based tasks to improve efficiency where traditional system integration is not feasible. | £0.7 |
| **CC03 26-27** | **Efficiency** | **Darren Armstrong** | All | Council wide efficiency target model | A standardised 1% efficiency target across the Council’s controllable budget, equating to approximately | £3.1 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | £60k per Head of Service. It is designed to support consistent financial management, with an emphasis on local accountability and value-based practices. | |
| **CC04 26-27** | **Workforce** | **Musrat Zaman** | All | Agency control | Strengthening internal recruitment and retention, supported by tighter controls on agency use and off-contract bookings. | £0.4 |
| **CC05 26-27** | **Income Maximisation** | **Rav Jassar** | All | Strategic Review of fees and charges | This proposal sets out a focused programme to increase and safeguard income through targeted updates to fees and charges, stronger recovery processes, improved payment oversight, and higher collection performance. | £0.5 |
| **CC06 26-27** | **Resident Experience Channel Shift** | **Kirsteen Roe** | All | Resident experience channel shift | Channel Shift customers from face-to-face and phone to digital self-service channels to streamlining communication channels and enhancing use of existing tools like CRM and telephony systems. | £0.7 |
| **NR01 26-27** | **Service Specific** | **Chris Whyte** | N&R | Lane Rental Scheme | Adopting a Lane Rental scheme to reduce disruption and improve coordination for works on high-traffic routes. | £0.4 |
| **NR02 26-27** | | **Tanveer Ghani** | N&R | Asset utilisation | Optimising the use of physical assets to support the generation of recurring income and explore financially sustainable opportunities that enhance community access, activity and wellbeing. | £0.2 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **PHRS01 26-27** | | **Laurence Coaker** | R&HS | Reduce subsidy loss | Reduction in supported exempt accommodation subsidy loss through utilising the Registered Provider First Wave Housing. | £0.1 |
| **PHRS02 26-27** | | **Laurence Coaker** | R&HS | Homelessness prevention | Reduce homelessness using data-driven indicators to identify households under stress and intervening early with tailored support. | £0.2 |
| **PHRS03 26-27** | | **Kirsteen Roe** | R&HS | Housing Benefits claim reduction | Streamlining Housing Benefit and Council Tax Support services through automation and workforce optimisation, in line with expected caseload reductions as residents are moved to Universal Credit | £0.3 |
| **Total** | | | | | | £10.4 |

Appendix 2b

## Quarter One 2026/27 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 based on revised capital budgets and forecasts in line with the Council's Quarter 1 monitoring report.

| **Capital Expenditure & Financing at Q1 2026/27 (£m)** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** | **Total 2025/26-2030-31** |
|---|---|---|---|---|---|---|---|
| | **Actual** | **Estimated** | **Estimated** | **Estimated** | **Estimated** | **Estimated** | |
| Corporate Assets | 34.8 | 61.5 | 32.6 | 23.5 | 15.7 | 3.5 | **136.8** |
| South Kilburn | 12.3 | 60.5 | 31.7 | 19.4 | 12.0 | 6.9 | **130.4** |
| Regeneration | 73.5 | 79.0 | 21.3 | 29.9 | 25.4 | 0.0 | **155.6** |
| Schools | 20.5 | 30.2 | 35.3 | 19.5 | 5.0 | 0.0 | **90.0** |
| Affordable Housing Supply | 50.5 | 67.3 | 76.8 | 78.7 | 43.3 | 0.0 | **266.1** |
| Housing HRA & Management | 18.3 | 49.5 | 35.5 | 24.0 | 23.0 | 5.0 | **137.0** |
| **Total Capital Expenditure** | **209.9** | **348.0** | **233.1** | **194.9** | **124.4** | **15.4** | **915.8** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Financed By:** | | | | | | | |
| Grants | 65.6 | 65.8 | 36.6 | 19.8 | 9.0 | 5.6 | **136.7** |
| CIL & Section 106 | 29.2 | 63.8 | 30.5 | 30.8 | 24.2 | 2.3 | **151.7** |
| Capital Receipts | 1.2 | 16.3 | 37.4 | 6.0 | 0.4 | 0.0 | **60.1** |
| Earmarked Reserves | 1.1 | 4.7 | 1.3 | 1.0 | 0.1 | 0.7 | **7.9** |
| Major Repairs Reserve | 11.2 | 19.1 | 13.0 | 13.0 | 13.0 | 0.0 | **58.1** |
| Revenue Contributions | 0.5 | 1.4 | 1.6 | 0.6 | 0.6 | 1.5 | **5.6** |
| Borrowing | 101.1 | 176.9 | 112.7 | 123.7 | 77.1 | 5.3 | **495.8** |
| **Total Capital Financing** | **209.9** | **348.0** | **233.1** | **194.9** | **124.4** | **15.4** | **915.8** |

**(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 2026/27 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.

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

| **CFR Movement at Q1 2026/27 (£m)** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|---|---|---|---|---|---|---|
| | **Actual** | **Estimated** | **Estimated** | **Estimated** | **Estimated** | **Estimated** |
| **Opening CFR** | **1,353.8** | **1,412.3** | **1,571.2** | **1,665.3** | **1,769.9** | **1,827.9** |
| Capital Expenditure | 209.9 | 348.0 | 233.1 | 194.9 | 124.4 | 15.4 |
| External Resources | (94.8) | (129.6) | (67.1) | (50.6) | (33.2) | (7.9) |
| Internal Resources | (14.0) | (41.5) | (53.3) | (20.6) | (14.1) | (2.2) |
| MRP excluding PFI and leases | (16.5) | (18.0) | (18.6) | (19.1) | (19.2) | (19.7) |
| Capital Loans Repaid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accounting Adjustments (PFI/Leases) | (26.1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Closing CFR** | **1,412.3** | **1,571.2** | **1,665.3** | **1,769.9** | **1,827.9** | **1,813.5** |

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

To ensure that over the medium term, debt will only be for capital purposes, 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 2026/27.

| **Gross Debt & the Capital Financing Requirement at Q1 2026/27 (£m)** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|---|---|---|---|---|---|---|
| | **Actual** | **Estimated** | **Estimated** | **Estimated** | **Estimated** | **Estimated** |
| External Loans | 1,074.1 | 1,174.0 | 1,235.2 | 1,274.6 | 1,317.9 | 1,343.7 |
| PFI & Leases | 61.7 | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 |
| **Total External Debt Liabilities** | **1,135.8** | **1,234.0** | **1,295.2** | **1,334.6** | **1,377.9** | **1,403.7** |
| Internal Borrowing | 276.5 | 337.2 | 370.1 | 435.3 | 449.9 | 409.8 |
| **Capital Financing Requirement** | **1,412.3** | **1,571.2** | **1,665.3** | **1,769.9** | **1,827.9** | **1,813.5** |

**(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 2026/27 (£m)** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|---|---|---|---|---|---|---|
| | **Actual** | **Estimated** | **Estimated** | **Estimated** | **Estimated** | **Estimated** |
| CFR | 1,412.3 | 1,571.2 | 1,665.3 | 1,769.9 | 1,827.9 | 1,813.5 |
| LOBO Loans | 59.5 | 39.5 | 30.0 | 15.0 | 10.0 | 0.0 |
| Non LOBO Loans | 1,014.6 | 1,134.5 | 1,205.2 | 1,259.6 | 1,307.9 | 1,343.7 |
| Balance Sheet Resources | (496.1) | (453.6) | (453.6) | (453.6) | (453.6) | (453.6) |
| **Net Loan Requirement** | **1,054.1** | **1,154.0** | **1,215.2** | **1,254.6** | **1,297.9** | **1,323.7** |
| Plus Liquidity Allowance | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| **Liability Benchmark** | **1,074.1** | **1,174.0** | **1,235.2** | **1,274.6** | **1,317.9** | **1,343.7** |

**(d) Authorised limit and Operational Boundary for External Debt**

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

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

The Authorised Limit for External Debt is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

| **Authorised Limit at Q1 2026/27 (£m)** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|---|---|---|---|---|---|---|
| Authorised Limit | 1,800.0 | 2,000.0 | 2,000.0 | 2,000.0 | 2,000.0 | 2,000.0 |
| Operational Boundary | 1,600.0 | 1,800.0 | 1,800.0 | 1,800.0 | 1,800.0 | 1,800.0 |

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 2026/27. .

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

This indicator 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 2026/27(£m)** | **2026/27** | **2026/27** |
|---|---|---|
| | **Approved Limit** | **Actual** |
| Upper limit on one-year revenue impact of a 1% rise in interest rates | 5.0 | 0.5 |
| Compliance with limits: | | Yes |
| Upper limit on one-year revenue impact of a 1% fall in interest rates | 5.0 | (0.5) |
| 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 its LOBO loans. Loans based on existing debt portfolio as at the reported period.

| Maturity Structure of Fixed Rate Borrowing at Q1 2026/27 | Upper Limit | Lower limit | 2026/27 Actual Borrowing 31.05.2026 | 2026/27 Actual Borrowing 31.05.2026 | 2026/27 Forecast Borrowing 31.03.2027 | 2026/27 Forecast Borrowing 31.03.2027 | 2026/27 Compliance with limits |
|---|---|---|---|---|---|---|---|
| | % | % | £m | % | £m | % | |
| Under 12 months | 40.0% | 0.0% | 133.8 | 12.6% | 125.1 | 10.7% | **Yes** |
| 12 months & within 24 months | 40.0% | 0.0% | 50.1 | 4.7% | 50.1 | 4.3% | **Yes** |
| 24 months and within 5 years | 40.0% | 0.0% | 180.5 | 16.9% | 174.8 | 14.9% | **Yes** |
| 5 years and within 10 years | 60.0% | 0.0% | 165.5 | 15.5% | 244.0 | 20.8% | **Yes** |
| 10 years and within 20 years | 75.0% | 0.0% | 130.7 | 12.3% | 164.6 | 14.0% | **Yes** |
| 20 years and within 30 years | 75.0% | 0.0% | 230.0 | 21.6% | 269.5 | 23.0% | **Yes** |
| 30 years and within 40 years | 75.0% | 0.0% | 60.1 | 5.6% | 30.6 | 2.6% | **Yes** |
| Over 40 years | 75.0% | 0.0% | 115.0 | 10.8% | 115.3 | 9.8% | **Yes** |
| **Total** | | | **1065.7** | **100.0%** | **1174.0** | **100.0%** | |

### (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 2067/27 | Actual 2025/26 | Forecast 2026/27 | Forecast 2027/28 | Forecast 2028/29 | Forecast 2029/30 | Forecast 2030/31 |
|---|---|---|---|---|---|---|
| Financing Costs (Interest & MRP) (£m) | 38.9 | 41.9 | 41.9 | 41.9 | 41.9 | 41.9 |
| Net Revenue Stream (£m) | 431.4 | 501.8 | 535.2 | 568.6 | 589.6 | 611.6 |
| Proportion of net revenue stream (%) | **9.0%** | **8.3%** | **7.6%** | **7.0%** | **6.8%** | **6.6%** |

Financing costs can be further broken down as follows.

| Capital Financing Costs at Q1 2026/27 (£m) | 2025/26 Actual | 2026/27 Estimated | 2027/28 Estimated | 2028/29 Estimated | 2029/30 Estimated | 2030/31 Estimated |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| Total Interest Payable & Expenses | 41.1 | 47.7 | 53.4 | 52.3 | 52.5 | 51.8 |
| Total Interest Receivable | (24.1) | (25.8) | (31.4) | (31.4) | (31.3) | (31.2) |
| Net Interest | 17.0 | 22.0 | 22.0 | 20.9 | 21.2 | 20.6 |
| MRP (Excluding PFI) | 16.5 | 18.0 | 18.6 | 19.1 | 19.2 | 19.7 |
| **Total Interest & MRP** | **33.5** | **40.0** | **40.6** | **40.0** | **40.4** | **40.3** |
| Revenue Contributions to Capital Programme | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total Capital Financing Costs** | **33.5** | **40.0** | **40.6** | **40.0** | **40.4** | **40.3** |

**(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 because of the Council having to seek early repayment of the sums invested.

| **Upper Limit for Total Principal Sums invested over 364 Days at Q1 2026/27 (£m)** | **2025/26** | **2026/27** | **2026/27** |
|---|---|---|---|
| | **Actual** | **Approved** | **Actual** |
| Upper Limit for Total Principal Sums Invested Over 364 Days | 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 2026/27** | **2025/26** | **2026/27** | **2026/27** |
|---|---|---|---|
| | **Actual** | **Approved** | **Actual** |
| Portfolio average credit rating | 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.

| | **2025/26** | **2026/27** | **2026/27** |
|---|---|---|---|

| Liquidity Risk Indicator at Q1 2026/27 (£m) | Actual | Minimum Balance | Actual |
|---|---|---|---|
| Total cash available within 3 months | 43.8 | 20.0 | 41.2 |

**(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 2026/27, whilst treasury investments are managed under the Treasury Management Strategy 2026/27.

| Total Investment Exposure Indicator at Q1 2026/27(£m) | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|---|---|---|---|---|---|---|
| | Actual | Actual | Estimated | Estimated | Estimated | Estimated |
| Treasury management cash investments | 43.6 | 41.2 | 20.0 | 20.0 | 20.0 | 20.0 |
| Service investments | 31.0 | 30.4 | 29.7 | 28.9 | 28.1 | 27.3 |
| Commercial investments: Property | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total Investments** | **74.6** | **71.6** | **49.7** | **48.9** | **48.1** | **47.3** |
| Commitments to lend | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total Exposure** | **74.6** | **71.6** | **49.7** | **48.9** | **48.1** | **47.3** |

Service investments are further broken down in the tables below.

| Loans & Investments for service purposes: Category of borrower at Q1 2026/27 (£m) | 2025/26 | 2026/27 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|---|---|---|---|---|---|---|---|
| | Actual | Approved Limit | Estimated | Estimated | Estimated | Estimated | Estimated |
| i4b Holdings Ltd Subsidiary Loans* | 179.2 | | 211.2 | 211.2 | 211.2 | 211.2 | 211.2 |
| i4b Holdings Ltd Subsidiary Equity** | 43.9 | 500.0 | 51.9 | 51.9 | 51.9 | 51.9 | 51.9 |
| First Wave Housing Ltd Subsidiary Loans | 33.4 | | 32.9 | 32.5 | 32.0 | 31.5 | 31.1 |
| **Total** | **256.5** | **500.0** | **296.0** | **32.5** | **295.1** | **294.6** | **294.1** |

**new £32m capital loan included in 2026/27 onwards*

***new £8m equity loan included in 2026/27 onwards*

| Service Investments Other Loans £m at Q1 2026/27 (£m) | 2025/26 | 2026/27 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|---|---|---|---|---|---|---|---|
| | **Actual** | **Approved Limit** | **Estimated** | **Estimated** | **Estimated** | **Estimated** | **Estimated** |
| **Local Businesses** | 0.0 | 10.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Schools, Academies and Colleges | 17.1 | 55.0 | 16.9 | 16.7 | 16.4 | 16.2 | 15.9 |
| West London Waste Authority | 13.9 | 20.0 | 13.5 | 13.0 | 12.5 | 11.9 | 11.4 |
| Local Charities | 0.0 | 10.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Housing Associations | 0.0 | 50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local Residents | 0.0 | 5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **31.0** | **150.0** | **30.4** | **29.7** | **28.9** | **28.1** | **27.3** |

**(l) Investment Funding**

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

| Investments Funded by Borrowing at Q1 2026/27 (£m) | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|---|---|---|---|---|---|---|
| | **Actual** | **Estimated** | **Estimated** | **Estimated** | **Estimated** | **Estimated** |
| I4B Loans | 179.2 | 211.2 | 211.2 | 211.2 | 211.2 | 211.2 |
| I4B Equity | 43.9 | 51.9 | 51.9 | 51.9 | 51.9 | 51.9 |
| First Wave Housing (FWH) | 33.4 | 32.9 | 32.5 | 32.0 | 31.5 | 31.1 |
| Schools, Academies and Colleges | 17.1 | 16.9 | 16.7 | 16.4 | 16.2 | 15.9 |
| West London Waste Authority | 13.9 | 13.5 | 13.0 | 12.5 | 11.9 | 11.4 |
| **Total Service investments** | **287.5** | **326.4** | **325.2** | **324.0** | **322.7** | **321.4** |
| **Total Funded by Borrowing** | **287.5** | **326.4** | **325.2** | **324.0** | **322.7** | **321.4** |

**(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 2026/27 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|---|---|---|---|---|---|---|
| | **Actual** | **Estimated** | **Estimated** | **Estimated** | **Estimated** | **Estimated** |
| Treasury management investments | **3.82%** | **3.75%** | **3.75%** | **3.75%** | **3.75%** | **3.75%** |
| Service investments | **2.60%** | **3.00%** | **3.00%** | **3.00%** | **3.00%** | **3.00%** |

**(n) Other Investment Indicators**

| Other investment indicators at Q1 2026/27 (£m) | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|---|---|---|---|---|---|---|
| | **Actual** | **Estimated** | **Estimated** | **Estimated** | **Estimated** | **Estimated** |
| External Debt (Loans) | 1,074.1 | 1,174.0 | 1,235.2 | 1,274.6 | 1,317.9 | 1,343.7 |
| Net Service Expenditure | 431.4 | 501.8 | 535.2 | 568.6 | 589.6 | 611.6 |
| Debt to net service expenditure ratio | 2.5 | 2.3 | 2.3 | 2.2 | 2.2 | 2.2 |

This page is intentionally left blank

| | |
|---|---|
| Brent | **Cabinet**<br>27 July 2026 |
| | **Report from the Corporate Director, Finance and Resources** |
| | **Lead Member - Deputy Leader & Cabinet Member for Finance and Resources (Councillor Gwen Grahl)** |

# Medium Term Financial Outlook

| | |
|---|---|
| **Wards Affected:** | All |
| **Key or Non-Key Decision:** | Key |
| **Open or Part/Fully Exempt:**<br>(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):**<br>(Name, Title, Contact Details) | Minesh Patel, Corporate Director, Finance and Resources<br>Tel: 020 8937 4043<br>Email: minesh.patel@brent.gov.uk<br><br>Rav Jassar, Deputy Director, Corporate & Financial Planning<br>Tel: 020 8937 1487<br>Email: ravinder.jassar@brent.gov.uk<br><br>Amanda Healy, Deputy Director, Investment and Infrastructure<br>Tel: 020 8937 5912<br>Email: amanda.healy@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 2027/28, 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. This report is structured as follows:

- Recommendations for Cabinet to approve
- Cabinet Member Foreword
- Economic context
- Medium Term Financial Strategy update
- Proposed revenue budget setting process for 2027/28
- Capital programme
- Housing Revenue Account
- Schools and Dedicated Schools Grant (DSG)
- Financial Resilience

## 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 2027/28, including the approach to consultation and scrutiny, as set out in section six of this report.

2.3. Note and agree the proposed 2025/26 capital budget carry forwards and capital virements for 2026/27 as set out in section seven of this report.

2.4. Note the financial position with regards to the Housing Revenue Account, as set out in section eight of this report; and

2.5. Note the financial position with regards to Schools and the Dedicated Schools Grant, as set out in section nine of this report.

## 3.0 Cabinet Member Foreword

3.1 This report sets out the Council's financial outlook to 2031/32 and provides an early assessment of the choices that will be required to maintain a balanced budget over the coming years. Brent enters this period in a stable position when situated in contrast to the many local authorities that have required government intervention. The Government's Fair Funding Review, the reset of the Business Rates Retention System and the first multi-year local government finance settlement in many years have provided a fairer share of resources and much-needed certainty for financial planning. That is a welcome change of direction and reflects a greater recognition of the pressures faced by councils like Brent, that support communities where deprivation remains an enduring factor. Nevertheless, this report is clear that these reforms have not removed the underlying financial challenge. Current modelling identifies a cumulative budget gap of around £50 million between 2027/28 and 2031/32.

3.2 This gap largely represents the additional cost of maintaining existing statutory provision in the face of inflation, demographic change and the growing complexity of need. Brent has already agreed £248 million of cuts since 2010, equivalent to almost half of the Council's current net revenue budget, including

£10.4 million of savings that is being delivered as we speak. There is therefore little scope for the Council to repeat the same choices of previous years. The task ahead must be approached strategically, by redesigning services, improving productivity, making better use of technology, generating further income and investing in earlier prevention.

