

 Brent	Cabinet 18 July 2022
	Report from the Director of Finance
Financial Outturn Report 2021/22	

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	None
Background Papers:	None
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1. Purpose of the Report

- 1.1 This report sets out the outturn for income and expenditure versus the revenue budget and capital programme for 2021/22 and other key financial data. The Council's General Fund outturned at break even with a £4.6m overspend on the Dedicated Schools Grant (DSG) activity. The Housing Revenue Account (HRA) overspent by £0.6m. In 2021/22 the Council's capital programme spent £165m which equates to 75% of the approved budget.
- 1.2 Whilst the General Fund as a whole broke even, there was a service overspend which resulted mainly from a rise in unaccompanied asylum seeking children (UASC), who are looked after by the Children's and Young People's department. Other General Fund services finished the year with modest underspends. The budgeted use of corporate contingencies has brought the General Fund back to an overall breakeven position.
- 1.3 The DSG overspend relates to increased levels of demand in Special Educational Needs and Disability (SEND) services.

14 Revenue Outturn

The table below analyses the various under and overspends at the end of the 2021/22 financial year across the service areas of the Council

Table 1 – Revenue Outturn 2021/22

Area	Revised Budget (£m)	Outturn (£m)	Over/(Under) Spend (£M)
Children and Young People	60.5	62.3	1.8
Community Wellbeing	133.4	133.3	(0.1)
Regeneration and Environment	50.8	50.7	(0.1)
Customer and Digital Services	28.3	28.3	(0.0)
Chief Executive's Departments	32.0	31.8	(0.2)
Service Expenditure	305.0	306.4	1.4
Central Items/Budgeted Contingency	(305.0)	(306.4)	(1.4)
General Fund (GF) Budgets / Outturn	(0.0)	(0.0)	(0.0)
DSG Funded Activity	0.0	4.6	4.6
Housing Revenue Account (HRA)	0.0	0.6	0.6
Total (GF, HRA, DSG)	(0.0)	5.2	5.2

15 Capital Outturn

The Council has an ambitious five-year capital investment programme totalling £710m which is financed from a combination of capital receipts, grants, contributions, reserves and external borrowing. For 2021/22 the Council spent £165m which equates to 75% of the approved capital programme budget and was under spent compared to budget by £56.9m or 25% as shown in Table 2 below. This is slippage which will be reprofiled into 2022/23.

Table 2 - Capital Expenditure

Programme	Revised Budget (£m)	Outturn (£m)	Over/(Under) Spend (£m)
Corporate Landlord	19.0	10.0	(9.0)
Regeneration	11.7	8.4	(3.3)
St. Raphael's Estate Regeneration	2.6	1.2	(1.4)
Housing Care Investment	135.0	109.7	(25.3)
Schools	10.8	7.2	(3.6)
South Kilburn	17.9	14.0	(3.9)
Public Realm	25.3	14.8	(10.4)
Grand Total	222.3	165.4	(56.9)

2. Recommendations

21 To note the overall financial position for 2021/22.

3. Detail

31. Chief Executive Departments (CE)

3.1.1. Summary

The Chief Executive Departments had a net underspend of £0.2m due to higher income on digital marketing, advertising and filming and other smaller underspends across the service areas.

Table 3 – Chief Executive Department Outturn 2021/22

CE Department	Revised Budget (£m)	Outturn (£m)	Over/(Under) Spend (£m)
Legal, HR and Audit	10.0	9.9	(0.1)
Finance	11.7	11.7	0.0
Assistant Chief Executive	10.3	10.2	(0.1)
Total	32.0	31.8	(0.2)

The department had £0.3m of planned savings that were delivered during 2021/22

3.1.2. Recovery Initiatives

In 2021/22 the department was allocated £0.6m of recovery initiatives funding, which comprised of £0.1m spent for revenue projects to support communities and the environmental recovery from the COVID-19 pandemic.

32. Children and Young People (CYP)(GF)

3.2.1. Summary

The CYP General Fund at the end of 2021/22 has overspent by £1.8m, which is £0.3m more than the position reported at Quarter 3 of £1.5m. The increase is mainly due to the impact of the increased caseloads against the demand-led service budgets in Localities and Looked after Children & Permanency (LAC&P).