3.3 The most significant risks remain in those services over which local government has the least control. An ageing population and increasingly complex care needs are driving higher adult social care costs, while new placements are often substantially more expensive than those that they replace. In children's services, a relatively small increase in highly specialised residential placements can have a significant financial impact. The Dedicated Schools Grant is under severe pressure as the number of children and young people with Education, Health and Care Plans continues to rise. Most immediately, the scale and cost of homelessness remain deeply concerning, with private rents, nightly paid accommodation and provider costs continuing to increase across London. Brent will continue to intervene early, but the solutions to these challenges require national action and further funded reforms.

3.4 The Council will also remain disciplined and purposeful in its approach to investment. The revised capital programme provides for more than £1.25 billion of investment over the next five years, including substantial programmes for affordable housing, regeneration, South Kilburn, public assets and additional places for children and young people with SEND. It also includes practical investment in highways, family wellbeing facilities, new CCTV and essential repairs to homes and community buildings. Alongside this, the Pride in Place programme will bring up to £40 million of long-term investment over ten years to Harlesden and St Raphael's, with local neighbourhood boards helping residents shape priorities and direct funding towards the improvements that matter most to their communities. Taken together this investment is not just about improving places and public services. By building new homes, unlocking development and supporting economic growth, the Council can also strengthen its own financial base through additional Council Tax, Business Rates and Community Infrastructure Levy income. Growing Brent's economy and housing supply is therefore essential both to meeting residents' needs and to sustaining the services on which they depend.

3.5 The multi-year settlement gives Brent a valuable period in which to prepare, rebuild resilience and shape a new Council Plan that does things differently. That plan must recognise that investment, unlocking opportunity and driving visible change must be a cornerstone of everything that we do. The Embrace Change programme will be central to this approach, bringing together transformation, prevention and neighbourhood working across the Council. The challenge is substantial, and difficult decisions will still be required, but Brent remains financially resilient, focused on delivery and ambitious to make change felt across every corner of the borough.

## 4.0 Economic Context

4.1. UK economic growth remains weak in the short term, with GDP forecast at around 1.0–1.1% in 2026. Growth is expected to recover gradually from 2027, but the outlook remains subdued, limiting Government fiscal headroom and continuing to constrain funding for local government. This reduces the ability of councils such as Brent to expand services beyond core statutory provision.

4.2. Inflation remains above target and has become more uncertain due to rising global energy prices. CPI inflation is currently at 2.8% (at April 2026), having fallen from 3.3% in March and is expected to increase further in 2026, potentially peaking at just below 4%, before returning to the Bank of England's 2% target during 2027. This will prolong cost-of-living pressures for residents and increase costs for Council services, particularly where inflation exceeds general CPI.

4.3. The Bank of England has held the base rate at 3.75% since December 2025, with the outlook for interest rates now more uncertain. Rates are expected to remain relatively high in the near term to manage inflation, with risks of further tightening depending on external pressures. For the Council, this continues to place upward pressure on borrowing and financing costs.

## 5.0 Medium Term Financial Strategy Update

5.1. Section four of this report has set out the challenging economic context within which Brent Council is operating. This financial year is also the first following substantial reforms to local government funding implemented through the Fair Funding Review and a reset of the Business Rates Retention System. This preceded a multi-year local government finance settlement that provided some much needed clarity on funding for the three-year period from 2026 to 2029. The funding settlement was positive for Brent Council, but additional pressures that have arisen in 2025/26, which are expected to continue into 2026/27, mean that the medium-term outlook remains difficult. These pressures are discussed in further detail in the Financial Outturn 2025/26 and Quarter 1 Financial Forecast 2026-27 reports that are also on this agenda.

5.2. This section provides an update on the MTFS position based on the current assumptions contained in the MTFS. The section is structured as follows:

- Current MTFS position
- Funding assumptions
- Service specific pressures, risks and mitigations
- Revised MTFS position
- The Embrace Change Portfolio
- Contribution to Borough Plan objectives

### Current MTFS position

5.3. 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 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.

5.4. The budget for the forthcoming financial year, alongside the revised Medium-Term Financial Strategy (MTFS), is developed progressively throughout the preceding financial year. This process involves extensive modelling to identify and understand budget pressures, including both recurring and historic cost challenges. Detailed financial modelling and sensitivity analysis are undertaken to assess the potential impact of these pressures, enabling the estimation of likely growth requirements and the identification of key risks to the forecasts. This structured approach ensures that emerging budget gaps are identified at an early stage, providing sufficient time to develop and implement mitigating savings and strategies to achieve a balanced budget.

5.5. In February 2026, the Council agreed a budget for 2026/27 which closed the assumed budget gap with a package of agreed savings of £10.4m. This package of savings takes the total savings since 2010 to £248m (49% of the net revenue budget for 2026/27). In contrast to previous years, a new collaborative approach has been developed to address the Council's medium-term financial challenge and identify sustainable savings.

5.6. This new approach to identifying savings focuses on identifying high-impact opportunities, including cross-directorate working, improving productivity, better use of digital solutions, and increasing income generation. This approach to delivering savings enables the Council to meet its obligation to balance the budget in a way that supports transformative change, but it must be acknowledged that delivering these savings will be challenging and non-delivery of savings is a key risk to the 2026/27 budget and the MTFS.

5.7. Further detail on the progress of delivering the savings for 2026/27 is included in the Quarter 1 Financial Forecast 2026-27. At the time the budget was agreed in February 2026, no specific savings had been identified in respect of 2027/28 or 2028/29.

5.8. This report should be read alongside the Financial Outturn 2025/26 report and the Quarter 1 Financial Forecast 2026/27 report. The significant overspends detailed in these reports demonstrate that the financial position of the Council has worsened since the February budget report, which has resulted in additional underlying pressures that were not forecast in February, but must be addressed through the MTFS. These pressures are in addition to those already anticipated for future years.

5.9. To fund the overspend in 2025/26, a drawdown from earmarked reserves of £16.7m was required, leaving a balance of £24.3m of generally usable reserves (reserves that are not earmarked for a specific purpose). Of this, £20.7m is the General Fund Balance, which represents the Section 151 officer's assessment of the adequate level of reserves required to maintain the Council's financial sustainability (5% of the net revenue budget).

5.10. Based on the Quarter 1 forecast, without mitigation the Council would be required to utilise part of the General Fund balance to balance the 2026/27 budget. In this event, the Council would need to make provision for replenishing the General Fund balance in 2027/28, in addition to the existing budget gap identified in this report. The Council will need to consider how this risk can be mitigated, while committing to increase reserves over the next two years to enhance its financial resilience and sustainability.

5.11. In response to budget pressures experienced in recent years, the Council introduced a range of spending controls which successfully reduced expenditure and helped mitigate overspending. These measures included proactive vacancy management, tighter controls over agency expenditure and staff payments, and increased scrutiny of spending decisions across all directorates. These controls are now considered business as usual and have been embedded within the Council's day-to-day financial management arrangements to support effective budget control, financial resilience and sound decision-making.

5.12. However, spending controls alone are unlikely to be sufficient to manage the scale of the challenge. Therefore, with the exception of expenditure required to maintain health and safety, meet statutory obligations or fulfil contractual commitments, all other spending decisions will be subject to enhanced challenge and may be deferred where possible. Directorates will also be required to identify additional in-year savings, cost avoidance measures and opportunities to reduce expenditure wherever possible.

5.13. The modelling and analysis has been refreshed to enable the Council to embark on a two-year budget planning cycle for 2027/28 and 2028/29, which will lead up to the end of the current Spending Review and is covered by the funding provided in the multi-year local government finance settlement. Beyond this, the MTFS has been refreshed to provide a longer term five-year rolling forecast, which now covers the period to 2031/32.

5.14. It is important that the refreshed MTFS closely aligns with the new Council Plan. Further detail on the Council's approach to this is set out in section 5.144 (Alignment of the Medium Term Financial Strategy with the Council Plan).

5.15. The following sections set out the updated assumptions included in the MTFS, followed by a summary of the revised MTFS position, including the forecast budget gap for the five-year period from 2027/28 to 2031/32.

**Funding assumptions**

5.16. This section sets out the funding assumptions underpinning the revised budget gap in Table 5.

***Council Tax***

5.17. Council Tax is one of the most significant sources of funding for the Council, making up £190.5m (or 38.0%) of total core funding in 2026/27. At the multi-year settlement in December 2025, the referendum threshold limit (excluding the Greater London Authority (GLA) share) for the financial years 2026/27-2028/29 was set at 5%, including 2% for the Adult Social Care Precept.

5.18. As set out when the 2026/27 budget was agreed, there was an implicit assumption from the Ministry of Housing Communities and Local Government, built into the multi-year settlement, 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 2026/27 and beyond, and support the unprecedented pressures within social care and homelessness. 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 4.1% in 2026/27 to provide additional funding for services including the Metropolitan police and Transport for London.

5.19. The referendum limits for 2029/30-2031/32 will not be known until the next Spending Review, so the current assumption is for an extension of the 5% limit, which has been in place since 2023/24. Therefore, the MTFS assumption for a 4.99% pa increase in Council Tax in 2027/28 and 2028/29 is unchanged and is extended to 2031/32. It is assumed that Brent will bring forward the budgets for these years on the basis of such an increase in Council Tax. This would take the Brent share of a Band D Council Tax charge to c.£2,200 in 2031/32 (£1,724.76 in 2026/27). The GLA share of the Council Tax will be subject to a separate referendum limit that was not confirmed in the Spending Review.

5.20. The decision on whether to increase Council Tax is a decision for Full Council at the time of setting the budget for each financial year. However, if the Council Tax is not increased by 4.99% per annum over the MTFS period, the budget gap identified in Table 5 will increase, requiring further savings to offset the loss of funding. For each 1% that Council Tax is increased by below the referendum limit, the Council loses c.£2m of funding as of 2027/28.

5.21. Even if the full increase was applied in subsequent years, a 1% lower Council Tax increase applied in 2027/28 would result in a relative reduction of the Council’s funding by £2.5m in 2031/32 and the cumulative reduction in funding across the five year period would be £11m. These figures would be £5m and £20m respectively if the lower increase was also applied in 2028/29. Further savings may be required in future years to address the permanent loss of funding relative to the Government’s assumed level of Council Tax included in the local government finance settlement.

5.22. Brent Council and the GLA recognise that substantial rises in Council Tax cause difficulties for some households and the Collection Fund continues to fund a Council Tax Support scheme for households who are financially vulnerable. In 2026/27 around £28m is being provided to around 23,531 households. In addition, the Council, in partnership with the GLA, created a £1.5m Council Tax Support Hardship Fund in 2025/26 (£0.4m from the GLA) to support vulnerable residents through the transition to the new Council Tax Support Scheme from 1 April 2025. Through this hardship fund a total of 13,124 households were provided support in 2025/26 with the full amount of funding utilised. Furthermore, for 2026/27 the hardship fund is remaining at £1.5m with the GLA providing £0.4m of the funding.

5.23. Furthermore, the 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.

5.24. The Council's ability to generate Council Tax income to support local services is only partially driven by the Government's decisions on the level of the Council Tax charge. Another significant contributing factor, which the Council has a limited ability to control is the tax base, which is set for budget setting purposes each year by General Purposes Committee (usually in December of the preceding financial year). There are multiple variables that affect the tax base, with varying degrees of control that Brent Council can exercise over them:

- Number of dwellings in the borough
- Discounts and exemptions applied to bills
- Council Tax Support
- Long-term collection rate

5.25. The largest single factor affecting the tax base is the number of dwellings in the borough. In 2026/27, in the absence of any discounts and exemptions, the Council would receive an additional £1m of funding for every 580 properties added to the Council Tax list, providing a strong incentive to increase the number of dwellings.

5.26. The Government calculated the Council Tax included in Brent's Core Spending Power in the 2026/27 Local Government Finance Settlement on the basis of the average annual growth in the tax base between 2021/22 and 2025/26. Table 2 shows this calculation.

Table 2: Growth in Brent's Council Tax base 2021/22 to 2025/26

| Year | Tax base in preceding financial year | Tax base in current financial year | Increase in tax base | % increase |
|---|---|---|---|---|
| 2021/22 | 97,605 | 98,450 | 845 | 0.9% |
| 2022/23 | 98,450 | 98,730 | 280 | 0.3% |
| 2023/24 | 98,730 | 101,187 | 2,457 | 2.5% |
| 2024/25 | 101,187 | 103,577 | 2,390 | 2.4% |
| 2025/26 | 103,577 | 108,617 | 5,040 | 4.9% |
| | | | **Average** | **2.2%** |

5.27. This average includes the effect of the one-off changes to the Council Tax Support Scheme that were introduced on 1 April 2025. These changes resulted in a large one-off increase to the taxbase, which as part of the local government finance settlement, the government have assumed will continue.

5.28. The MTFS is currently assuming average tax base growth of 1.7% pa based on recent trends, the ongoing regeneration of the borough, including sites such as

Wembley Park, and the commitments made in the Borough Plan and Local Plan to deliver thousands of new homes in the borough to meet identified housing need as a result of expected population growth.

5.29. The net effect of the use of this average by the Government is that Council Tax included in Core Spending Power for Brent at the 2026/27-2028/29 settlement was higher than the amount included in the budget/MTFS by £1.5m in 2026/27, £3.2m in 2027/28 and £5.3m in 2028/29. By 2028/29, this is the equivalent of 2,788 additional Band D properties.

5.30. However, this difference represents only 1% of Brent’s total Core Spending Power by 2028/29, meaning that it should not have a material impact on Brent’s relative funding position when Core Spending Power is used to discuss this. Furthermore, Brent’s increase in Core Spending Power was 9.6%, 7.4% and 7.0% across the settlement, significantly above the thresholds for requiring a funding floor. Therefore, as a result Brent did not lose any funding it would otherwise have received had the assumptions taken into account one-off changes to Council Tax Support.

5.31. It is possible that external factors present in the economy, e.g. high interest rates and low economic growth will weigh down on housebuilding in Brent. Recent Government policy announcements on housing targets and proposed changes to planning legislation, increase the likelihood of further tax base growth above the recent average, but progress against this nationally has been slow.

5.32. However, taking into account the available data on housebuilding in Brent currently and the pipeline of major schemes that are being delivered, the central assumption remains that annual tax base growth of c.1.7% is reasonable, in line with recent trends. The data will be monitored and analysed further throughout the summer and the assumption will be revised upwards or downwards in the 2027/28 Draft Budget in November.

5.33. Also included in the tax base calculations are some mandatory discounts and exemptions and Council Tax Support for pension age claimants, which reduce the tax base. For example, where only one person who is not disregarded for Council Tax purposes is resident in a property, the individual is eligible to claim a 25% Single Person Discount (SPD). The SPD and other mandatory discounts and exemptions are created as a result of Government policy and their application is controlled by legislation. Brent cannot control these factors directly, but must take them into account when producing tax base forecasts.

5.34. There are also discretionary schemes, such as the second homes premium (increase) and Council Tax Support for working age claimants (decrease), on which the decision to apply the schemes is taken by Brent Council. Where such schemes are amended, as was the case with the Council Tax Support Scheme in April 2025, the decision is taken separately by Full Council, with the implications then feeding into future tax base calculations.

5.35. The final element of the tax base calculation is the long-term collection rate. This calculation makes an assumption about the amount of the overall Council Tax liability that the Collection Fund expects to collect in the long-term, with the remaining income set aside as an impairment for doubtful debt. For 2026/27 and all other years in the current MTFS, this long-term collection rate assumption is unchanged at 97.0%.

5.36. This reflects that collection remains lower than before the Covid-19 pandemic, representing a key risk to the MTFS, but that work is also ongoing to improve the recovery of debt and in-year collection of Council Tax, with further investment in the services being made in 2026/27.

5.37. It is crucial that the Council makes an accurate assessment now of the amount of the Council Tax income that can be collected, while ensuring that the Council attempts to collect what is due. Any income that must be written off over the amount that was set aside in the impairment will have to be repaid from future revenue budgets. Therefore, if the Council's continued efforts during 2026/27 to improve the collection of Council Tax are not successful, it may be necessary to reduce the long-term collection rate further in 2027/28. Each reduction of 0.1% in the target collection rate will result in a further reduction of resources of c.£0.2m. Conversely, if the efforts are successful, it may be possible to increase the long-term collection rate, thereby increasing the resources available to fund Council services.

5.38. A full forecast of the Council Tax base to cover the MTFS period will be developed over the summer and reported to Cabinet in the draft 2027/28 budget in November. This will include a proposed draft tax base for 2027/28 to be agreed at General Purposes Committee in December 2026.

***Business Rates***

5.39. In 2026/27, the Government have delivered the most significant changes to the Business Rates Retention System (BRRS) since it was created in 2013. The key components of the changes are as follows:

- Full reset of the BRRS
- Changes to the statutory definition of Non-Domestic Rating Income
- Changes to the Levy/Safety Net
- Implications for Business Rates Pooling
- Revaluation of Business Rates liabilities
- Three new multipliers for businesses, including two for Retail, Hospitality and Leisure (RHL) businesses replacing the RHL relief

*Full reset of the BRRS*

5.40. The full reset of the BRRS is detailed in full in the Budget and Council Tax 2026/27 report which was sent to Full Council in February 2026. The outcome for Brent's MTFS was:

- New Baseline Funding Level of £132.4m, calculated based on Brent's new relative needs share of the adjusted national Business Rates pool. Section 31 Grants for funded reliefs were included and inflation at September 2025 CPI (3.8%) was added, along with the accumulated growth since 2013. Compensation for historic under-indexation of the multipliers, which was previously included in Core Spending Power as a separate grant, but included in Brent's budget as part of the Business Rates funding line was moved to Revenue Support Grant.

- New Business Rates Baseline of £60.6m. This increased from 2025/26 due to the amendments to the statutory definition of non-domestic rating income (see section 5.41-5.43).

- New Top-Up Grant of £71.8m. This is lower than the grant would have been if the definition of non-domestic rating income had remained unchanged.

- The Baseline Funding Level is then assumed to increase by CPI in September of the year before each financial year (September 2025. The current MTFS assumption is for 2% increases pa, but with inflation currently at 2.8% and expected to increase further during 2026, this will be kept under review.

*Changes to the statutory definition of Non-Domestic Rating Income*

5.41. Amendments to the Non-Domestic Rating (Rates Retention) Regulations 2013 from April 2026 moved the BRRS from a system calculated based on Net Rates Payable to a system calculated based on Gross Rates Payable. This widens the definition of non-domestic rating income to include the effects of funded reliefs, with the Section 31 grant compensation for those reliefs now being paid to the Collection Fund rather than from MHCLG to the preceptors.

5.42. The impact of this on Brent is that increases or decreases to funded reliefs, particularly empty property relief (previously unfunded), no longer have a positive or negative effect on the amount of income received through the BRRS. The risk (and reward) from this system has been taken on by central government and local authorities have greater certainty over budgeting for NNDR income.

5.43. The amount that Brent receives from the BRRS system is not affected by this change as that was determined separately as Brent's share of the total non-domestic rating income using the relative needs formulae arising from the Fair Funding Review.

*Changes to the Levy/Safety Net*

5.44. In 2026/27, the Safety Net level, by which an authority's total income from Business Rates cannot fall below that proportion of their Baseline Funding Level, is set at 100%. This is a transitional mechanism designed to protect authorities against any short-term reductions in funding because of the reset.

Brent's budgeted NNDR income for 2026/27 per the NNDR1 form in January 2026 was £59.5m, giving a total NNDR income of £131.3m. This is a shortfall of £1.1m, meaning that Brent will receive a safety net payment in 2026/27 of £1.1m.

5.45. In 2027/28, the Safety Net will be set at 97% of the Baseline Funding Level, before returning to the pre-reset level of 92.5% in 2028/29. Brent will therefore only receive a safety net in future years if the income falls further. The current assumption based on historic trends is that growth in the taxbase will result in the income recovering to the Baseline Funding Level in 2027/28 and remaining in line with government assumptions thereafter.

5.46. If in future years, Brent's tax base growth is sufficient to produce NNDR income that exceeds the Baseline Funding Level, in contrast to 2025/26, a levy will be payable on the growth. Brent will still retain most of that growth, but a small portion (10% on the first 10% of growth), increasing with the level of growth will be payable, which funds the safety net.

5.47. At the time of the Fair Funding Review and the Business Rates reset the government indicated that future resets of the system would be more frequent, without confirming when the next reset would take place. Depending on how long this time period is, this would limit the amount of growth that can be built up in the system before the reset takes place and redistributes it again.

5.48. It is not currently expected that a reset will take place during the period of the current MTFS to 2031/32, with the most likely date of the next reset being 2032, to coincide with the three-yearly revaluation cycle. Therefore, the MTFS does not currently assume any changes to the operation of the BRRS during this period.

*Implications for Business Rates Pooling*

5.49. Until 2025/26, Brent was part of the Eight Authority Business Rates Pool, generating £3.7m of additional income for Brent in 2025/26. The changes to the levy system in 2026/27 mean that all of the eight authorities would now pay a levy on any growth. This removed the incentive for the authorities to pool together and as a result the decision was taken to end the Eight Authority Pool arrangement at the end of 2025/26. The income budget for the Pooling Gain was removed in the 2026/27 budget and Brent is now operating as a single authority for the purposes of NNDR.

5.50. At this time, it is not expected that this situation will change during the MTFS period, but Brent will continue to consider all of the available options including reforming the Eight Authority Pool (subject to agreement with the other authorities), forming a new pool with a different set of authorities and not joining a pool if it continues to be financially unviable.

*Revaluation of Business Rates Liabilities*

5.51. From 1 April 2026, liabilities for business rates are based on the rateable value (RV) of properties on 1 April 2024, the first revaluation to take place following the introduction of the Non-Domestic Rating Act 2023, which made three-yearly revaluations a statutory requirement. Revaluations are carried out by Government, with Brent Council not having any responsibility for the setting of business rates.

5.52. This revaluation resulted in a change to the business rates bills for individual businesses in line with the change in the open market annual rental value of the property between 2021 and 2024. Overall, Brent's RV increased to £452.6m, an increase of 21% on 2023.

5.53. Under the BRRS, revaluations have a nil impact on the funding received by the Council as the government adjusts the amount receivable by the Council to its Baseline Funding Level. For individual businesses however, the increases in RV would result in increases to the liabilities of those businesses if the multipliers remained unchanged. As it is, revaluations are also revenue neutral, meaning that the existing multipliers were reduced to ensure that the overall Business Rates income at the national level remained the same as it would have been if the revaluation had not taken place.

5.54. This means that businesses with an above average increase in RV will have seen an increase in their liability, while businesses with a below average increase or a decrease in RV will have seen a decrease in their liability. Furthermore, in 2026/27 some businesses will receive transitional relief to partially offset large increases in their bills, which will then unwind over the revaluation period to 2029. Businesses not eligible for transitional relief or the Supporting Small Business Scheme will pay a transitional relief supplement of 1p on top of their normal multiplier. Bills will also take into account any other reliefs that a property is eligible for, such as small business rates relief, ensuring that individual businesses are not disproportionately affected by changes to their RV.

5.55. The next revaluation is scheduled to take place in 2029, with affect during years three to five of the MTFS period. It is expected that this revaluation will take place in the same way as the 2026 revaluation, with no implications for MTFS funding. Brent Council is liable to pay business rates on its commercial properties where it is the tenant or the property is unoccupied, the largest of which is the Brent Civic Centre. The 2026 revaluation did not result in a material change to this liability and the same is currently assumed for 2029. If future forecasts suggest that the liability will increase by a material amount in 2029, provision for this will be made in a future MTFS.

*New Multipliers*

5.56. In 2026/27, the Government has increased the number of multipliers to five, by introducing new small business and standard multipliers for Retail, Hospitality and Leisure (RHL) hereditaments at 5p below the National small business and standard multipliers and a High-value multiplier set 2.8p above the National standard multiplier, applicable to all hereditaments with an RV of £500k or above. The RHL multipliers permanently replace the Retail, Hospitality and Leisure relief for which a Section 31 grant was previously paid by government.

5.57. The Government's changes to the RHL multipliers mean that Retail, Hospitality and Leisure businesses will permanently pay lower rates than businesses in other sectors occupying properties with similar rateable values, recognising the significant impact that higher rates can have on the ability of that sector to operate. However, the new RHL multipliers represent a significantly lower reduction than the relief they replace, which coupled with the revaluation has resulted in some very large increases in business rates bills for some of the businesses in the sector.

5.58. The government subsequently announced in January 2026 that a new additional relief for pubs and live music venues would apply for the next three financial years. This provides an additional discount of 15% in 2026/27, with bills for eligible businesses then frozen in real terms in 2027/28 and 2028/29. Brent will be fully compensated for the reduction in income through Section 31 grants.

5.59. At this time, no further government support is expected for this or any other sector and it is not clear whether the support provided will extend beyond the 2029 revaluation.

***Revenue Support Grant***

5.60. Revenue Support Grant is another significant source of funding for Brent's revenue budget. Having declined in importance since 2010, the Fair Funding Review has reversed this trend with the consolidation of multiple grants into RSG. At £103.2m in 2026/27, this is 21% of Brent's total Core Funding. However, this consolidation, whilst providing increased flexibility with the funding, does not remove the need for the expenditure previously funded by the separate grants.

5.61. The transitional arrangements in the Fair Funding Review will unwind, resulting in further increases in 2027/28 and 2028/29. Finally, inflationary increases at 2% per annum are currently included in all years. By 2031/32, RSG is forecast to be £146.6m, or 23% of Core Funding.

***Specific Grants***

5.62. The Fair Funding Review and the multi-year local government finance settlement that followed resulted in the consolidation of multiple grants into Revenue Support Grant, thereby significantly reducing the amount of different grants provided through the settlement. However, the government also recognised the need for some key funding streams to remain separate to continue delivering on those priorities.

5.63. In order to achieve this, the Government created three new consolidated ringfenced grants, along with expanding the existing Public Health Grant (£28.5m). The three new grants are:

- Homelessness, Rough Sleeping and Domestic Abuse Grant (£8.1m)
- Children, Families and Youth Grant (£9.0m)
- Crisis and Resilience Fund (£7.8m)

5.64. The Homelessness, Rough Sleeping and Domestic Abuse Grant brought together the homelessness element of the Homelessness Prevention Grant, the Rough Sleeping Prevention, Recovery and Accommodation Grant and the Domestic Abuse Safe Accommodation Grant. The two housing grants were previously outside of the settlement and received as part of the service area funding. The temporary accommodation element of the Homelessness Prevention grant was rolled into RSG.

5.65. The Children, Families and Youth Grant brought together multiple former grants including the Supporting Families element of the Children and Families Grant, which was previously received by the service (and had itself been consolidated from multiple smaller grants in previous years) and the Children's Social Care Prevention Grant, which was included in the 2025/26 settlement. The allocation also included additional funding (£4.5m in 2026/27, reducing to £3.4m in 2028/29), which has been invested in further prevention activities. The Holiday Activities and Food Programme and Pupil Premium Plus Post-16 Grant (both separately ringfenced) were also brought into this grant.

5.66. The Crisis and Resilience Fund brought together the Household Support Fund and Discretionary Housing Payments, whilst retaining some requirement to maintain the separate streams of support for residents. Both of these grants were previously outside of the settlement.

5.67. The funding settlement also provided allocations for 2027/28 and 2028/29, thereby providing increased certainty for budget planning for those years. At this time, all of the consolidated grants are assumed to continue to 2031/32 at the 2028/29 level, with the exception of Public Health to which a 2% inflationary uplift is applied.

5.68. In 2026/27, the Local Authority Better Care Grant (£16.5m) remains unchanged from 2025/26. At the local government finance settlement, the allocations for 2027/28 and 2028/29 were included in RSG, but with the expectation that the requirement to pool the funding with the Better Care Fund will continue, resulting in no actual change to where the funding is allocated to. The MTFS currently assumes that this grant will continue to 2031/32 at the same level and for simplicity is included in Specific Grants.

5.69. As part of the settlement, the government continued to allocate £5.8m of Recovery Grant to Brent across the settlement, as part of a commitment to provide un-ringfenced funding to areas with greater need and demand for services. This funding is taken from a top-slice of RSG, so what happens with this funding beyond 2028/29 is unclear. All options remain open to the government, including rolling it back into RSG and redistributing the funding according to relative need as per the Fair Funding Review. In this event, it is likely that Brent would still receive a high share of this funding as a result of its relative need. For simplicity, it has been assumed that Recovery Grant continues into 2031/32 at the same level.

5.70. In total, the Specific Grants across the MTFS period remain stable at around £76m, with small decreases in the Homelessness, Rough Sleeping and Domestic Abuse Grant and Children, Families and Youth Grant offset by inflationary uplifts to Public Health Grant.

5.71. At present it is not known what the funding environment for local government will be beyond 2028/29, although it is not expected that there will be any more fundamental changes that will result in redistribution of funding as took place in 2026. This will be determined by the next Spending Review, which will result in a pressure on government departments to reduce expenditure to fund increased commitments, particularly in areas such as defence and health. Therefore, the most likely scenario is that any increases to funding for local authorities at that time will be modest.

5.72. In common with the approach taken in previous years, these funding assumptions are cautious and actual funding in these years may be higher. However, this prudent approach has enabled Brent to successfully balance the overall budget in recent years, despite significant overspends on front line service budgets. By maintaining a cautious approach, the Council is able to set aside sufficient contingency and reserves to maintain the Council's financial resilience when faced with these unexpected pressures.

**Service specific pressures, risks and mitigations**

5.73. The following sections set out the specific pressures, risks and mitigations for each of the main service Directorates.

***Service Reform and Strategy***

5.74. The adult social care sector continues to face significant and interconnected pressures affecting the quality, accessibility and long-term sustainability of services. These challenges arise within a constrained financial environment and are driven by increasing demand, rising complexity of need, workforce pressures and sustained market cost inflation.

5.75. At a national and regional level, local government finances remain under significant strain, driven by rising demand, inflationary cost increases and long-term funding constraints. Analysis by London Councils highlights a widening funding gap across boroughs, with pressures of at least £500m across London in 2025/26, alongside increasing reliance on exceptional financial support to maintain statutory services.

5.76. External benchmarking using national datasets, including the Adult Social Care Finance Return (ASC-FR) and wider Department of Health and Social Care publications, confirms that expenditure growth and demand pressures are consistent across local authorities and reflect systemic rather than localised challenges.

5.77. Whilst overall growth in service user numbers has moderated, increasing by approximately 2% between May 2025 and May 2026, demand is increasingly characterised by higher levels of complexity, with individuals presenting later and requiring more intensive and higher-cost support.

5.78. This is reflected in the cost profile of care packages, with new placements typically 14-16% more expensive than those ending in the previous year. Benchmarking analysis confirms this trend across residential, nursing and supported living provision, where rising costs are driven by both acuity and sustained market pressures.

5.79. At Quarter 1, demand trends indicate a shift in placement types, with reduced reliance on homecare and increased demand for supported living and residential placements associated with more complex needs. This creates a potential financial risk of up to £3.5m if not effectively managed. The directorate is currently forecasting a breakeven position; however, this remains subject to volatility given the demand-led nature of expenditure.

5.80. Benchmarking across London and North West London (NWL) demonstrates that Brent is not a high-cost outlier and is managing adult social care expenditure broadly in line with comparator authorities.

5.81. Brent's average weekly cost per client (£916) sits within the mid-range of London boroughs and are lower than several neighbouring NWL authorities, including Ealing and Hounslow, and broadly comparable with Barnet. Residential and nursing placement costs are mid-range, with variation driven by need and market conditions rather than inefficiency. This position is reinforced by wider benchmarking through LG Inform, which shows that Brent's spend per head and activity levels are consistent with statistical neighbours and London comparators.

5.82. Benchmarking through the Adult Social Care Outcomes Framework (ASCOF) further indicates that local performance remains broadly aligned with national comparators across key measures including quality of life, independence and safeguarding. This supports the conclusion that financial pressures are primarily driven by external factors, namely increasing complexity of need, workforce challenges and market inflation-rather than local inefficiency.

5.83. Inflationary pressures, workforce costs (including London Living Wage requirements) and provider sustainability concerns continue to drive fee uplift requests across the care market.

5.84. The Council has adopted a targeted and evidence-based approach to fee uplifts, applying increases selectively to support lower-cost placements and maintain market stability, while avoiding uplifts on higher-cost provision. This approach balances affordability with the need to sustain a resilient care market and is aligned with regional commissioning activity across North West London.

5.85. Market intelligence based on Care Quality Commission (CQC) provider data highlights ongoing capacity constraints and pricing variation across the sector, reinforcing the need for strong commissioning and contract management in a shared regional market.

5.86. In response to these pressures, the Council is strengthening its approach to demand management and commissioning to improve financial control and value for money. This includes:

- Implementation of a strengthened multi-disciplinary Quality Assurance and Monitoring (QAM) panel to provide enhanced scrutiny of care decisions and costs

- Increased review and challenge of high-cost packages, supported by benchmarking against regional comparators

- Enhanced data analytics and monitoring, including the development of Power BI tools to track demand and financial impact in real time

- Continued focus on alternatives to residential care, including supported living, extra care and home-based provision

5.87. In parallel, the introduction of technology-enabled care (TEC) will support more preventative, efficient and person-centred models of care, reducing reliance on higher-cost provision over time.

5.88. Workforce challenges remain a key risk across the sector, with high vacancy and turnover rates contributing to increased reliance on agency staffing and associated cost pressures. The Council continues to prioritise workforce development, recruitment and retention initiatives, and agency-to-permanent conversion to improve stability and reduce long-term costs.

5.89. Partnership working with the NHS remains integral to managing demand and cost pressures, particularly in relation to Continuing Healthcare and Section 117 responsibilities. Strengthened joint working arrangements are supporting improved financial management and system-wide alignment.

5.90. Public Health services are funded through a £28.5m ring-fenced grant and are currently forecast to break even. However, increasing demand-particularly in sexual health services-and more prescriptive grant conditions continue to present financial risks which will require ongoing monitoring and management.

5.91. Leisure services remain financially sensitive, with continued reliance on income generation to offset rising costs, particularly utilities. The Willesden Sports Centre PFI contract continues to represent a significant risk following the drawdown of the smoothing reserve, and is subject to enhanced monitoring and contract management.

5.92. While Brent's relative cost position compares favourably with peers, the medium-term financial outlook remains challenging therefore the focus will continue to be on robust demand management, strengthened commissioning and market oversight, workforce stability and service transformation, ensuring that resources are deployed effectively to deliver sustainable, high-quality outcomes for residents over the medium term.

***Children, Young People and Community Development (CYPCD)***

5.93. The financial outlook for the CYPCD directorate's budget continues to be impacted by the volatility and unpredictability of placement costs for Looked After Children (LAC), particularly those with complex needs requiring residential care or secure accommodation. This remains a significant financial risk for the medium term.

5.94. A key challenge for the authority is the limited availability of suitable placements, particularly for high-needs and remanded young people. This supply shortage continues to drive up provider fees. Costs for individual high-need placements can exceed £0.5m per annum, with the most expensive residential placement recorded in 2025/26 costing £15k per week. These costs reflect not only the complexity of needs but also ongoing market conditions.

5.95. The overall LAC position is low, in Brent compared to neighbouring boroughs during 2025/26 (see Table 3). Early indications for the first quarter of 2026/27 suggest numbers are still low (292) but the pressures in the service are mainly due to the increase in clients with complex needs in residential placements (see Table 4). The reliance on high-cost placements, combined with a limited supply of affordable alternatives, continues to exert sustained pressure on the budget. Sustained efforts will be critical to ensure children are placed in the most suitable and cost-effective settings wherever possible, while maintaining high standards of care and safeguarding.

5.96. Table 3: Comparison of numbers of LAC in Brent to statistical neighbours 2022 -2025

| **Number of LAC** | **2022** | **2023** | **2024** | **2025** |
|---|---|---|---|---|
| Brent | 341 | 319 | 307 | 299 |
| Statistical Neighbours | 347 | 358 | 339 | 319 |

5.97. Table 4: Average Residential Placements 22/23 to 25/26

| **Residential placements** | **22/23** | **23/24** | **24/25** | **25/26** |
|---|---|---|---|---|
| Full time equivalent numbers (average) | 32 | 32 | 36 | 47 |

5.98. The current 2026/27 forecast for the social care placement budget is a break-even position. This represents a central projection based on scenario modelling of the current mix of placement types and numbers and allows for a net increase of 5 residential placements towards the second part of the year, in addition to the 48 reported at the end of April. In the worst-case scenario, there could be an overspend of up to £3.2m, while the best-case scenario would be an underspend of £1.4m.

5.99. The Placements budget remains complex and there are other variables, other than residential placements, that could have an impact on the MTFS, such as changes in the client numbers/unit costs of other type of placements or the expected income and contributions to this budget (for example, the Unaccompanied Asylum Seekers grant).

5.100. Another pressure relates to young people on remand. In 2025/26, there were a significant number of young people placed in secure remand (6), five of whom were linked to the same serious incident. Remand placements are court ordered (typically under youth justice legislation such as the Legal Aid, Sentencing and Punishment of Offenders Act 2012 in England) and local authorities have a statutory duty to provide accommodation, often at very short notice. This makes them unavoidable demand, unlike many other placement decisions where there may be some discretion or scope for early intervention to influence outcomes.

5.101. To mitigate these pressures, the new Council-run care home “The Gardens” has officially opened and is ready to accommodate clients. (At a lower unit cost compared to the average in the private sector). The new home is expected to provide more stable and cost-effective placement options for some children with complex needs, supporting the broader strategic objective of developing sustainable local provision.

5.102. Work continues with the Placements Commissioning Board, led by the Corporate Director of CYPCD to reduce spend and deliver different degrees of success.

5.103. The introduction of a new and competitive package for in-house carers in 2024/25 and 2025/26 has not yet resulted in an increase in the number of carers. However, this has not placed pressure on Independent Fostering Agency (IFA) budgets, largely due to a reduction in the overall number of LAC. The groundwork laid through this initiative is expected to strengthen future recruitment as the offer becomes more established.

5.104. Promoting greater independence has yielded clear financial and service delivery benefits. The service has successfully reduced the unit cost of supported accommodation placements by ensuring that care leavers claim Housing Benefit where eligible, with deductions made at source from providers. This streamlined financial approach contributed to the savings achieved in the last financial year and is expected to be embedded as “Business as usual”.

5.105. Other mitigations include scrutiny of children’s care plans at Director level to ensure children remain in the most suitable setting relative to their assessed needs. Work continues with other West London authorities to improve local authority run residential home sufficiency, with Brent supporting the development of new provision across the sub-region which would be available for spot-purchase.

5.106. Looking ahead, further substantial savings are anticipated through continued partnership working with Housing, particularly in securing sustainable move-on accommodation for care leavers. However, this area also presents a significant risk. The ongoing housing crisis in the borough creates challenges in identifying affordable and suitable accommodation, which could limit the pace and impact of planned cost reductions. To mitigate this, the service is working closely with the housing department to explore innovative housing solutions, including access to social housing pathways and improved commissioning of semi-independent placements. Additionally, there is a focus on enhancing transition planning earlier in the care journey to reduce delays in step-down arrangements and ensure care leavers can move on safely and sustainably.

5.107. Recruiting and retaining skilled, experienced social workers continues to be a national challenge, often resulting in a dependence on more costly agency staff. However, proactive management within the directorate and the implementation of a staff restructure in 2025/26 led to a reduction of those pressures.

5.108. The Directorate received additional grant funding during the year, including Transformation Funding, the Best Start in Life Grant, and the ongoing Prevention Grant. Effective deployment and management of these grants is expected to strengthen early intervention and preventative services, contributing to a reduction in the number of children requiring residential placements over the longer term. This is anticipated to help mitigate demand-led cost pressures and reduce pressure on the general fund budgets in future years.