Table 4 – Children and Young People Outturn 2021/22

CYP Department	Revised Budget (£m)	Outturn (£m)	Over/(Under) Spend (£m)
Central Management	6.1	6.1	0.0
Early Help	5.0	4.8	(0.2)
Inclusion	2.2	2.2	0.0
Localities	18.6	19.0	0.4
Looked After Children and Permanency	6.5	6.7	0.2
Forward Planning, Performance & Partnerships	20.0	21.6	1.6
Safeguarding and Quality Assurance	1.9	1.9	0.0
Setting and School Effectiveness	0.2	(0.0)	(0.2)
Total	60.5	62.3	1.8

Detailed Narrative

The volatility of placement costs for Looked after Children (LAC) within the Forward Planning, Performance and Partnerships (FPPP) service has led to an overspend of £1.6m which is £0.1m more than the position reported in Qtr. 3. There has been a 20% increase in the number of LAC, with numbers rising from 285 at the start of the year to 342 at the end of the financial year 2021/22. This is mainly because of the increase in the number of Unaccompanied Asylum Seeking Children (UASC) presenting to the borough, which led to the increase in the number of under 18s supported by the budgets. The FPPP budget is supported by income from UASC Home Office grant funding, which is based on the number of agreed days; however, the funding is insufficient to cover the cost of the placements and other associated social work staffing costs. The service also received some health contributions for eligible placements. This income fluctuates year on year, but the service seeks to recover the maximum contribution each year. The pressures in this area have been incurred against:

- **Residential Care (including secure accommodation):** This area overspent by £1m against budget with the most expensive placement costing £12,400 per week due to complexity of need. However, the service has been successful in stepping down the number of LAC placements in expensive residential placements from 27 at the beginning of the financial year to 23 at the end of the financial year. Residential placements cost a weekly average rate of £4,400, compared to semi-independent placements with an average weekly rate of £793 and independent foster placements with an average cost of £895 per week.
 - **Independent Foster Carers:** There was a pressure of £0.4m against this budget due to an increase in the number of placements, from 93 in April 2021 to 127 by March 2022, a 36.6% increase.
 - **Care Leavers, Semi Independent Placements:** There was a pressure against this budget of £1.5m mainly due to the increase in the number of UASC placed in the borough with numbers increasing from 178 in April 2021 to 239 by March 2022. However, one-off COVID-19 funding of £1.3m was used to mitigate this pressure, which was due to a delay in the Home Office processing immigration claims for care leavers, which meant that they remained in semi-independent provision for longer. Some young people were accommodated for longer than anticipated, for reasons such as young people not yet being ready for independence or whilst they awaited suitable tenancies.
- 3.2.2. The Localities service overspent by £0.4m within the Children with Disabilities area (CWD). £0.2m is because of increased demand against the Care at Home budget with numbers rising from 100 CYP supported in 2020/21 to 160 in 2021/22, a 60% rise. Although funds had been provided for the Care at Home budgets in 2021/22 to cover anticipated demographic growth, a cost pressure still arose. The CWD teams also overspent against the staffing budget by £0.2m due to an increase in the use of temporary agency social work staff to deal with the rising demand. A major factor of the pressure in this area is the increasing number of Education, Health, and Care Plans (EHCPs) which is also affecting the High Needs Block of the Dedicated Schools Grant (DSG). This has affected the CWD teams resulting in increased demand for children's social care and occupational therapy services. Caseloads in the CWD teams increased by 13.5% in the past year. One-off COVID-19 funding also supported this area in 2021/22.

3.2.3. The LAC & Permanency service overspent by £0.2m mainly due to increased demand as the number of care leavers have increased from 723 to 823, a 13.8% increase. The service has been impacted by the increase in UASC numbers and incurred additional costs for specialist age assessment social workers, legal costs, additional personal advisors to manage cases, and increased subsistence costs. The combined new burden of these costs was £0.7m, of which £0.5m was mitigated from one-off COVID-19 funding, the re-purposed Syrian Refugee Settlement funding and other existing budgets within the department.

3.2.4. The pressures in the service have been mitigated by underspends in the Setting and School Effectiveness service and the Early Help service where there were some in-year vacancies within the Family Wellbeing Centre teams. The service is supported by the Supporting Families grant, which is based on a payment by result system and successfully achieved 100% of the claims target of support 560 families.