*SEN Transport*

5.109. Despite continued growth of children and young people with an Education, Health and Care Plans (EHCPs), the service successfully implemented the Travel Assistance Policy Implementation Plan (TAPIP) and managed the transport costs in 2025/26, and this work is expected to continue in 2026/27 and beyond. Risks remain, however, as continuing increases in children and young people with an EHCPS may lead to pressures against some of the Council’s budgets, including the SEN transport budget. There are also additional risks in addition to general inflation, such as:

- London Living Wage – increase from April 26 is estimated to add £300k onto labour costs on a like for like basis. This pressure was considered in the 2026/27 budget allocation however; there could be further increases in future years.

- Incremental increases for fleet maintenance – there is an agreement with the SEN Transport provider for an annual rise in the costs for routine maintenance per vehicle to account for the aging of the fleet and inflation. As the fleet ages, there is as risk that some of the buses may need replacing.

***Neighbourhoods and Regeneration***

5.110. Within Public Realm there is expected change in the coming years due to the impact of changes to national waste policy. These policy changes will link with Brent's Borough Plan priority of 'A Cleaner, Greener Future'. To comply with these policies Brent will target improving the recycling rate and reducing waste contamination, which will in turn assist to achieve a cleaner borough, and a climate friendly, sustainable borough.

5.111. The first of these national waste policies implemented was Extended Producer Responsibility for packaging in 2025/26. Since then, organisations and businesses started to pay a fee for the packaging they supply to or import into the UK market. In the first year (2025/26) Local Authorities received a basic payment based on publicly available and existing data about tonnages, operations and unit costs gathered from a representative sample of LAs across the UK and L.B of Brent received £5.99m. In the second year (2026/27) the basic payment and any adjustments will be based on data Local Authorities submit to the Scheme Administrator, and as it stands, the expected amount is in the region of approximately £5.3m.

5.112. Brent will use this funding to maximise recycling and drive down packaging waste. This will be done by refining key services to improve participation, reduce contamination and reach locations within the Borough currently underserved.

5.113. Several service improvement initiatives were introduced throughout the 2025/26 which continues to drive to improve the quality of the recyclable material to keep the waste disposal costs down. The reduction in rejection rates for recyclable material in 2025/26 improved to 14.1%. The service also continued its focus on increasing the diversion of food waste from the general waste stream. 140 new food waste housing units and bins in the Council's estates have been introduced. Looking ahead this initiative will be rolled out across the Borough, including private management estates.

5.114. Simpler Recycling regulations were introduced under the Environment Act 2021 and came into force on 31 March 2026 for household waste. The reforms are designed to boost recycling rates and cut the amount of waste sent to landfill or incineration. Brent is largely in compliance with the reforms in terms of the required collections. To ensure full compliance the service will look to mobilise a dedicated project team who will lead on rolling out waste and recycling strategy improvement for communal estates including the roll-out of twin stream recycling to all 1,400+ communal properties, alongside improvements to bin infrastructure, signage, and containers. Furthermore the service will roll-out food waste collection to flats above shops and properties on the North Circular Road as well as the collection of flexible plastics.

5.115. Looking further ahead there are additional changes, for which further detail on both the specific requirements and funding that would be available is awaited, to ensure compliance by Brent.

5.116. The Deposit Return Scheme is planned to be introduced from 1st October 2027 by the government. This will require a deposit to be paid for a single -use drink containers under the new deposit return scheme (DRS). Businesses that produces or sells drinks will have new responsibilities. Recyclable containers, which will be repaid when the empty containers returned. This is likely to reduce the volume and composition of the materials collected by the Council, and therefore likely reduce the recycling tonnages. This may reduce costs but inadvertently but will also reduce the potential income generation for the Council via any on sale of materials. The UK Emissions Trading Scheme (UK ETS) is expanding to include energy from waste (EfW) facilities starting in 2028. This is likely to have a significant financial impact to Brent and the other partners of the West London Waste Authority engaged in waste to fuel activity. Early estimates suggest the impact of this could be costs of £2m in the first year of the change.

5.117. Within Neighbourhoods & Regeneration, Inclusive Regeneration and Climate Action remain heavily reliant on planning fee income, including Building Control, and face increasing financial risk. Changes arising from the Building Safety Regulator have significantly reduced the Council's ability to bid for major schemes, with referral levels remaining low and income recovery constrained, alongside a wider slowdown in development activity across the Borough. These market pressures are compounded by a workforce risk, as a high proportion of experienced staff are approaching retirement age; loss of capacity would directly reduce the ability to deliver services and generate income, creating a risk of further income shortfalls. These factors represent a risk to the service's financial sustainability, with limited scope to mitigate through income growth alone unless budget assumptions are realigned to reflect these ongoing constraints.

5.118. Property and Assets faces ongoing risks in achieving income targets due to lease expiries and void properties, requiring continued effective marketing and tenant acquisition. In addition, sustained cost pressures within Facilities Management, particularly from overtime across Cleaning and Security services, may impact financial performance over the medium term, though mitigation through budget management and offsetting underspends is being pursued.

***Residents and Housing Services***

5.119. The Residents and Housing Services department continues to experience significant pressures predominately attributable to the high level of demand on housing services. The Housing Needs and Support budget experienced a substantial overspend of £11.7m in the 2025/26 financial year. This was primarily driven by an exceptionally high and sustained level of demand for homelessness services, compounded by a persistent shortage of affordable Private Rented Sector (PRS) accommodation. In response, the 2026/27 budget was increased by £8m to close the budget gap. This enhancement in funding aims to support the department in managing the ongoing pressures and escalating costs associated with providing temporary and emergency accommodation, while continuing to deliver vital homelessness prevention and support services. Multiple projects and interventions focused on increasing housing supply have been developed, and officers are proactively working to contain costs within the expanded budget envelope. Projections and financial forecasts are under continuous review, incorporating the latest data on service demand and cost trends to ensure the budget remains responsive to emerging pressures.

5.120. The department has also been proactive in mitigating the impacts of the ongoing cost-of-living crisis on Brent residents and businesses. In 2026/27, the Household Support Fund has been merged with the Discretionary Housing Payments into the consolidated Crisis and Resilience Fund providing additional resources to assist vulnerable households. Brent's allocation from the Crisis and Resilience Fund is £7.8m, an increase of £1.3m (19%) when compared to the 2025/26 allocation. The fund is earmarked for households receiving free school meals, Care Leavers, Disabled households on Housing Benefits, Credit Union, Immigration advice, Debt advice, Employment support and external partners . A portion of the grant is reserved for reactive support, enabling timely assistance to residents experiencing acute hardship.

5.121. In April 2024, a new model of support for Brent residents was developed for three years through the piloting of Cost-of-Living Outcome Based Review (OBR) projects and guided by a series of design principles. The approach has a single, joined-up model including the Community Wellbeing Programme aligned with the Resident Support Fund (RSF), to support residents to be more resilient in the longer term and aligns 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 (MTFS) to support this model.

5.122. Housing Needs and Support remains the most significant financial pressure within the department. As of the end of 2025/26, Brent received 8,795 homelessness support applications, including 5,309 from single individuals and 3,486 from families. This volume equates to approximately 169 new applications per week, underscoring the sustained and intense demand for housing services. In April 2026, there were 1,428 households in nightly paid accommodation, compared with 1,182 households in April 2025. This represents an overall increase of 9% since December 2025, when 1,312 households were in accommodation, with approximately half of the annual increase occurring between Q3 and Q4.

5.123. Since the Housing Needs budget was set in February, there have been continued inflationary pressures, particularly relating to provider costs, although the scale remains subject to ongoing review. The original assumption of a £1.4m increase for 2026/27 reflected the best estimate at that time; however, more recent information suggests average costs have risen by around £10 a night per placement. Based on current activity levels, this could result in expenditure being up to £5m higher than initially anticipated for 2026/27. These figures remain indicative and will continue to be monitored as part of regular financial updates.

5.124. Ongoing benchmarking and analysis conducted by London Councils reinforce the scale of housing pressures faced across the capital. Their latest data projects a 75% rise in average payments for TA compared to a 23% increase in market rents over the last five years, far exceeding budgeted assumptions. Brent has experienced an 85% rise in its homelessness net expenditure between 2024/25 and 2025/26. Across all service areas, London boroughs face a collective funding shortfall of at least £1 billion in 2025-26. These figures illustrate both the scale of the challenge and the pressure on temporary accommodation budgets.

5.125. The availability of suitable B&B and Annex accommodation remains severely constrained throughout London, forcing councils to rely on higher-cost accommodation providers and placements outside their own boroughs. Such arrangements increase financial pressures through elevated accommodation costs and impose additional social and logistical burdens on families, including travel expenses related to children attending schools in Brent. The supply of settled temporary accommodation properties, especially those leased under Private Sector Leasing (PSL) schemes, has declined due to reduced procurement of new properties and landlords' reluctance to renew leases upon expiry. This decline further exacerbates the challenge of moving families out of costly emergency accommodation into more stable housing.

5.126. The Council has implemented a targeted programme of work encompassing multiple workstreams aimed at improving the affordability of temporary accommodation and exploring new and alternative housing supply options. Officers are engaged in renegotiating contract prices and identifying opportunities to relocate some of the highest-cost cases to more cost-effective solutions. The department continues to rigorously assess homelessness applications to prevent or relieve demand where possible; in 2025/26, 67% of approaches were successfully prevented or relieved.

5.127. In the 2026/27 financial year, i4B is continuing its street property acquisition programme with an initial target of acquiring 19 homes. i4B, a housing company wholly owned by Brent Council, was established to acquire, let, and manage a portfolio of affordable, high-quality PRS properties. This self-financing portfolio generates annual savings exceeding £6m by reducing reliance on temporary accommodation. These properties are leased to homeless families at Local Housing Allowance (LHA) rates, enabling the Council to prevent or discharge homelessness duties, thereby reducing reliance on temporary accommodation and associated costs while ensuring families have access to secure and responsible landlords. i4B remains self-financing, with the current portfolio generating annual savings in temporary accommodation costs. While new builds and acquisitions alone will not fully resolve the homelessness challenge, the Council is actively utilising its available resources and powers to expand housing supply. Any additional supply secured through i4B will contribute to mitigating the risk of overspending and help manage future housing costs.

5.128. Supported exempt accommodation presents an additional financial and budgetary risk. Providers in this sector are not bound by LHA caps and may charge higher rents by demonstrating the provision of support services.

Housing Benefit subsidy levels are determined by Rent Officer assessments of claimed rents, creating a challenge in managing costs. This issue reflects a national concern, highlighting the need for clearer regulatory frameworks and consistent criteria to define supported exempt accommodation and assess minimal care requirements. Historically managed within central corporate budgets, this area saw a £2.1m overspend in 2025/26 and remains under close scrutiny.

5.129. The Supported Housing (Regulatory Oversight) Act 2023 introduced a number of important reforms to the supported housing system, with a particular focus on reforming supported exempt accommodation (SEA). The act introduced the Government’s requirement of councils to develop a local supported housing strategy by end of 2026/27. It also introduced the Government’s intention to introduce a dedicated supported housing licensing scheme that Councils would be asked to deliver. To address this the Council has established a dedicated working group to focus on developing a clear strategy. This will involve reviewing both new and existing landlords and verifying the adequacy of care provision. The Council continues horizon scanning to ensure alignment with emerging regulatory requirements and to inform future operational and financial planning.

5.130. The government has also set out plans to end the use of hotels to hold asylum seekers by 2029, which may shift the responsibility to local authorities and create further pressures for the Housing Needs budget. Councils are legally obligated to provide housing for individuals once their asylum claims are processed, resulting in additional temporary accommodation placement costs. This is in an environment of existing financial strains due to rising homelessness and limited housing stock.

5.131. The above overview outlines the key financial risks, pressures, and mitigation strategies associated with the Housing Needs and Support service within the Medium Term Financial Strategy, providing a picture of the challenges faced and the Council’s proactive response to manage demand, control costs, and protect service delivery.

5.132. While Housing Needs and Support remains the most significant area of financial pressure within the department, other services across the Residents and Housing directorate, though not without challenges, are currently managing within their allocated budget envelopes. These services continue to experience pressures linked to inflationary increases, rising service demand, and wider socio-economic conditions. However, robust budget monitoring arrangements are in place, supported by regular horizon scanning to identify emerging risks early. Where financial pressures are identified, appropriate mitigating actions are developed and implemented in a timely manner to maintain financial sustainability and ensure the continued delivery of core services.

5.133. The Council’s housing needs and support services are closely aligned with its broader financial strategies and budget monitoring through a focus on prevention, sustainability, and long-term cost efficiency. The priority to create more affordable and accessible housing directly supports efforts to reduce reliance on expensive temporary accommodation, which continues to be a significant budget pressure. By investing in social housing, early interventions and prevention, the Council aims to stabilise housing supply and reduce emergency housing costs over time. In addition, the Council's commitment to tackling poverty and improving health outcomes supports targeted interventions that reduce homelessness risk and associated costs, enabling more effective budget forecasting and monitoring. These priorities ensure that resources are allocated where they have the greatest impact, supporting both fiscal responsibility and social outcomes.

5.134. The department's use of the CRF and the Cost-of-Living OBR model directly support Brent's financial strategy by focusing on early intervention and long-term cost reduction. These initiatives align with the "Prosperity and Stability" priority by targeting support to vulnerable households, helping to prevent homelessness and reduce demand for costly temporary accommodation. The £1m recurring funding in the MTFS reflects a strategic investment in resilience-focused services, while the earmarked and reactive elements of the CRF enable flexible, responsive budget management. This integrated approach supports effective budget monitoring, ensuring resources are used efficiently and aligned with Brent's wider priorities.

***Finance and Resources***

5.135. In January 2026 Southwark Council formally issued its notice to exit the Shared Technology Services partnership. The intended completion date for this is 31st March 2028. A programme has commenced to plan and coordinate Southwark's exit, and to also review the implications for the remaining partners, including Brent.

***Capital Financing***

5.136. Interest costs on the Council's prudential borrowing that funds the capital programme are the biggest driver of the capital financing outturn. This means that wider global factors, including the recent war in Iran and the Russian invasion of Ukraine, have placed pressure on the Council's medium term financial outlook as they have led to interest rate increases. Further global events or other interest rate shocks would place severe pressure on revenue budgets.

5.137. The Council's exposure to interest rate risk has increased in recent years because prudential borrowing has increased to £1,074.1m at 31 March 2026 compared to £659.1m five years earlier. This reflects the Council's ambitious capital programme, including the significant self-delivery of affordable housing and major invest to save initiatives such as investment in temporary accommodation acquisition and digital transformation. In addition, the reduction in the availability of suitable grants and the reduction in suitable internal resources (such as reserves) have meant an increased dependence on borrowing to fund the programme. Borrowing is forecast to increase to £1,274.6m by 31 March 2029.

5.138. £3 million growth has been built into the budget for 2026/27 to manage this pressure. The sensitivity of the capital financing outturn to macro-economic factors and interest rates make it exceptional difficult to forecast over the three-year period of the MTFS. Other factors that complicate capital financing outturn forecasting is that it is highly dependent on the capital outturn, the valuation of social housing appropriating to the HRA and whether LOBO loans are called.

**Revised MTFS position**

5.139. Table 5 provides a summary of the revised budget gap over the five-year period from 2027/28 to 2031/32, incorporating all of the assumptions set out in the previous sections. The assumptions relating to growth in service demand and inflation remain highly uncertain at this stage; however, for modelling purposes, these have been extrapolated into future years. It should be noted that this growth relates to existing statutory services rather than the introduction of new services and is required simply to maintain current service levels.

Table 5: Revised budget gap 2027/28-2031/32

| | 2027/28 (£m) | 2028/29 (£m) | 2029/30 (£m) | 2030/31 (£m) | 2031/32 (£m) |
|---|---|---|---|---|---|
| In year budget gap | 5.0 | 15.0 | 10.0 | 10.0 | 10.0 |
| Cumulative budget gap | 5.0 | 20.0 | 30.0 | 40.0 | 50.0 |

5.140. This table represents the gap between the available funding and the budget requirement for services. The frontloading of the grant funding in the multi-year local government finance settlement means that it is possible to profile the budget gap for 2027/28 and 2028/29 as shown, with a budget gap of £5m in 2027/28 and £15m in 2028/29, but the overall budget gap for these years is unchanged. This will provide the opportunity for services to rebuild resilience, allow time for transformation, change and digital opportunities to deliver and prepare for the challenges that lie ahead.

5.141. However, the budget gap over the remainder of the MTFS period is expected to continue at c.£10m per annum, meaning that the Council is facing a cumulative budget gap of c.£50m over this period.

5.142. This highlights that Brent continues to face significant financial challenges, despite the additional resources received through the Fair Funding Review. There also remains considerable uncertainty regarding funding from 2029/30 onwards, which will only be clarified following the next Spending Review. At that point, local government funding is likely to come under increased pressure, driven by rising demands on national budgets, particularly in defence and health.

5.143. Work will continue over the summer to refine these estimates and produce a revised forecast. The updated position will be reported to Cabinet in November

2026, along with the draft proposals for how the budget will be balanced in 2027/28 and 2028/29. The proposals taken forward by Cabinet in November will form the basis of the consultation to be carried out between November and January 2027, before the final budget is approved at Full Council in February 2027.

**Alignment of the Medium Term Financial Strategy with the Council Plan**

5.144. The Medium Term Financial Strategy (MTFS) is a critical enabler of the Council's strategic ambitions and must be fully aligned with the Council Plan. This alignment ensures that financial planning and resource prioritisation is directly driven by, and supports, the Council's agreed priorities, enabling both effective delivery of outcomes for residents and a sustainable long-term financial position for Brent.

5.145. Alignment between the MTFS and the Council Plan will ensure that:

- The Council balances ambition with financial resilience.
- The Council is equipped to deliver its strategic priorities in a way that maximises positive outcomes for residents.
- Financial planning and advice are embedded within the policy and delivery framework, ensuring that priorities are deliverable within available resource.
- Financial sustainability is maintained, with appropriate consideration given to risks, pressures, and long-term affordability.

5.146. The strategic alignment of the Council Plan and the MTFS will also act as a key driver of transformational change across the organisation. This includes major programmes such as the Embrace Change Portfolio, which aim to reshape how services are designed and delivered.

5.147. The Embrace Change Portfolio is strengthening the Council's ability to deliver transformation in a more strategic, coordinated, and financially sustainable way, with clearer alignment to corporate priorities. All major change programmes are required to define clear outcomes, financial and non-financial benefits, and delivery milestones, with progress monitored through strengthened portfolio governance and reporting. The Corporate Programme Management Office (CPMO) works alongside programme teams, Finance and Corporate Management Team (CMT) to provide challenge and assurance on delivery confidence, monitor risks and issues, and validate the realisation of expected benefits. This ensures that planned savings are achievable, sustainable and fully evidenced before they are incorporated into the MTFS.

5.148. By linking transformation activity directly to financial strategy, the Council can ensure that change initiatives are both strategically aligned and financially viable, delivering efficiencies and improved outcomes.

5.149. To achieve this level of alignment, the Council will need to strengthen its ways of working by:

- Adopting a more coordinated and assertive approach to planning and delivery.
- Improving integration between service planning, financial management, and performance oversight.
- Ensuring that directorates operate within a consistent and aligned framework.

5.150. This will support more effective cross-organisational collaboration and decision-making.

5.151. The work that is currently underway to develop Brent's next Council Plan will help the Council to shift towards a more integrated cross-organisational approach that shifts away from siloed working. The Plan, which will be developed over the next few months, will provide a clear sense of what Brent's priorities are, why they are priorities, and how the organisation will work to deliver on them. Ensuring officers have a strong understanding of the Council Plan will help to support a cultural shift, which, combined with strengthened systems and processes, will be essential to achieving sustainable alignment between the MTFS and the Council Plan.

## 6.0 Proposed revenue budget setting process for 2027/28

6.1. The proposed budget setting process following this Cabinet meeting is as follows:

1. Draft budget for 2027/28 and new savings proposals are presented to Cabinet in November 2026.
2. The proposals, together with any changes made by Cabinet, will form the basis of consultation between November 2026 and February 2027 with residents, businesses and other key stakeholders.
3. The Budget Scrutiny Task Group will review the budget proposal and report accordingly.
4. The General Purposes Committee will review the calculation of the Council Tax base in December 2026; and
5. 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 2027 Council meeting.

## 7.0 Capital programme

7.1. In 2025/26, the Council spent £209.7m against the final budget of £328.9m, outlined in table 6 below:

| Table 6 - 2025/26 Final Outturn Position | | | | | |
|---|---|---|---|---|---|
| **Portfolio / Programme** | **Budget as at Feb 2026 (Final Budget)** | **Outturn** | **Over / (Under) Spend to Budget** | **Over / (Under) spend split** | |
| | | | | **2026/27 (Slippage) / Accelerated Spend C/FWD** | **(Under) / Overspend for Repurpose and Removal** |
| | **£m** | **£m** | **£m** | **£m** | **£m** |
| Corporate Assets | 48.3 | 34.7 | (13.6) | **(13.8)** | 0.2 |
| South Kilburn | 26.9 | 12.3 | (14.6) | **(15.5)** | 0.8 |
| Regeneration | 84.2 | 73.5 | (10.8) | **(10.9)** | 0.1 |
| Children & Young People | 25.5 | 20.5 | (5.0) | **(5.2)** | 0.2 |
| Affordable Housing Supply | 119.3 | 49.2 | (70.1) | **(51.8)** | (18.3) |
| Housing HRA & Management | 24.5 | 19.6 | (4.9) | **(5.2)** | 0.2 |
| **Grand Total** | **328.9** | **209.7** | **(119.1)** | **(102.3)** | **(16.8)** |

7.2. The 2025/26 outturn position was £119.1m lower than the revised budget. Further details on the outturn position are provided in the Financial Outturn 2025/26 report. It is proposed that the slippage and accelerated spends from 2025/26 are adjusted in the 2026/27 budget, and that any under and overspends are removed. This amounts to a net increase to the proposed 2026/27 budget of £102.3m.

7.3. Table 7 illustrates virements, reprofiling and other budget adjustments from 2026/27 to 2030/31, with further narrative detail provided below:

| Table 7 - Budget Adjustments Breakdown 2026/27 to 2029/30 | | | | | | |
|---|---|---|---|---|---|---|
| | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** | **Total** |
| | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| **2025/26 variance to Budget c/fwd** | 102.3 | | | | | **102.3** |
| **Additional New Budget** | | | | | | |
| Family Wellbeing Centres | 0.3 | | | | | **0.3** |
| New Millenium Day Centre | 0.1 | | | | | **0.1** |
| Public Safety CCTV | 0.5 | | | | | **0.5** |
| Highway Maintenance | 0.9 | | | | | **0.9** |

| Table 7 - Budget Adjustments Breakdown 2026/27 to 2029/30 | | | | | | |
|---|---|---|---|---|---|---|
| Carlton & Granville Protective Works | 1.0 | | | | | **1.0** |
| Structural Surveys | 0.3 | | | | | **0.3** |
| HRA Major Repairs - Insurance | 0.8 | | | | | **0.8** |
| Taken from Capital programme contingency: | (2.8) | | | | | **(2.8)** |
| Taken from budget c/fwd: | (1.1) | | | | | **(1.1)** |
| **Virements & Corrections** | | | | | | |
| Barham Park Projects Correction | (1.1) | | | | | **(1.1)** |
| Healthy Streets & Parking TFL Correction | (1.5) | | | | | **(1.5)** |
| Hillside Corridor - Morland Gardens Correction | 0.3 | | | | | **0.3** |
| Church End Youth Anchor Correction | 0.2 | | | | | **0.2** |
| Enfranchisement | (0.9) | | | | | **(0.9)** |
| Major Repairs Programme | 0.9 | | | | | **0.9** |
| Taken from Capital programme contingency: | 2.2 | | | | | **(2.2)** |
| **Reprofiling (in 2026/27)** | | | | | | |
| Wembley High Road Transformation | (1.0) | 1.0 | | | | **0.0** |
| Waste Vehicles Purchase | (1.4) | | | 1.4 | | **0.0** |
| I4B | (30.4) | 9.8 | 10.1 | 10.5 | | **0.0** |
| St Raphael's Estate Regeneration Improvements | (5.4) | | 5.4 | | | **0.0** |
| Empty Property Grants | (0.6) | | 0.6 | | | **0.0** |
| SEND Capital Programme | (4.0) | 4.0 | | | | **0.0** |
| Welsh Harp Post-16 Centre | (2.8) | 2.8 | | | | **0.0** |
| Childcare Expansion Project | (0.2) | 0.2 | | | | |
| Youth Facilities Capital Investment Programme (REFCUS) | 0.3 | (0.3) | | | | **0.0** |
| SEND Capital Programme Phase II | (1.6) | 0.7 | 0.9 | | | |
| Leopold Relocation | (1.0) | 1.0 | | | | **0.0** |
| **Total** | **54.2** | **19.1** | **17.0** | **12.0** | **0.0** | **102.3** |

7.4. Additional New Budget

7.4.1. £0.3m to improve outdoor spaces at Preston Park Family Wellbeing Centre and Willow Nursery.

7.4.2. £0.1m Neighbourhood Community Infrastructure Levy (NCIL) funding to build the New Millenium Garden of Peace and Life.

7.4.3. £0.5m for additional public safety CCTV with anticipated funding from the GLA.

7.4.4. £0.9m for Highway Maintenance funded by additional Department for Transport grant.

7.4.5. £1.0m for protective works at Carlton and Granville, including repairs to the roof.

7.4.6. £0.3m for a programme of structural surveys on HRA blocks to identify preventative repairs – taken from brought forward slippage against the Enfranchisement project.

7.4.7. £0.8m for major repairs from fire damage such as 13 Tillett Close – taken from brought forward slippage against the Major Repairs and Maintenance Programme.

7.5. Virements and Corrections

7.5.1. £1.1m accounting correction to Barham Park projects – this correction reflects that Barham Park Trust is a separate entity and does not affect the funding available or planned investment in 26/27.

7.5.2. £1.5m removal of budget from the Healthy Streets and Parking programme due to changes in expected TFL funding.

7.5.3. £0.3m correction to Hillside Corridor for Morland Gardens Feasibility, which was approved by Cabinet in June 2025.

7.5.4. £0.2m correction to Church End Youth Anchor, which was approved by Cabinet in 2024/25.

7.5.5. Transfer of £0.9m Enfranchisement budget to the Major Repairs Programme as the HRA prioritises essential works including Kilburn Square Tower Block.

7.6. Reprofiling in 2026/27

7.6.1. Reprofile of £1.0m for Wembley High Road Transformation as works are expected to take place in 2027/28.

7.6.2. Reprofile of £1.4m for Waste Vehicles Purchase in 2029/30, as larger spend is expected towards the end of the contract term when vehicles will come to the end of their useful life.

7.6.3. Reprofile of £30.4m of the £40m I4B loan facility over the next 4 financial years, in line with the Company’s planned drawdown
.

7.6.4. Reprofile of £5.4m for St Raphael's Estate Regeneration to 2028/29 in line with plans to deliver waste management improvements before delivering the wider estate improvements.

7.6.5. Reprofile of £0.6m Empty Property Grants budget to 2028/29 based on expected works pipeline.

7.6.6. Reprofile of £4.0m for SEND Capital Programme to next financial year due to delays in works at Woodfield School and pending confirmation of DfE contribution to St Gregory's.

7.6.7. Reprofile of £2.8m for Welsh Harp Post 16 Centre to next financial year following revised cost estimates from the contractor.

7.6.8. Reprofile of £0.2m for Childcare Expansion to next financial year for future nursery provision.

7.6.9. Reprofile of £0.3m for Youth Facilities out of 2027/28 into 2026/27 due to forecast acceleration on the project.

7.6.10. Reprofile of £1.6m for Send Capital Programme Phase 2 over the next 2 financial years to reflect indicative costs returned by the contractor.

7.6.11. Reprofile of £1.0m for Leopold Relocation to next financial year as works are now due to start in summer 2027.

7.7. The revised budget position for 2026/27 to 2030/31 is summarised in Table 8 below:

| **Table 8 - Capital Programme Revised Budget 2026/27 to 2029/30** | | | | | | |
|---|---|---|---|---|---|---|
| **Board** | **2026/27 Revised Budget £m** | **2027/28 Approved Budget £m** | **2028/29 Approved Budget £m** | **2029/30 Approved Budget £m** | **2030/31 Approved Budget £m** | **Total 2026/27 to 2030/31 £m** |
| Corporate Assets | 61.5 | 32.6 | 23.5 | 15.7 | 3.5 | **136.8** |
| South Kilburn | 60.5 | 31.7 | 19.4 | 12.0 | 6.9 | **130.4** |
| Regeneration | 79.0 | 21.3 | 29.9 | 25.4 | 0.0 | **155.6** |
| Children & Young People | 30.2 | 35.3 | 19.5 | 5.0 | 0.0 | **90.0** |
| Affordable Housing Supply | 67.3 | 76.8 | 78.7 | 43.3 | 0.0 | **266.1** |
| Housing HRA & Management | 49.5 | 35.5 | 24.0 | 23.0 | 5.0 | **137.0** |
| **Total** | **348.0** | **233.1** | **194.9** | **124.4** | **15.4** | **915.8** |
| | | | | | | |
| **Approved Feb 26** | 293.8 | 214.0 | 177.9 | 112.5 | 15.4 | **813.5** |
| **Budget Adjustments** | 54.2 | 19.1 | 17.0 | 12.0 | 0.0 | **102.3** |

**Capital Pipeline**

7.8. The current programme includes £472.2m across 16 pipeline schemes. The capital pipeline is a list of potential future investment projects identified by each sub-board. Projects are evaluated against their contribution to statutory requirements; links to corporate strategic priorities; ability to generate revenue savings; and occasionally on their ability to generate future capital receipts or other financial returns for the Council.

7.9. The pipeline is reviewed monthly at Capital Programme Board. Schemes are promoted to the main programme after details are refined and business cases or other reports are prepared by officers and approved by Cabinet.

**8.0 Housing Revenue Account**

8.1. The Housing Revenue Account (HRA) is a ring-fenced account containing the income and expenditure relating to the Council's landlord duties in respect of approximately 12,000 dwellings, including those held by leaseholders. It is set each year in the context of the 30-year HRA Business Plan, which is reviewed annually to support horizon-scanning and the early identification and mitigation of financial and operational risks.

8.2. The 2025/26 outturn was a break-even position, with the general HRA balance preserved at £4.5m. The 2026/27 budget, approved by Full Council in February 2026, is also set to break even, supported by a 4.8% rent increase. As gross rent rises in 2026/27, this balance falls from 7% of the 2025/26 rent base to approximately 5.8% of the 2026/27 base, close to the Council's 5% minimum threshold. The reserve also remains below the average of comparable London authorities, and some £2.8m of it relates to a one-off provision for the Granville refurbishment. The level of genuinely uncommitted headroom is therefore modest, and rebuilding resilience is a key medium-term objective.

8.3. Following four years of rent reductions (2016/17 to 2019/20) and a below-inflation cap in 2023/24, rent policy has now stabilised. From 1 April 2026 the Government has, for the first time, provided a 10-year settlement permitting annual increases of CPI plus 1% to 2036. For 2026/27 this equates to a 4.8% uplift (September 2025 CPI of 3.8% plus 1%), generating approximately £2.9m of additional income. The Business Plan already assumes CPI+1% across its life, so the settlement provides welcome certainty rather than new headroom.

8.4. The single most significant opportunity to strengthen the HRA's bottom line is rent convergence. Many of the Council's social rents remain below their "formula rent" — the benchmark set by property value, local earnings and property size — and the gap has widened over successive years of rent restraint. At Brent, raising all social rents to formula rent would yield approximately £3.7m per annum. The Government has now confirmed a convergence mechanism within the 10-year settlement: from 2027/28, rents on below-formula homes may rise by £1 per week above CPI+1%, increasing to £2 per week from 2028/29, until formula rent is reached. This is expected to add £18.6m to the HRA over the first ten years of the Business Plan (around

£1.86m per annum, net of voids and bad debt). The strategic priority is to apply convergence to every eligible property each year, and to continue letting all new builds and re-lets at formula or affordable rent, so that the maximum permissible income is captured across the settlement period.

8.5. The account nonetheless faces sustained pressure. Inflation continues to drive up the cost of materials, labour and services, particularly in repairs and maintenance, where demand — including damp, mould, disrepair and the new statutory obligations under Awaab's Law — remains elevated and the benefits of the new repairs contracts are still embedding. Capital delivery is constrained by limited government funding for fire safety, energy efficiency and carbon reduction, and the planned expansion of the stock adds operational complexity. The most significant medium-term risk is the cost of borrowing: as the Council draws increasingly on prudential borrowing to fund new supply, HRA interest costs rise materially over the Business Plan period and are the dominant driver of cost growth in its later years.

8.6. The Council's April 2025 self-referral to the Regulator of Social Housing, and the resulting C3 consumer-standards grading, require continued investment in building safety and stock-condition data. The associated improvement programme is underway, with £18.3m budgeted for major repairs and fire safety in 2026/27 (an increase of £5.1m), including a substantially expanded programme of stock-condition surveys. Beyond its regulatory purpose, this investment in data is itself a strategic enabler: accurate stock knowledge underpins a shift from costly responsive repairs towards planned, preventative maintenance.

8.7. Reforms to Right to Buy (RTB) receipts also support the HRA. Newly built social and affordable homes are now exempt from RTB for 35 years; the rule allowing 100% of replacement homes to be funded from RTB receipts has been made permanent; from 2026/27 receipts may be combined with grant; and from 2027/28 the spending window extends from five to ten years. Together these measures improve the retention of stock and give greater flexibility to fund development.

8.8. Within this context, the Business Plan remains in long-term surplus, but near-term resilience is tight and the later years are exposed to rising costs. A range of strategic measures is therefore being developed to strengthen the bottom line, prioritising income maximisation, followed by cost control and legitimate structural opportunities. The principal measures are set out below.

8.9. The highest-impact opportunities, in priority order, are set out below:

- **Rent convergence (income)** — apply the £1, then £2, per-week uplift above CPI+1% to every below-formula home each year. Worth around £18.6m over ten years, and up to £3.7m per annum at full convergence — the single largest lever.

- **Planned, data-led repairs (cost)** — use the expanded stock-condition data to move from responsive to preventative maintenance, containing the largest pressure and reducing disrepair claims, and recalibrate new-build appraisals to realistic lifecycle costs.

- **Service charge cost recovery (income)** — move towards full recovery of eligible tenant and leaseholder service and management costs, including s.20 major works.

- **Structural measures** — combine RTB receipts with grant, attribute Council Tax on void and decant units to the General Fund where chargeable, and direct New Homes Bonus to HRA priorities.

- **New supply as cross-subsidy (income/strategic)** — prioritise development that both grows HRA income and relieves the General Fund, since each letting to a homeless household saves c.£17k in temporary-accommodation costs.

8.10. In summary, the HRA Business Plan remains sustainable over the long term, but the next few years are finely balanced, with rising interest and repairs costs the principal risks. The measures set out above led by income maximisation through rent convergence are intended to strengthen the bottom line, rebuild reserves towards peer levels, and safeguard the long-term sustainability of the account. They will be developed further, and their impacts quantified, through the Business Plan refresh and ongoing budget monitoring.

## 9.0 Schools and Dedicated Schools Grant (DSG)

9.1. At the end of 2025/26, the total school reserves balance increased by £1.6m, marking an improvement compared to the previous year's reduction of £1.0m in 2024/25. While this indicates a short-term strengthening of overall reserves, the underlying position across schools remains fragile. The increase in reserves masks ongoing pressures affecting several individual schools. Falling pupil numbers, particularly within the primary phase, continue to reduce funding allocations, as income is largely driven by pupil led funding. The decline in income is not always matched by an equivalent reduction in costs, particularly where schools face fixed or rising expenditure pressures such as staffing, energy, and inflationary costs. As a result, some schools are increasingly reliant on reserves to maintain financial stability, which is not sustainable over the medium term. Without a stabilisation in pupil numbers or adjustments to the cost base, there is a risk that reserves will begin to decline again, and that more schools may move into deficit positions in the future years.

9.2. At the end of the 2025/26 financial year, eight schools were operating with deficit balances, unchanged from the previous year. These schools will require licensed deficit agreements supported by robust recovery plans to return to financial stability. While four of the schools in deficit in 2024/25 have successfully recovered to a positive reserves position, this has been offset by four other schools that have moved into deficit during the year, having previously held surplus balances.

9.3. Brent provides targeted financial oversight and recovery support to schools that fall into deficit. The core support includes licensed deficit arrangements, where the Council allows a school to operate with a licensed deficit if it has a robust, council approved plan to clear the deficit, usually within three years. Monitoring and support will be provided to the schools in deficit with deficit recovery planning, with Finance and the School Effectiveness Team working with headteachers and governors to create, monitor, and review a detailed recovery plan. The Council uses a risk based framework to track progress and intervene when needed.

9.4. The DSG closed the 2025/26 financial year with an in-year deficit of £6.6m, increasing the cumulative deficit from £13.6m in 2024/25 to £20.2m. This position is primarily driven by sustained pressures within the High Needs Block, which recorded an overspend of £8.2m linked to ongoing demand for SEND provision. However, this pressure was partially offset by a £1.0m underspend in Early Years block, £0.3m within the Schools Block, and £0.2m within the Central School Services block.

9.5. The Early Years under-spend is mainly driven from the additional funding from the DfE to cover the increase in provision of free childcare for working parents from September 2025 to 30 hours. This allocation was provided based on an estimated take up of hours by working parents in Brent. However, take-up has been lower than predicted by the DfE, leading to underspends of £0.6m reported against the under 2- to 2-year-old and the 2-year-old working parent entitlements. The local authority has made a provision for the potential clawback in funding from the DfE, following its final in-year adjustment exercise due in July 2026.

9.6. The HN Block funding has not increased in cash terms for 2026/27, combined with a continued rise in EHCPs, the deficit is forecast to grow significantly over 2026/27 and 2027/28 despite mitigating actions to reduce the resulting financial impact. The in-year deficit for 2026/27 is estimated at approximately £18.2m, rising to a projected in year deficit of £29m in 2027/28. It is anticipated that around 90% of these in-year deficits will be funded by the government, leaving approximately £1.8m and £2.9m respectively to be met from general fund reserves. This is in addition to the £2.0m already accounted for within the council's Medium Term Financial Strategy to cover the expected 10% contribution towards cumulative deficits up to March 2026.

9.7. The DSG forecast is based on a mitigated position, reflecting the anticipated impact of the Council's SEND reform programme on demand and cost trajectories. Key assumptions include moderating EHCP growth to around 6% (from an unmitigated position of c.10%) and reducing reliance on independent non-maintained placements from 8% to 5% of the EHCP cohort by 2029. These changes are supported by the planned expansion of local specialist provision (412 additional special school places and 46 ARP places) and strengthened early intervention. Based on current modelling, these mitigations are expected to deliver significant cost avoidance, including £3.25m from reduced independent placements, £155k from reduced out-of-borough placements, and approximately £1.24m from slower EHCP growth.

9.8. The risk also remains that the number of EHCPs will continue to rise. The trend in Table 9 shows that the number of children with EHCPs continued to grow, albeit at a reduced rate based on published data.

**Table 9: Annual increase in EHCPs 2020-2026**

| Brent EHCPs as per SEN2 Return | Jan 20 | Jan 21 | Jan 22 | Jan 23 | Jan 24 | Jan 25 | Jan 26 |
|---|---|---|---|---|---|---|---|
| Number of EHCPs | 2426 | 2784 | 2938 | 3251 | 3500 | 3795 | 4172 |
| Brent % Increase | 12% | 15% | 6% | 11% | 8% | 8% | 10% |
| National % Increase | 10% | 10% | 10% | 9% | 11% | 11% | TBC |

9.9. While the Government has indicated that it will take an "appropriate and proportionate" approach to managing DSG deficits in 2026/27 and 2027/28, the absence of confirmed detail regarding the scale, eligibility, and conditions of this support creates ongoing uncertainty for financial planning and risk management. In the short term, the extension of the statutory override to March 2028 provides temporary mitigation by allowing DSG deficits to be held separately from the General Fund accounts.