3.2.5. The department had a savings target of £0.6m in 2021/22 and £0.2m of the savings target slipped due to the impact of the COVID-19 pandemic. These slippages have been managed within the wider CYP budget for 2021/22 with one-off COVID-19 funding provided. For 2022/23, it is assumed that these savings will continue to be managed within the department. The slippages are:

- **£0.1m CYP003** - Adjusting resources in demand led budgets (reduction in staffing assuming lower caseloads) in the LAC & Permanency service, but the service has seen caseloads increase due to the pandemic;
- **£0.1m CYP002** - The Short Breaks Centre (SBC) and the Gordon Brown Centre (GBC) CYP005 each have a savings target of £50k based on selling spare capacity at the SBC to neighbouring authorities at market rate and increased trading at the GBC.

3.2.6. **Recovery Initiatives**

In 2021/22, the department spent £0.2m of the 2 year allocated funds of £1.7m. £1.5m will be spent in 2022/23 now that the development of the projects for the Education Recovery and Mental Health in schools had been finalised in 2021/22. Commissioning will commence in 2022/23 that accounts for £1m of the funding. The costs incurred in 2021/22 are as follows:

- Team of specialist social workers, skilled in adolescent safeguarding interventions to deliver statutory work alongside current preventative services, cost £97k (KSP-CYP-001);
- West London Fostering Collaboration project cross-borough co-ordination through 2 consultants at a cost of £20k (KSP-CYP-002);
- The Gordon Brown Centre project expanded use £24k (KSP-CYP-003);
- Consultancy costs for the development of a post-16 skills resource for young people with SEND at a cost of £36k and feasibility studies (KSP-CYP-004).

3.3. **Community Well-Being (CWB) (General Fund)**

3.3.1. **Summary**

The Community Wellbeing department has underspent by £0.1m. This is a net result of a number of budgetary pressures being more than offset by additional funding allocations, predominately COVID-19 related. In Quarter 3, the department had

projected a break even position, which has since moved to a £0.1m underspend in Housing as a result of accelerating internal recruitment to replace agency staff. In 2021/22, the department has achieved £4m worth of savings as planned.

Table 5 – Community Well-Being Outturn 2021/22

CWB Department	Revised Budget (£m)	Outturn (£m)	Over/(Under) Spend (£m)
Housing	4.0	3.9	(0.1)
Public Health	22.8	22.8	0.0
Culture	4.9	4.9	0.0
Adult Social Care	101.7	101.7	0.0
Total	133.4	133.3	(0.1)

3.3.2. Detailed Narrative

Housing

The Housing service has a net underspend of £0.1m, which is largely a result of a reduced spend on agency fees as internal recruitment is taking place within the Housing Partnership Team. In 2021/22 Housing have also had an additional £1.5m top-up of the Homelessness Prevention grant. This was spent on a combination of working with Private Rented Sector (PRS) tenants and their landlords to clear rent arrears and to prevent homelessness, making incentive payments to PRS landlords to secure accommodation to prevent and relieve homelessness, as well as making payments to Temporary Accommodation providers to meet statutory homelessness duties.

- 3.3.3. The service has achieved a £1.5m saving associated with reducing a demand for Temporary Accommodation due to an increased supply within the Housing Partnerships Service.

Public Health

- 3.3.4. In 2021/22, the Council has received additional funding to help with containing the effects of the COVID-19 pandemic that has contributed to an underspend within the main Public Health grant - £1.1m has been transferred to earmarked reserves for future use. Throughout 2021/22 the Council maintained a service that was accessible in terms of opening hours and locations for asymptomatic testing, including surge testing in response to the detection of variants in the Borough and the provision of testing in support of events at Wembley Stadium and Wembley Arena. Testing plans were signed off by DHSC and as a result the Council was fully funded to deliver these.

Culture

- 3.3.5. The Culture service outturned at break even for 2021/22. The Council received a £0.6m allocation from the National Leisure Recovery Fund that has been directed to support the leisure providers. Budgetary pressures associated with reductions in income due to slower than anticipated recovery of facilities use and increase in expenditure to provide a COVID-19 secure library offer were met from the public health funds.