9.10. Looking further ahead, the Government has signalled its intention to assume responsibility for future SEND-related pressures from April 2028, which should reduce exposure to ongoing in-year High Needs deficits. However, this does not fully address the issue of historic and accumulating DSG deficits. As a result, the Council remains exposed to a potentially significant residual liability relating to deficits built up to 2027/28, particularly as further deficits are expected to arise over the next two financial years.

9.11. The SEND reforms are intended to help reduce pressure on mainstream schools by improving their ability to support pupils' needs without needing an EHCP. This includes clearer expectations for what schools should provide, earlier support for pupils, more consistent funding, and stronger accountability for inclusion. However, it is uncertain how much impact this will have in the medium term. Schools still face funding pressures, staffing shortages, and limited capacity, and parents are likely to continue seeking EHCPs because of the legal protections they offer. As a result, while the reforms are a step in the right direction, they are unlikely on their own to significantly reduce EHCP numbers or pressures on the High Needs Block without continued local effort and system-wide change. The DSG forecast is based on a mitigated position, reflecting the anticipated impact of the Council's SEND reform programme on demand and cost trajectories. Key assumptions include moderating EHCP growth to around 6% (from an unmitigated position of c.10%) and reducing reliance on independent non-maintained placements from 8% to 5% of the EHCP cohort by 2029. These changes are supported by the planned expansion of local specialist provision (412 additional special school places and 46 ARP places) and strengthened early intervention. Based on current modelling, these mitigations are expected to deliver significant cost avoidance, including £3.25m from reduced independent placements, £155k from reduced out-of-borough placements, and approximately £1.24m from slower EHCP growth.

## 10.0 Stakeholder and ward member consultation and engagement

10.1. The detailed approach to the statutory consultation process for the setting of the 2027/28 budget will be set out as part of the draft budget report to be presented to Cabinet in November 2026.

## 11.0 Financial Considerations

11.1. The financial implications are set out throughout the report.

## 12.0 Legal Considerations

12.1. Standing Order 19 sets out the process that applies within the Council for developing budget and capital proposals for 2027/28. 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 refers to as the "best value duty" to consult representatives of council tax payers, service users and others under Section 3 (2) Local Government Act 1999.This duty applies at formative stages of decision-making.

## 13.0 Equity, Diversity & Inclusion (EDI) Considerations

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

## 14.0 Climate Change and Environmental Considerations

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

## 15.0 Communication Considerations

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

Appendix 3

***<u>Report sign off:</u>***

***Minesh Patel***
Corporate Director, Finance and Resources

Legal considerations provided by:
Nadeem Khan

Finance considerations provided by:
Rav Jassar

| | |
|---|---|
| Brent | **Resources & Public Realm Scrutiny Committee**<br>29 July 2026 |
| | **Report from the Corporate Director, Neighbourhoods and Regeneration** |
| | **Cllr Matt Kelcher – Cabinet Member for Regeneration and Planning** |

# Revitalising High Streets and Town Centres

| | |
|---|---|
| **Wards Affected:** | All |
| **Key or Non-Key Decision:** | Non-Key decision |
| **Open or Part/Fully Exempt:**<br>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act) | Open |
| **List of Appendices:** | Appendix A: Town Centre Health Check Information<br><br>Appendix B: Examples of town centre interventions |
| **Background Papers:** | None |
| **Contact Officer(s):** | Paul Lewin<br>Spatial and Transportation Planning Manager<br>paul.lewin@brent.gov.uk |

## 1.0 Executive Summary

1.1. The report provides an assessment of the performance, effectiveness, and impact of the Council's current approach to revitalising high streets and town centres. It seeks to equip the Committee with the evidence and early strategic insight needed to consider and comment on the direction of the emerging High Streets Strategy.

## 2.0 Recommendation(s)

2.1 Committee considers and provides feedback on the Council's current town centre activities.

2.2 Committee sets out what it considers the priorities for the High Streets' Strategy and Implementation Plan should be.

## 3.0 Detail

### 3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 Brent's town centres play a strong role in supporting the Borough Plan priorities. In respect of 'Prosperity and Stability in Brent', the viability and strength of town centres is the primary way in which local people develop their perceptions of the economy and own confidence around spending and investing in Brent. Promoting our town centres as unique cultural destinations and economic hubs are key to the Council supporting the local economy.

3.1.2 Town centres provide an opportunity for many of Brent's entrepreneurs to start and grow their businesses. They are a place where people have access to goods and services to support many aspects of their daily needs, as well as being a place for social exchange and major civic events. As such, they are one of the principal elements that defines Brent as a destination. In respect of the priority of a 'Cleaner, Greener Future', the quality of their appearance and the public realm, particularly their cleanliness, upkeep and maintenance of buildings and the public realm as well as safety are a key determinant of how they are perceived. This also impacts the pride they give local people.

3.1.3 Across several aspects, they are a key element in supporting the priority of 'Thriving Communities'. They provide for example locally accessible high quality fresh produce and foods that can give young people 'The Best Start in Life'. Their accessibility to much of the population within a short walking distance, and consistently higher levels of public transport accessibility help contribute towards supporting 'A Healthier Brent', enabling people to make other transport decisions than relying on private cars.

## 3.2 Background

### *Current Approach and Strategic Context*

3.2.1 There are 17 defined town centres/ high streets within Brent as identified in (page 481) the Brent Local Plan. Cabinet on 24th April 2017 prioritised nine town centres where Council and external funding was to be focussed. Of these, six were to receive additional town centre management resource (designated town centre managers). These six and their position in the London Plan town centre hierarchy (Brent does not have the highest designation 'international' centre) are: Wembley (major with the potential to move to metropolitan status in the future London Plan); Ealing Road, Harlesden, Neasden and Willesden Green (all district) and Church End (local with the potential to move to district status in the future London Plan).

3.2.2 Kilburn (major) was later given town centre management resource. Two town centres Colindale/ The Hyde and Burnt Oak (both district) also were allocated a town centre manager. These were however, deprioritised after the pandemic. This was due to their stable business base, lack of development opportunities and no opportunity for strategic alignment with neighbouring Barnet and Harrow who had no town centre management function. As such, seven town centres currently benefit from town centre manager oversight.

3.2.3 In addition, Brent's remaining town centres are: Cricklewood, Kenton, Kingsbury, Preston Road, and Wembley Park (all district) and Kensal Rise, Queens Park, Sudbury (all local). There are some significant neighbourhood parades (e.g. Queensbury and Salmon Street), but these are not formally identified as town centres.

3.2.4 The approach to all the priority centres was initially set out in the Town Centres Investment Plan. For each centre it had some background, a vision, the town centre's performance, and key opportunities to deliver the vision, including projected timescales and broad costs. It also set out a Town Centre Management Plan (priorities, areas for action, resource and partners) and an Investment Plan of current/ planned projects.

3.2.5 The Investment Plan and input of town centre managers, along with other evidence base documents and close working with other teams across the Council and partners aligned Council activities to better support Brent's town centres. Examples, include the Brent Local Plan policies so that new development supports each town centre's role in the period to 2041 also taking account of the Brent Town Centres Strategy & Recommendations Report 2018. predicted changes to the demand for town centre uses as assessed in the Brent Retail and Leisure Study 2018. The Brent Inclusive Growth Strategy: Economy directs the work of the regeneration and skills and enterprise teams in prioritising support for town centre vitality and viability.

3.2.6 Our Town Centre Managers are frontline service providers for the Council and the go to point of contact for businesses, residents and other organisations. Their work involves close liaison and joint working internally and externally, both to address immediate issues and strategy to help reduce what is consistently a high volume of reactionary work.

3.2.7 Town centre managers work closely with other area-based Council officers such as the Neighbourhood Managers, and ASB Localities Managers in seeking to address matters such as street cleansing and waste management, premises licensing, street licensing, parking enforcement, public realm, crime and community safety. Reflecting the multiplicity of Council functions that impact on Brent's town centres, they are also in continual dialogue with many service areas to deal with problems, or support opportunities for improvement, such as trading standards, planning enforcement, development management, non-domestic rates, transportation, property, regeneration, employment and skills, community development, Brent Start, Brent Works, etc.

3.2.8 External to the Council, businesses are the main contacts, but others include property owners, TfL, police, faith groups, residents groups, voluntary/ 3rd sector representatives, adjacent boroughs, GLA, etc.

3.2.9 The Investment Plan informed the early work of the town centre managers subsequently appointed to reflect the Council's increased priority on town centre improvement. Since then, oversight of town centres has been a standing item for the responsible Cabinet member for their bi-weekly/ monthly briefings. This has informed the subsequent work programme and priorities of the Council's three town centre managers.

3.2.10 The Council has no substantive property ownership in town centres. This means unlike, for example, a shopping centre owner or institutional investors with numerous holdings across a town centre, it has very little direct control over the quality or type of businesses that occupy premises. Brent town centres also are not characterised by this type of large-scale ownership in the private sector either. Small-scale individual property ownership predominates. This might have helped reduce the number of national chain occupiers that would have created more generic town centres. It does however also have its downside; the Council is unable to directly curate or get support from large portfolio property owners to influence the town centre offer to align with or support any town centre vision. The exception is the LDO, and the adjacent frontages south of Engineers Way through to Wembley Stadium station which Quintain own/ manage.

3.2.11 Quintain's work shows the benefits of large-scale active management of the commercial offer, control of premises signage/ advertising, exceptional public realm quality and on-going maintenance and activation strategy, particularly of the cultural offer such as on-going events, etc. that substantially add to the sense of place for Wembley Park.

3.2.12 The Council's town centre management function has no substantive revenue funding. As such, the managers are heavily reliant on funding opportunities that arise from the activities of other Council services and external sources to help support delivery of town centre priorities that they will lead on, e.g. grants from MHCLG, GLA, arms-length Government organisations, such as Historic England and strategic (CIL)/ Neighbourhood Community Infrastructure Levy (NCIL).

3.2.13 The team has had success in capturing these funds over the last 10 years. The most recent example being £110K awarded in June 2026 for the GLA's Summer Streets programme. This will deliver a range of events to activate Wembley/ Ealing Road, Kingsbury and Willesden Green town centres for the remainder of 2026 and ideally create a legacy of future events. Nearly all external funding is ad-hoc in its source, amounts and timing. It is also subject to the priorities of the funder; these might not wholly align with Brent town centre priorities and often has short bidding and spend periods.

3.2.14 The Investment Plan and 2018 Needs Study identified the macro national changes to retail and leisure spending that had occurred and were expected in the future to impact Brent's town centres. At that time, sustained low economic growth since the 2008 financial crisis had impacted prosperity, disposable income and consequentially spend on town centre goods and services. The likely outcome of the Brexit vote was unclear, albeit little upside was predicted and relatively pessimistic future growth was assumed. In addition, on-line sales which for all fashion goods had increased from 17% in 2013 to 24%, was expected to increase further; purely on-line operators were expected to also take greater market share.

3.2.15 Brent residents even at that time had a greater propensity to shop on-line than the national average. In 2017 24.1% of non-food shopping purchases were made online, 8.7 percentage points above the UK average. For convenience shopping, nationally the big four supermarkets were losing market share. There was a move towards spend in smaller stores to smaller top up type shopping and increased importance of discount operators such Aldi and Lidl. Banks and building societies which had already significantly reduced their high street presence were forecast to have a 36% drop in visitors between 2017-22. Against these challenges, commercial leisure and food and drink (except pubs which were predicted to decline) was seen as an opportunity nationally and locally to refocus centres and take up commercial space.

3.2.16 At that time, it was evident nationally that for some poorer performing centres, particularly those in more deprived areas, impacts were becoming severe. Terminal decline for many centres was predicted by some commentators to be inevitable.

3.2.17 For the most part and certainly in terms of occupation levels, Brent town centres were in 2018 however performing relatively well. Overall, vacancy levels were much lower than national rates and even below the London average. High performing Brent district centres in respect of lack of vacancy were Wembley Park (5th), Kingsbury (6th) and Kenton (7th) out of London's 151 designated centres. Poorer performing district centres were Willesden Green (125th) and Neasden (130th). The performance of Wembley (26th) and Kilburn (30th) was however less positive compared to London's 34 major town centres.

3.2.18 The relatively overall good performance was helped by Brent's continued substantial population growth and therefore spending power. This has helped mitigate much of the impact of the wider trend of reductions in individuals' town centre spending. Brent's town centres for the most part principally serve and are used by the borough's population with local independent businesses predominating. Exceptions are Wembley and Kilburn which have a wider draw, reflected in their major status and their cultural/ evening economy mix. Brent Cross and Westfield Shepherd's Bush, Harrow town centre and the West End tend to capture the population's higher order comparison retail spend, typically provided in national multiples. For Brent, this has reduced the impact of chains that have either ceased trading or closed poorer performing premises.

3.2.19 Some of the predicted trends, such as the move towards internet shopping have undoubtedly intensified further. For example, 48% of fashion spend is now on-line (against the 24% predicted in 2018 above). This was hastened by behavioural changes resulting from the pandemic and reduced delivery times/ ease of returns. The pandemic also had a substantial impact on the hospitality sector. Subsequently this sector has also been affected by a multiplicity of factors contributing to rising costs and labour shortages. These have been against a backdrop of the 'cost of living crisis' that has reduced disposable incomes and discretionary spending. Whilst the hot food sector has continued to grow and overall represent a greater number of the units occupied since 2018, the focus of many of these has shifted towards being heavily takeaway dependent. These demand side pressures on town centre uses undoubtedly will raise further challenges for Brent town centres and any actions for their improvement.

3.2.20 The Council has commissioned a Town Centre Health Check, with results expected late summer. Interim information received is included in the next section of this report. The new Brent Local Plan will also be supported through new evidence on retail and leisure needs and options for sustaining the performance and the relevance of town centres to the 'placemaking' of Brent. This new empirical evidence base will be used to refresh a new Brent Town Centre Vision, Strategy and Investment Plans for priority centres.

***State of Brent's High Streets and Town Centres***

3.2.21 Currently across all 17 Brent town centres the vacancy rate is about 7.6% of floorspace and 7.8% of units. This is below the London average of 9% and national average of 10%. There is however, a wide range in performance, with unit vacancy just 3.4% in Ealing Road, whilst in Church End it rises to 9.8%. (See Appendix A Table 1) These figures do also occasionally mask pockets of concern within individual town centres. The Willesden Lane section of Kilburn has roughly three times the vacancy on the main High Road. Broadly there has not been any substantive changes in relative performance of Brent's town centres against each other since 2018.

3.2.22 Most tenants (over 60% on average) in town centres, as perhaps would be expected, are convenience (food) and comparison (goods) retailing, and leisure (restaurants, etc). (See Appendix A Table 2). However, there are both variations in this as a total and within their individual components of town centre tenant mix. Ealing Road has for example a very high representation of these three groups (84%). This is skewed by comparison retailers (over 50%), whereas nearly all the other centres tend to hover around 20% comparison. The exception to this is Church End at 11%. Convenience retailers tend to comprise around 15% of tenants in most town centres, except for Church End, at nearly 30%. Leisure hovers at around 25% across centres, with Wembley Park, perhaps unsurprisingly given its proximity to the Arena and Stadium having the highest representation (39%).

3.2.23 Around 77.5% of Brent's population lives within a 15-minute walk of a town centre (either in Brent or adjacent). Accessibility is enhanced when considering public transport options. Many of the places beyond a 15-minute walk are however, among the most income-deprived places in England and Wales. This is especially around Stonebridge Park and the North Circular, parts of Church Lane, and Dollis Hill. For some people in these places, accessing town centres requires more cost and effort than for people living within (if not mobility impaired) easy walking distance.

3.2.24 High levels of income deprivation create an associated lack of disposable income. Many residents need to focus on affordable basics, which has implications for the town centres. For example, the widespread desire/ need for and shift towards 'experience economy' uses in town centres (e.g. dining, cultural spaces, attractions), to address the reduced need for retail space, is unlikely to resonate with people who can't afford those things. Most of the Neasden and Church End catchments, and a large proportion of Harlesden, comprise the 10% most deprived in England and Wales. Catchments for Kenton and Kensal Rise mostly fall within England and Wales's top half of incomes, so are more secure/ robust. The rest have catchments somewhere in between. (See Appendix A Table C).

### *Economic Activity and Drivers of Vitality*

3.2.25 Currently around 21% of jobs and 4% of businesses in Brent are in town centres. They are therefore a significant contributor to employment. Unsurprisingly given its size and diversity of premises that it accommodates, the largest by some distance is Wembley with nearly 50% of all jobs in Brent's town centres. (See Appendix A Table D). Possibly contrary to perceptions given the amount of older office stock that has been converted to residential, employment in town centres has risen by 8% since 2018. There has been a large increase in the number of businesses, however the average number of people they employ has dropped by 2.33 people per business to 8.39 people.

3.2.26 The regeneration of town centres is supported through several Council activities. Consistent with National Policy, the London Plan and Brent Local Plan, town centres are the priority location for development requiring planning permission. This is particularly for new 'town centre uses' such as retail, offices, leisure and other activities that attract a lot of people, such as civic offices, healthcare services, etc. For example, the new consolidated College of North-West London (supported by CIL) currently under construction on Olympic Way is wholly within the Wembley town centre boundary. This will animate a currently dead frontage along Olympic Way, substantially increase footfall and wider vitality of the area as well as the viability of adjacent commercial premises.

3.2.27 Residential development is also a priority due to the accessibility town centres provide for residents meeting most of their day-to-day needs without having to travel. An example of significant recent delivery is in Wembley. Within the High Road's boundary in the last 5 years over 1500 dwellings or purpose-built student accommodation have either been completed or are under-construction.

3.2.28 Local Plan policies also seek to retain commercial units that become vacant and if possible, repurpose them for other commercial uses, or affordable workspace, before allowing them for example to change to residential. In association with major developments, policies also make developers contribute towards construction training. This is aimed at supporting Brent residents from disadvantaged backgrounds. Completed developments are also encouraged to employ a proportion of Brent residents via Brent Works.

3.2.29 In Wembley, in advance of its redevelopment, Ujima House which had been purchased by the Council, was used as a meanwhile space for affordable workspace and community facilities, e.g. Stonebridge boxing club. Its replacement will have a social enterprise led café and affordable workspace. Whilst opposite, the new Zephaniah House, also part of the Council led redevelopment, will include a large (800 sqm) space made available to a community organisation to activate/ manage. Larger meanwhile uses in advance of redevelopment are Boxpark, Troubadour Theatre and the Mundo Pixar Experience in Wembley Park. Through s106 obligation / planning conditions meanwhile use of previously vacant units at Montrose Cresent and Atlip Road are accommodating creative and cultural activities and supporting the Ealing Road Alperton Creative Enterprise Zone. This is in advance of permanent tenants for ground floor commercial units to be found.

3.2.30 As part of the wider Council's activities of supporting people into work, town centres such as Harlesden have been the location for the placement of training facilities. Brent Hairdressing Academy initiated by Brent Start opened in June 25. This offers Brent residents aged 19 years or over the opportunity to develop their skills in hairdressing, hair styling and barbering, as well as supporting routes to other education and training in its classroom.

3.2.31 A range of town centres have consistently been promoted by Brent (Willesden Green and Harlesden) when bidding for the Mayor's Creative Enterprise Zones. Ealing Road was ultimately chosen. Supported by £70K of GLA funding, the zone is an area where additional support is provided to help local artists and creatives to put down roots and grow in their area. It is implementing projects to inspire young people and local people who want to join creative industries; supports bespoke education and skills development in the area's unique fashion and jewellery creative sectors, creates opportunities, jobs, businesses and affordable workspaces for new entrepreneurs, invests in sustainable and local creative projects that support a local circular economy, e.g. March 26 providing a 10 week course on Asian fashion and sustainable skills; expanding the creative network and promoting the area's assets, culture and offer, and supporting businesses planning for a resilient and thriving future.

3.2.32 To support business growth, town centre managers have for example used NCIL funds to provide courses to train Brent town centre businesses over a period of 10 sessions (from March 26) to develop their presence on the web, for both promotion of their businesses to raise aware/ draw in trade, but also for commercial transactions. This has resulted in 10 businesses going from no on-line retail presence to gaining orders via their new websites.

3.2.33 Brent has high levels of entrepreneurship, with small business formation rates amongst the highest nationally. Town centres, due to comparatively low rents and regular availability of vacant premises are areas that provide good opportunities for these businesses to start up. However, most new businesses that might typically let these premises often fail within a year. Insufficient turnover to sustain the business is the main reason.

3.2.34 One of the most consistent issues raised with Town Centre Managers is business rates costs. The Council does not set or directly benefit from the rates collected; its role is as a collecting agency for national government. The Council does have some powers to offer business rates discounts. This might be used for example to encourage new start-ups or new business investment within our town centres. Any discount must however be financed by the Council to replace any business rates income otherwise lost to Government.

3.2.35 In most town centres, despite the activities of the town centre managers over the last decade, business leadership and taking ownership of a town centre vision and an improvement agenda has had some notable successes but has been limited boroughwide. Whilst there are obviously many stakeholders involved in creating successful town centres, the examples set out above in respect of what can occur in respect of a co-ordinated curation indicate the importance of an active approach from businesses to shaping a place. Businesses engage well when approached directly by town centre managers.

3.2.36 With just 3 members of staff comprising 0.4 Team Leader, and 2.6 FTE staff the town centre team has a small capacity for dedicated support. Most businesses are themselves are unable to consistently commit to additional external activities. Exceptions are Wembley which has a reasonably well-established traders' association (WTA), Ealing Road (Little India), Harlesden and Neasden. Each has a constituted board of directors and chair, with members able to for example donate time and other activities for 'in-kind' support to projects relying on leverage in of additional resources, e.g. GLA Summer Streets initiative.

3.2.37 There are opportunities to develop unique partnership approaches to individual town centres. Brent and Camden formed a strategic alliance along Kilburn High Road in 2022 which successfully secured £8m from TfL for the Better, Safer Kilburn safety and public realm scheme. The first phase of this has been completed earlier this year. The scheme will incorporate widened pavements, prioritised pedestrian crossing of side roads with continuous footways, three new pedestrian crossings (Dyne Road, Drakes Courtyard and Burton Road), additional green infrastructure, pocket parks at Messina Avenue and Greville Road) and improved the public realm surfaces, street lighting and additional seating. Bus journeys will be improved through longer bus lane hours, extended bus stopping areas, and reorganised servicing parking.

3.2.38 Additionally, Brent and Camden have jointly developed One Kilburn, a Community Improvement District approach. This provides opportunities for bringing all local stakeholders together across the borough boundary and facilitates residents leading town centre development alongside businesses. which Camden Council, with the support of Brent and other stakeholders in and around the Kilburn town centre, has initiated provides a model of engagement and potential impetus to independent delivery outside of Council led schemes. It receives significant in-kind support from both Councils to support a wider place-based partnership approach and is now moving towards more formal governance.

3.2.39 More recently to better support community leadership (business or otherwise) in Willesden Green the Council has initiated the process that hopefully will result in a robust co-delivery partnership. This seeks to encourage and support for the longer term from at least 30 people from that area. They will initiate and lead on a vision for the town centre and associated priority projects that it will lobby third parties (including the Council) to support. Early engagement has been very well received, has energised the community and points to the likelihood of a self-sustaining body to push forward an agenda for the town centre.

3.2.40 Nationally the Business Improvement Districts (BID) model is used in many areas to support town centre strategy and day to day management. It consistently captures the highest level of business engagement and leadership in town centre strategy delivery; a typical example is Milton Keynes. BIDs usually generate a significant annual funding stream through an additional charge collected by councils on qualifying business premises. Oversight of this is typically through a board who direct strategy and spend, usually being able to use their funds to lever in funding. BIDs have previously been discounted for Brent. This has been due to the perceived financial burden that it might place on businesses and an associated likely lack of support to pass the necessary ballot required for them to proceed.

3.2.41 More recently its potential was considered in respect of Wembley, focussed on an Accommodation BID through capturing a modest visitor levy. This could support town centre improvements and marketing to publicise and enhance the visitor experience. Uncertainty has inhibited progress on if and how to progress this, due to the Government's move to seek to legislate for Mayor's ability to collect and spend these funds. Once this has been completed it will be clearer on whether a locally administered option is possible.

***Social and Community Value of High Streets and Town Centres***

3.2.42 The Council has through either purchasing and fitting out vacant premises, e.g. Harlesden Picture Place for community use, or supporting third sector groups occupy them, e.g. Church End Youth Anchor facility brought into use derelict or otherwise problematic long term vacant properties within town centres. This removes the perception of decline, increases footfall/ activity and through services provided also lead to increased community value in those areas.

3.2.43 Contracts for construction of these schemes typically sought social value through training and employment of Brent residents. In the case of the Youth Anchor this has been supplemented through the lead contractor being a local and socially focussed enterprise. This has supported more youth employment and training opportunities in design and fit-out than would otherwise have typically been given by a private sector contractor. Whilst these schemes show what can be possible, their capital cost to the Council has been significant. This means that their replication/ application in most town centres may be limited.

3.2.44 It would undoubtedly be beneficial for vacant or under-used property to be repurposed for community use. Without Council financial support, if not already in public sector ownership, this is likely to be challenging given the ever-tightening limitations on public sector funding availability. Premises even in poor condition usually have high residual values. Demand for residential conversion adds to this pressure.

3.2.45 The social value of Brent's town centres in respect of showcasing cultural identity and creating a sense of place and bringing the diverse people of Brent together is important. The town centre team with the support of others have sought to animate town centres through a continued range of cultural or social events of which Summer Streets will be the latest. These have often focused on supporting local community groups, artists and entrepreneurs deliver the interventions, e.g. Kilburn Music Mile Festival, Ealing Road Festival, shop shutter artists, bridge/ wall mural artists, buskers, Harlesden Reggae Walk of Music, Brent art trail, etc. (See Appendix B for example images) As well as supporting the sense of place, they do have positive economic impacts, e.g. for the Kilburn festival turnover on event nights was up 14% compared to usual with participating pubs having their largest takings of the year.

***Best practice and innovation***

3.2.46 Brent is a member of the Town Centre Management Institute (TCMI) so through networking can pick up early on any best practice and innovation that can inform its approach. Brent regularly submits for the TCMI annual awards (amongst others). This year it was on the shortlist for the Best Culture and Arts Scheme for the boroughwide cultural activation programme delivered in the seven priority town centres.

3.2.47 The most impactful best practice town centre projects that are showcased nationally tend to be done at scale with a heavy emphasis on capital schemes, e.g. Sloane Street's major public realm changes incorporating active travel prioritisation, greening and high-quality materials, or Walthamstow's wholesale shopfront parade change. Brent has implemented these types of initiatives. Kingsbury, Wembley High Road and parts of Kilburn have had substantial public realm upgrades in the last 5 years. In Harlesden a successful shopfront improvement scheme (Historic England funded High Street Heritage Action Zone) was delivered. Appendix B shows before and after images of shopfronts. Longer term measures of success in these cases are likely to be quantified through increases in footfall, reduced property voids and higher rents.

3.2.48 Schemes of this nature have an enduring impact on people's lives. For example, "The Lighthouse" in Harlesden - a hub for the charity Refugee Education UK - situated in a long-term vacant bank premises is an example of the innovation required for financing community focused schemes. The building's refurbishment pulled together funding from the Architectural Heritage Fund (£300K), Historic England (£366K) and NCIL (£394K) in addition to the charity's funds. This and examples of Brent town centre schemes identified in previous sections have and are continuing to have impact.

3.2.49 Perhaps, one of the largest challenges for Brent is tackling the financial landscape within which high streets sit. When external funding opportunities come forward, they often require bids against competing areas and are heavily over-subscribed. Funds such as the £20 million Pride of Place fund for each Harlesden and for St Raphs/ Stonebridge represent a major opportunity. The Government commitment to this long-term funding source may however reduce MHCLG's flexibility to provide new town centre funding opportunities for other parts of Brent.

3.2.50 The Council will be diligent in following up any future funding opportunities. This includes CIL and NCIL, which is dependent on development activity. It will also take account of prospective changes in Government policy that seek to support town centres to be set out supporting the national cross-government high street strategy that has previously been mooted for publication later this year.

***Emerging High Streets Strategy and Future Direction***

3.2.51 The new Council administration is keen to develop a modern strategy to boost our high street and town centres and make them destinations for footfall. They are keen to bring these plans for pre-scrutiny and get ideas from all the parties represented on the Council. This discussion at Scrutiny is the perfect way to begin this wider policy development. The new strategy will take account of contemporary evidence captured by the forthcoming final version of the town centre health check, as well as the local plan evidence base around future retail, leisure and employment needs.

3.2.52 A successful strategy will begin with an overall vision for “Destination Brent”. It would seek to harness and coordinate the potential of key partners including the Council, private sector, public sector, the third sector, faith groups and residents. It can then develop more specific visions for individual town centres based around the identity, strengths and challenges experienced for each centre. Areas of focus together with action plans could identify key parters, high street identity and promotion; activation; and actions on empty units; public realm; other improvements (e.g. shop fronts and murals), etc.

3.2.53 These town centre documents could be standalone, developed subsequently with more detailed engagement and consensus building. However, without an overarching strategy it would be more difficult to coordinate actions and potential funding streams that could be implemented more effectively across more than one centre.

3.2.54 In respect of individual town centres, to gain real credibility and traction, appropriate engagement and ownership of the vision and actions will need to occur, promoting as much as possible a ‘bottom-up’ approach. As the process of progressing with the Willesden Green vision has shown, this is resource intensive and will take time to get to a position where it is robust framework for taking things forward.

3.2.55 As indicated above, the Council’s resources are limited and the impact that this strategy could have on our centres would be constrained in the absence of action from our partners.

3.2.56 In respect of the priority town centres, if retaining a specific number for investment, consideration should address whether those focussed on should be the same as those currently. Current town centre managers are thinly spread given the breadth of responsibility/ potential workstreams identified. A reduction in the number of priority town centres may enable a greater focus on key priority centres. Alternatively, other structures which have a proven track record of working elsewhere, such as BIDs for centres which have a higher proportion of national chains more able to pay additional rates (Wembley, Kilburn and Harlesden) could be reconsidered.

3.2.57 There are several opportunities that are likely to benefit our town centres in the future. This includes the positive effects of continued population growth, albeit at a slower rate than has occurred over the last 20 years, buoyancy of London's economy and (in normal times) high degrees of interest in development and investment in Brent. Opportunities to capture the wider benefits of Wembley's events (stadium and arena), including Euro28, could be captured through the strategy. Brent's diversity also allows our town centres to differentiate themselves and have a unique selling point that draws in wider custom.

3.2.58 Challenges include the trends in town centre uses, with retailing and many services, e.g. banks moving further towards internet transactions predominating, reducing the need for physical premises as well as hospitality sector pressures being sustained. The value of residential uses and flexibility of permitted development could also lead to further reduction in commercial and third sector space available to support Brent's economy, jobs for residents and entrepreneur development.

3.2.59 The lower price/ value focus of many Brent town centres perpetuates new businesses focussed on uses which many people perceive as non-aspirational, or actively reflective of comparative decline, e.g. higher than average proportions of gambling, fast food, barbers, value comparison, vapes and phone accessories, etc. Evidence indicates that this actively discourages Brent town centre use by residents with higher disposable incomes, who divert to the higher order centres identified above. Nevertheless, it is unlikely that this can be addressed at scale without either a substantial change in Brent's demographics, or the financial profile of its residents. Change where it does occur is likely to be incremental and slow, e.g. as has happened in Queen's Park.

3.2.60 Overall, Brent's town centres are relatively successful and reflect the needs of most Brent residents. Whilst keeping vacancies low is desirable a more aspirational strategy will look to develop qualitative measures in terms of place making, attractiveness to business investment and overall vibrancy of the location - particularly in terms of customer experience. This will build on the characteristics that support the 'Destination Brent' theme that centres and facilities such as Ealing Road, the Wembley/ LDO and Kilburn have in drawing in from the wider London catchment. Dealing with problems such as safety, cleanliness, access, parking and deliveries will all feature in a review of town centre needs. The Committee's views on the 'what' and the criteria for prioritisation of interventions for town centres is crucial to our understanding in developing what is needed for a strategy and vision at this very early stage.

3.2.61 There are likely to be in relative terms diminishing funds available for the Council and public sector organisations to positively intervene in the physical fabric or with social and community support, particularly in the absence of BIDs. Given the limited council resources, there is an increased need for businesses and residents to take collective action. The High Streets' Strategy could help to promote and support this, identifying the role that the council can take in supporting this. However, many businesses have a limited capacity to lead on or potentially contribute to taking forward the town centre agenda, presenting a risk to the success of the strategy in those areas with less organised business associations. The strategy will need to clearly identify the vision, opportunities and challenges for our town centres and what is thought to be required to ensure the continued success and prosperity of our centres.

## 4.0 Stakeholder and ward member consultation and engagement.

4.1 As this matter is facing scrutiny in advance of a new strategy being drafted there has been no stakeholder and ward member consultation and engagement in the writing of this report. Future town centre policy, strategy or projects will be subject to the relevant Council approval processes that will consider and set out the consultation and engagement that has occurred in supporting any recommendation to approve such work, or its subsequent stages post recommendation. Views from the committee on the nature of consultation and engagement are welcomed. (see 10 Communication Considerations below).

## 5.0 Financial Considerations

5.1 Revenue funding of the town centre management function is sufficient to cover the salaries of the three town centre manager roles. It currently does not account for or have capacity to support any additional necessary activities, e.g. annual monitoring data to measure/ understand town centre performance.

5.2 Any activities led on or undertaken by town centre managers which requires additional resource is funded through internal bids e.g. CIL, NCIL, Council's capital programme, or the revenue/ capital budgets of other departments who collaborate/ deliver the services to support the work. In addition, external bids for funds provided through the Mayor, Government or third parties provides a significant but more uncertain element of finance to address town centre manager led projects.

5.3 Any Future town centre policy, strategy or projects will be subject to the relevant Council approval processes that will consider these matters if relevant at the time.

## 6.0 Legal Considerations

6.1 There are no legal considerations arising from this report. Future town centre policy, strategy or projects will be subject to the relevant Council approval processes that will consider these matters if relevant at the time.

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

7.1 Equity, Diversity & Inclusion (EDI) considerations are paramount to the development of any new strategy for high streets. An Equalities Impact Assessment will be carried out as part of this process and will incorporate measures to engage widely with all parts of Brent's communities, businesses and stakeholders. Future town centre policy, strategy or projects will be subject to the relevant Council approval processes that will consider these matters as required.

## 8.0 Climate Change and Environmental Considerations

8.1 Climate and environmental consideration will feature significantly in this work and appropriate levels of engagement and impact analysis will be undertaken. This will also include engagement with relevant groups in this field and with the Council's own Climate Team.

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

9.1 As indicated the nature of the Strategy must be proportionate to the Council's ability to deliver and influence based on its current staffing capacity.

## 10.0 Communication Considerations

10.1 At this pre-production stage communications will need to be planned as part of the timetable for producing the strategy.

***Report sign off:***

***Jehan Weerasinghe***
Corporate Director, Neighbourhoods and Regeneration

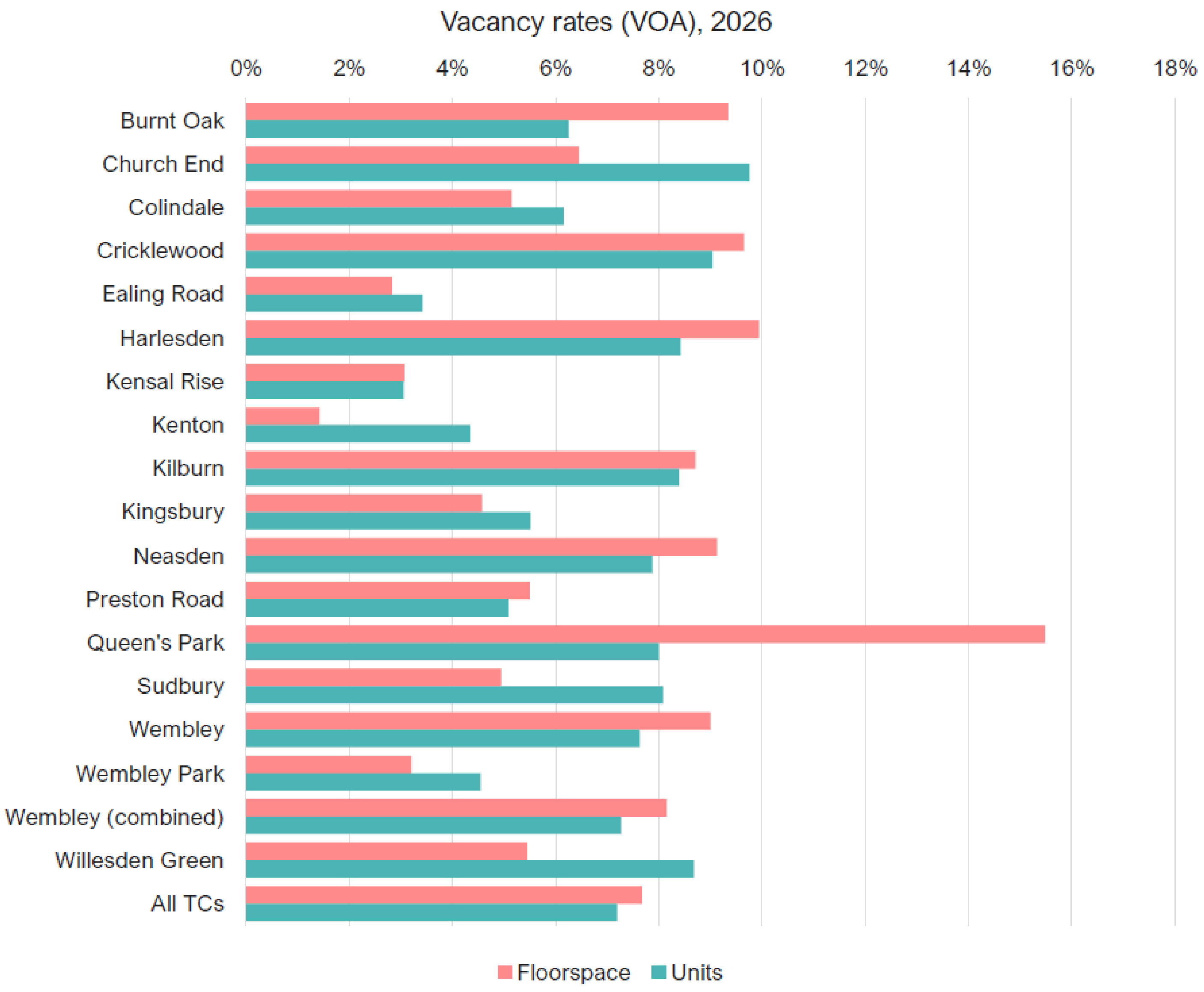
This page is intentionally left blank

# Appendix A

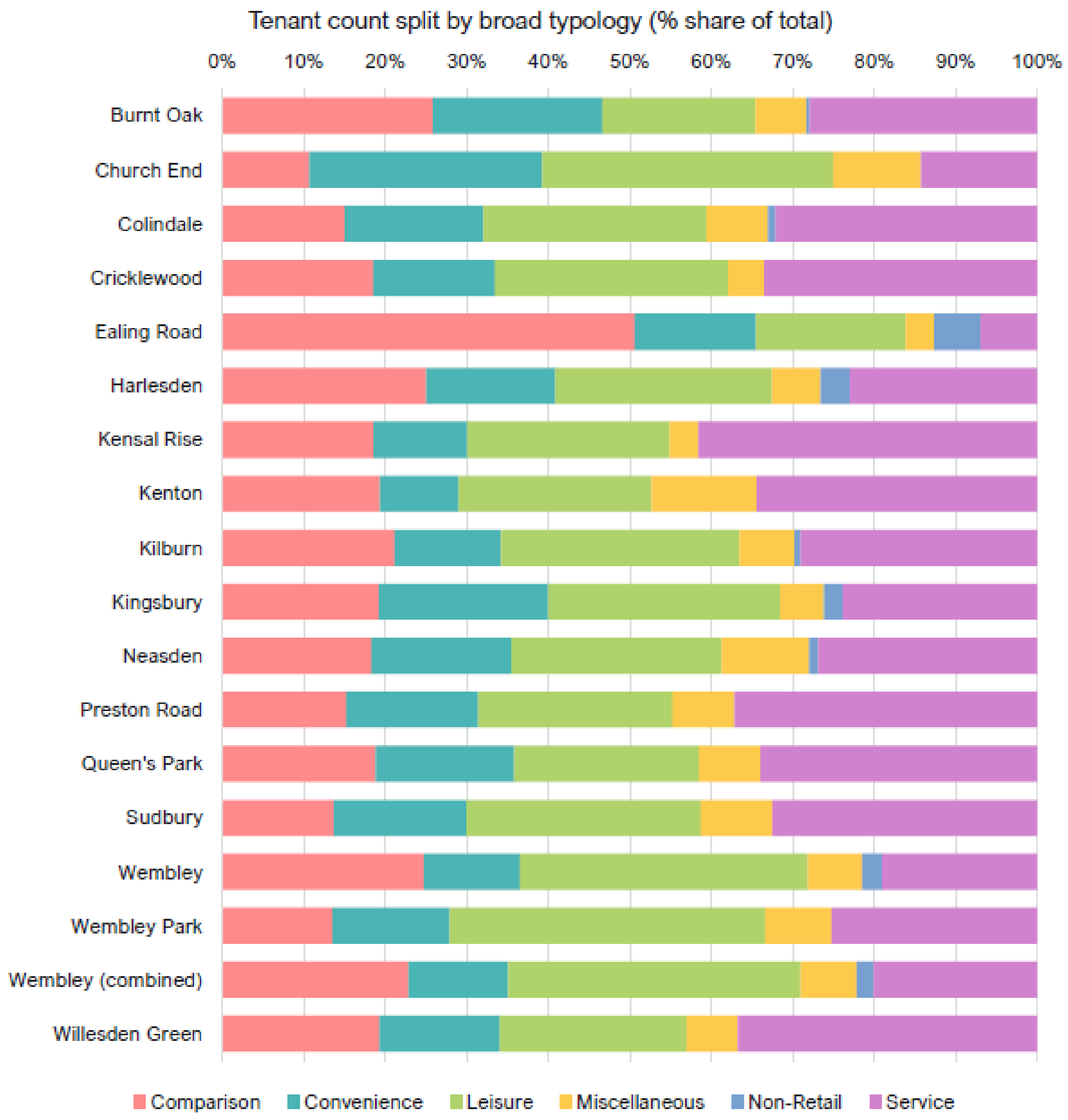
## Table 1



Note: Queens Park floorspace vacancy skewed by large office block subject to planning application for hotel