Adult Social Care

- 3.3.6. The Adult Social Care service also achieved an overall break even position. The implementation of a new Homecare contract has increased the hourly rate from £16 to £19 per hour; however, total costs fell as clients chose to stay with their original providers and move over to Direct Payment packages. Through a commitment to commission services for more independent placements rather than using Residential and Nursing services, there has been a notable rise in Supported Living. The price of nursing care remained stable by keeping in line with West London Alliance price bands. Day Care packages have continued to follow a downward trend as day centres closed during the pandemic and people chose not to use their alternative services, such as outreach, community and online services. Numbers have still not recovered to pre-pandemic levels, although day centres are open again, but still offering alternative provision for those who do not wish to attend the day centre in person. The additional funding from the Department of Health and Social Care has supported the providers and service delivery for vulnerable adult residents, as well as aided workforce retention. In 2021/22, the Council has received an additional £6.5m in COVID-19 grants to support the care providers. CCG has covered £2.7m worth of costs, since as a result of CCG commissioning, the cost of all Residential and Nursing placements are typically more expensive than usual for the Council.
- 3.3.7. The service has achieved a total of £1.5m savings, which are attributable to better re-ablement, improved commissioning and restructuring of provision into a new, lower cost model. A £1m saving has also been realised on the Freedom Passes budget as a result of a reduced usage due to the pandemic.
- 3.3.8. 2022/23 will be a challenging year as the Council will no longer have access to one-off government grants to support COVID-19 recovery that were previously available. This will have an impact on both the local authority and its providers which benefitted from the use of these funds to reduce the impact of COVID-19 and to mitigate the workforce pressures faced by the sector. The CCG funding has been extended locally for one quarter in 2022/23, but thereafter the Council will be left to absorb the inherited higher costs, as it is difficult to renegotiate the cost of agreed placements.

3.3.9. Recovery Initiatives

In 2021/22, the department was allocated £0.5m to fund the recovery initiative projects that focus on reducing health inequalities. The six projects that were planned for 2021/22 have experienced delays either due to the Omicron wave of COVID-19, difficulties in recruitment or changes to the national schemes. They therefore have been redesigned, re-oriented or postponed. The majority recommenced in 2021/22 and will continue to be delivered in 2022/23. The allocated budget has been moved to reserves to be utilised in 2022/23.

Universal healthy start

- 3.3.10. The initiative was planned to extend the means tested national scheme which provides vitamins to pregnant women and young children with a local universal offer to improve uptake and address stigma. However, the national scheme was extensively redesigned in 2021/22 and the local project was paused to allow it to be implemented within the new national system.

Physical activity programme

- 3.3.11. The public health team were unable to recruit a suitable candidate. The project was

therefore re-orientated: rather than being delivered by an in-house member of staff, two third sector organisations have been commissioned to provide targeted physical activity interventions to address health inequalities. The failed recruitment and pivoting from an in-house to a commissioned model resulted in delays to the programme, but it is now fully operational.

Addressing tooth decay in children

3.3.12. The outreach provision of oral health promotion and fluoride varnishing was successfully piloted. However full implementation was hampered by the Omicron wave of COVID-19. The project has now recommenced.

Provision of Community Perinatal Nurse and Mental Health Support for families in emergency accommodation

3.3.13. These two projects are being delivered by specialist health visitors in CLCH, the providers of the public health 0-19 service. Difficulties in health visitor recruitment delayed the start of this work.

Tackling Childhood Obesity

3.3.14. Family Wellbeing Centre and NHS 0-19 staff have been trained to deliver the evidence based HENRY programme. The training was delayed by the NHS response to Omicron. However, the programme has now commenced.

34. **Customer & Digital Services (CDS)**

3.4.1. **Summary**

The Customer Digital Services department final outturn for 2021/22 is break even. The department delivered a number of COVID-19 projects funded from specific COVID-19 grants received in year that included Local Test and Trace Service, the processing of grants such as Restart grant, Additional Restrictions Grant for businesses affected by COVID-19, Self-Isolation Payments and the local COVID-19 test booking line and COVID-19 Support line.

Table 6 – Customer & Digital Services Outturn 2021/22

CDS Department	Revised Budget (£m)	Outturn (£m)	Over/(Under) Spend (£m)
Customer And Digital Services Directorate	0.8	0.4	(0.4)
Customer Services	15.7	16.0	0.3
Digital Services	0.0	0.0	0.0
ICT Client And Applications Support	6.3	6.5	0.2
Procurement	1.3	1.4	0.1
Transformation	4.2	4.0	(0.2)
Total	28.3	28.3	(0.0)

3.4.2. **Detailed Narrative**

The Customer & Digital Services Directorate budget underspent by £0.4m due to

underspends across several budget lines.