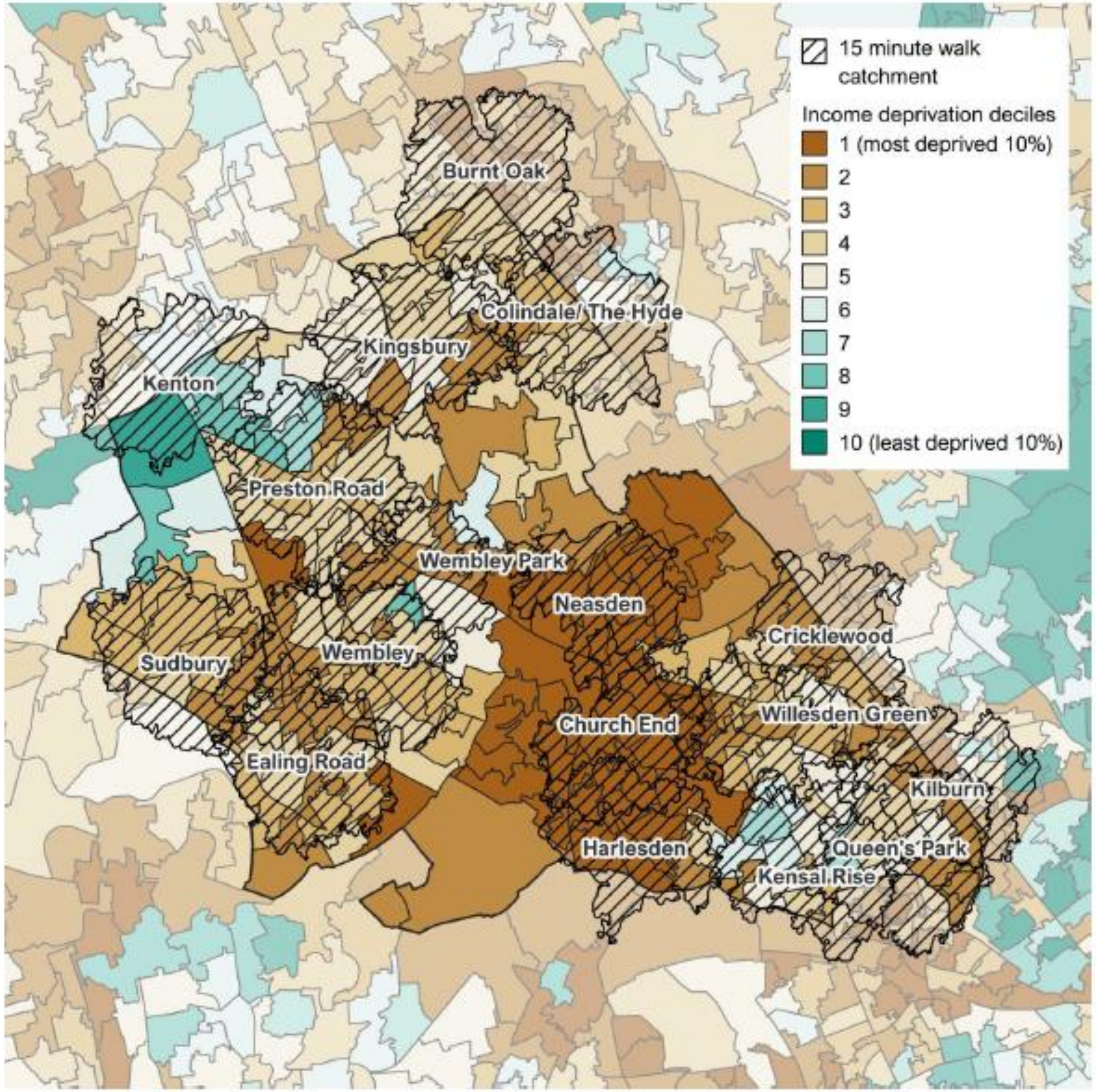
## Table 2



Tenant count split by broad typology (% share of total)
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Burnt Oak
Church End
Colindale
Cricklewood
Ealing Road
Harlesden
Kensal Rise
Kenton
Kilburn
Kingsbury
Neasden
Preston Road
Queen's Park
Sudbury
Wembley
Wembley Park
Wembley (combined)
Willesden Green
Comparison
Convenience
Leisure
Miscellaneous
Non-Retail
Service

**Table 3**

Page 325



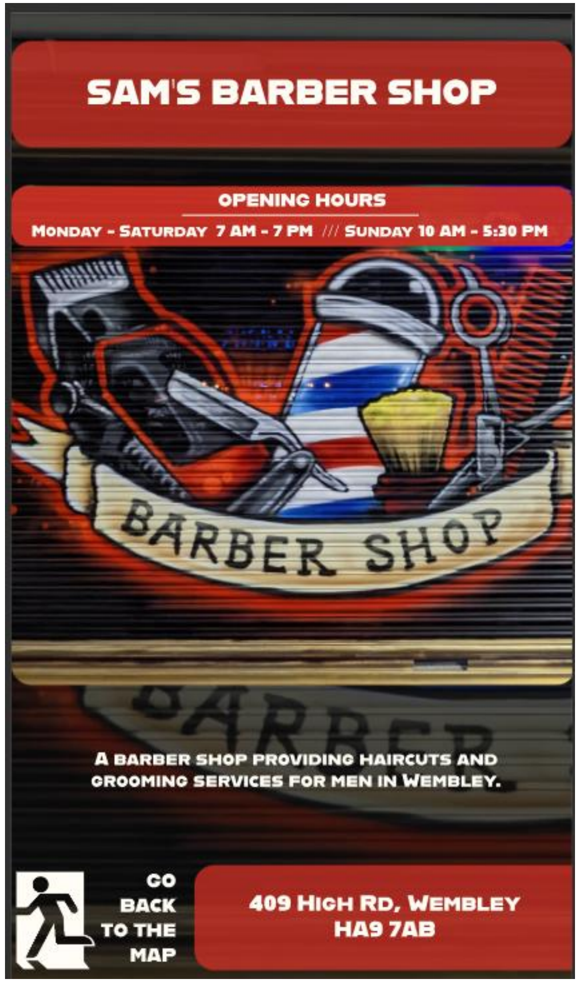
## Table 4



| Town centre | 2018 jobs | 2025 jobs | Percentage change | 2018 avg jobs per business | 2025 avg jobs per business | Difference |
|---|---|---|---|---|---|---|
| Burnt Oak | 100 | 383 | +283% | 3.33 | 5.89 | +2.56 |
| Church End | 200 | 460 | +130% | 5.00 | 5.17 | +0.17 |
| Colindale | 500 | 629 | +26% | 7.14 | 4.84 | -2.30 |
| Cricklewood | 800 | 751 | -6% | 7.27 | 4.58 | -2.69 |
| Ealing Road | 500 | 650 | +30% | 7.14 | 6.13 | -1.01 |
| Harlesden | 1300 | 2120 | +63% | 5.00 | 5.81 | +0.81 |
| Kensal Rise | 500 | 948 | +90% | 5.56 | 5.27 | -0.29 |
| Kenton | 700 | 806 | +15% | 10.00 | 6.50 | -3.50 |
| Kilburn | 1300 | 1562 | +20% | 6.50 | 5.70 | -0.80 |
| Kingsbury | 800 | 928 | +16% | 5.71 | 5.84 | +0.12 |
| Neasden | 400 | 392 | -2% | 5.00 | 4.84 | -0.16 |
| Preston Road | 400 | 578 | +45% | 4.44 | 4.98 | +0.54 |
| Queen's Park | 600 | 1,174 | +96% | 10.00 | 11.74 | +1.74 |
| Sudbury | 400 | 424 | +6% | 5.00 | 4.28 | -0.72 |
| Wembley | 14,000 | 12,547 | -10% | 20.00 | 15.64 | -4.36 |
| Wembley Park | 1,800 | 1,883 | 5% | 12.86 | 10.76 | -2.10 |
| Wembley (combined) | 15,800 | 14,430 | -9% | 18.81 | 14.77 | -4.04 |
| Willesden Green | 1,100 | 1,252 | +14% | 7.86 | 5.03 | -2.83 |
| **All town centres** | **25,400** | **27,487** | **+8%** | **10.72** | **8.39** | **-2.33** |

# Appendix B

## Shutter Art: Wembley Central examples

Page 328

## Wall Murals: Wembley and Harlesden Examples


# Activation of High Streets Examples


Busker Programme


Harlesden Reggae Day event

# Harlesden Shop Front Improvements

**After**


**Before**

| | |
|---|---|
| Brent | **Resources and Public Realm Scrutiny Committee**<br>29 July 2026 |
| | **Report from the Deputy Director, Democratic and Corporate Governance** |

# Resources and Public Realm Scrutiny Committee Work Programme 2026/27

| | |
|---|---|
| **Wards Affected:** | All |
| **Key or Non-Key Decision:** | Not Applicable |
| **Open or Part/Fully Exempt:**<br>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act) | Open |
| **List of Appendices:** | Appendix A – Resources and Public Realm Scrutiny Committee Work Programme 2025/26 |
| **Background Papers:** | None |
| **Contact Officer(s):**<br>(Name, Title, Contact Details) | Jason Sigba, Strategy Lead – Scrutiny, Democratic & Corporate Governance<br>Jason.Sigba@brent.gov.uk<br><br>Amira Nassr, Deputy Director, Democratic & Corporate Governance, Finance & Resources<br>Amira.Nassr@brent.gov.uk |

## 1.0 Executive Summary

1.1 To present the Committee’s work programme for 2026/27.

## 2.0 Recommendation(s)

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

## 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 work programme outlines the items which the Resources and Public Realm Scrutiny Committee will consider during the municipal year.

3.2.2. The programme is in line with the remit of the Committee which is set out in the Council Constitution (under the Terms of Reference for scrutiny committees[1]):

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

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

3.2.3 At its annual work planning meeting, the Committee prioritised items for inclusion in its work programme, ensuring alignment with:

- The strategic priorities set out in the Borough Plan 2023-27
- High profile issues impacting the borough, issues of local political contention, and areas of local community concern
- Significant issues affecting a significant number of residents/wards
- Emerging policies, strategies, and key decisions that would benefit from scrutiny input and where scrutiny could add value

This method of prioritisation is in line with best practice[2].

3.2.4 The work programme of a scrutiny committee is intended to be a flexible, living document that can adapt and change according to the needs of a committee. The 2026/27 work programme will therefore be regularly reviewed throughout the municipal year by the Committee and updated accordingly where necessary.

## 4.0 Stakeholder and ward member consultation and engagement

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

[1] Brent Council Constitution, Part 4. https://democracy.brent.gov.uk/documents/s142996/Part%204%20May%202024%20Terms%20of%20Reference%20.pdf

[2] The Good Scrutiny Guide (Centre for Public Scrutiny). https://www.cfgs.org.uk/wp-content/uploads/CfPS-Good-Scrutiny-Guide-v4-WEB-SINGLE-PAGES.pdf

4.2 In developing its work programme, the Committee held sessions with key stakeholders to temperature check key priority areas, avoid work duplication, and most importantly confirm the work programme reflects matters of local community concern.

## 5.0 Financial Considerations

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

## 6.0 Legal Considerations

6.1 There are no legal considerations arising from this report. However, legal implications are addressed in the 'Legal Considerations' section of any reports to the Committee, requested as part of its work programme.

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

7.1 There are no EDI considerations for the purposes of this report. However, EDI implications are addressed in the 'EDI Considerations' section of any reports to the Committee, requested as part of its work programme.

## 8.0 Climate Change and Environmental Considerations

8.1 There are no climate change and environmental considerations for the purposes of this report. However, climate change and environmental implications are addressed in the 'Climate Change and Environmental Considerations' section of any reports to the Committee, requested as part of its work programme.

## 9.0 Communication Considerations

9.1 There are no communication considerations for the purposes of this report. However, communication implications are addressed in the 'Communication Considerations' section of any reports to the Committee, requested as part of its work programme.

***Report sign off:***

***Amira Nassr***
Deputy Director, Democratic and Corporate Governance

## Appendix A

**Resources and Public Realm Scrutiny Committee Work Programme 2026/27**

**Wednesday 29 July 2026**

| Agenda Item | Cabinet Members/Non-Executive Members | Corporate Directors | External Organisations/Participants |
|---|---|---|---|
| Committee Work Programme 2026/27 | Cllr Anup Patel, Chair of Resources and Public Realm Committee | Minesh Patel, Corporate Director – Finance and Resources | |
| Budget 2026/27: Medium Term Financial Outlook and In-Year Monitoring Update (Q1) | Cllr Gwen Grahl, Deputy Leader and Cabinet Member for Finance and Resources | Minesh Patel, Corporate Director – Finance and Resources | |
| Highways Maintenance | Cllr Promise Knight, Cabinet Member for Cleaner Streets, Transport and Public Realm | Jehan Weerasinghe, Corporate Director – Neighbourhoods and Regeneration | |
| Revitalising High Streets and Town Centres | Cllr Matt Kelcher, Cabinet Member for Regeneration and Planning | Jehan Weerasinghe, Corporate Director – Neighbourhoods and Regeneration | |



**Wednesday 02 September 2026**

| Agenda Item | Cabinet Members/Non-Executive Members | Corporate Directors | External Organisations/Participants |
|---|---|---|---|
| Value for Money in Procurement and Contracts | Cllr Muhammed Butt, Leader of Brent Council and Cabinet Member for Adult Social Care | Rachel Crossley, Corporate Director – Service Reform and Strategy | |
| Parking | Cllr Promise Knight, Cabinet Member for Cleaner Streets, Transport and Public Realm | Jehan Weerasinghe, Corporate Director – Neighbourhoods and Regeneration | |

**Tuesday 20 October 2026**

| Agenda Item | Cabinet Members/Non-Executive Members | Corporate Directors | External Organisations/Participants |
|---|---|---|---|
| Budget 2026/27: In-Year Monitoring Update (Q2) | Cllr Gwen Grahl, Deputy Leader and Cabinet Member for Finance and Resources | Minesh Patel, Corporate Director – Finance and Resources | |
| Council Tax Collection and Recovery | Cllr Tina Amadi, Cabinet Member for Communities, Culture and Cost-of-Living Support<br><br>Cllr Gwen Grahl, Deputy Leader and Cabinet Member for Finance and Resources | Tom Cattermole, Corporate Director – Residents and Housing Services<br><br>Minesh Patel, Corporate Director – Finance and Resources | |
| Climate Resilience and Infrastructure (with a focus on Flooding Risk Management) | Cllr Jake Rubin, Cabinet Member for Children's Services, Employment and Climate Action<br><br>Cllr Promise Knight, Cabinet Member for Cleaner Streets, Transport and Public Realm | Jehan Weerasinghe, Corporate Director – Neighbourhoods and Regeneration | TBC |



**Tuesday 26 January 2027**

| Agenda Item | Cabinet Members/Non-Executive Members | Corporate Directors | External Organisations/Participants |
|---|---|---|---|
| Complaints Annual Report 2025/26 | Cllr Gwen Grahl, Deputy Leader and Cabinet Member for Finance and Resources | Minesh Patel, Corporate Director – Finance and Resources | |
| ASB in Brent | Cllr Liz Dixon, Cabinet Member for Community Safety and Public Health | Nigel Chapman, Corporate Director – Children, Young People and Community Development | TBC |

| | | | |
|---|---|---|---|
| Borough of Sanctuary: Support for Migrant Communities | Cllr Tina Amadi, Cabinet Member for Communities, Culture and Cost-of-Living Support<br><br>Cllr Jake Rubin, Cabinet Member for Children's Services, Employment and Climate Action | Nigel Chapman, Corporate Director – Children, Young People and Community Development | TBC |

**Monday 01 March 2027**

| Agenda Item | Cabinet Members/Non-Executive Members | Corporate Directors | External Organisations/Participants |
|---|---|---|---|
| Budget 2026/27: In-Year Monitoring Update (Q3) | Cllr Gwen Grahl, Deputy Leader and Cabinet Member for Finance and Resources | Minesh Patel, Corporate Director – Finance and Resources | |
| Safer Brent Partnership Report 2026 | Cllr Liz Dixon, Cabinet Member for Community Safety and Public Health | Minesh Patel, Corporate Director – Finance and Resources | TBC |
| Employment and Skills | Cllr Jake Rubin, Cabinet Member for Children's Services, Employment and Climate Action<br><br>Cllr Matt Kelcher, Cabinet Member for Regeneration and Planning | Nigel Chapman, Corporate Director – Children, Young People and Community Development<br><br>Jehan Weerasinghe, Corporate Director – Neighbourhoods and Regeneration | |

**Tuesday 27 April 2027**

| Agenda Item | Cabinet Members/Non-Executive Members | Corporate Directors | External Organisations/Participants |
|---|---|---|---|
| Regeneration in Brent: Strategy, Delivery and Community Impact | Cllr Matt Kelcher, Cabinet Member for Regeneration and Planning | Jehan Weerasinghe, Corporate Director – Neighbourhoods and Regeneration | |
| Waste Management and Enforcement | Cllr Promise Knight, Cabinet Member for Cleaner Streets, Transport and Public Realm | Jehan Weerasinghe, Corporate Director – Neighbourhoods and Regeneration | |
| Review of Community Infrastructure in Brent | Cllr Muhammed Butt, Leader of Brent Council and Cabinet Member for Adult Social Care<br><br>Cllr Matt Kelcher, Cabinet Member for Regeneration and Planning | Jehan Weerasinghe, Corporate Director – Neighbourhoods and Regeneration | |