- 3.4.3. Customer Services overspend of £0.3m comprises of £0.2m on Digital Post and total of £0.1m on various budgets across the service area.
- 3.4.4. ICT Client and Applications Support overspend of £0.2m due to additional spend on staffing and licensing costs.
- 3.4.5. Procurement overspend of £0.1m is due to additional spend on staffing costs.
- 3.4.6. Transformation underspend of £0.2m is due to a number of projects planned for 2021/22 that have been deferred or extended owing to organisational capacity having been diverted to support the pandemic response in 2021/22.
- 3.4.7. The department had £0.6m of planned savings that were delivered during 2021/22.

Recovery Initiatives

The department has been allocated £1.7m to fund the recovery initiative projects that focus on supporting communities and local businesses, of which £0.9m was spent in 2021/22 and the remaining is budgeted to be spent in 2022/23 and in 2023/24.

35. Regeneration & Environment (R&E)

3.5.1. Summary

The outturn position for Regeneration & Environment department in 2021/22 is an underspend of £0.1m. This position consists of a £0.2m overspend in Property and a £0.1m overspend in Regeneration, which is mitigated by an £0.4m underspend in Environmental Services.

Table 7 – Regeneration & Environment Outturn 2021/22

R&E Department	Revised Budget (£m)	Outturn (£m)	Over/(Under) Spend (£m)
Environmental Services	38.4	38.0	(0.4)
Regeneration Services	4.6	4.7	0.1
Property Services	6.9	7.1	0.2
R&E Directorate	0.8	0.8	0.0
Total	50.8	50.7	(0.1)

3.5.2. Detailed Narrative

Within Environmental Services there is an underspend of £0.4m, which is primarily due to reduced costs within Brent Transport Services. The Adult Transport Service had a reduction in the number of Adults routes in operation due to the impact of COVID-19 and the resulting lockdown. This underspend was offset slightly by overspends within Parking, predominantly from a reduction in income from moving traffic offenses, and Highways where there was reduced Transport for London (TfL) Local Implementation Plan (LIP) funding due to significant financial pressures being experienced by TfL.

- 3.5.3. Regeneration report an overspend of £0.1m, predominantly within Building Control. The service has seen a reduction in income from major projects due to less new construction commencing, partly due to the wider effects of the COVID-19 pandemic.

- 3.5.4. Property & Assets overspent by £0.2m, largely from the Commercial Property service, due to resolving issues with historic water bills in year and the required use of agency staff.

Recovery Initiatives

- 3.5.5. Regeneration & Environment was allocated £4.5m revenue funding for recovery initiatives, of which £847k was spent in 2021/22 and the remaining £3.4m is budgeted to be spent in 2022/23 and a further £26k in 2023/24.
- 3.5.6. In addition, R&E and Customer & Digital Services are working jointly on projects with total revenue budget of £2.3m, of which £0.7m was spent in 2021/22 and the remainder of £1.6m is budgeted to be spent in 2022/23.

36. Central items - Collection Fund and other central items

- 3.6.1. The budgeted net collectible amount for Council Tax (after exemptions, discounts and Council Tax support) was £171.5m in 2021/22. The actual net collectible amount as at 31 March 2022 reduced to £173.7m, an increase of £2.2m since April 2021. The increase during the year was due to new properties being completed producing a cumulative Council Tax deficit on the Collection Fund of £1.5m after accounting adjustments for items such as impairment for doubtful debt, and write-offs. The in-year collection was 92.3%, which is 0.3% higher than the amount achieved in the previous year. Collection will continue to be attempted in future years.
- 3.6.2. The spreading of deficits is intended to bring the Collection Fund back into balance in the next two years. An assessment will be made of the impact on future budget setting when the Medium Term Financial Strategy is updated.
- 3.6.3. The budgeted net collectible amounts for Business Rates (after exemptions, reliefs and discounts) was £136.0m. The actual net collectible amount as at 31 March 2022 reduced to £97.1m, a reduction of £38.9m since April 2021. This reduction is a direct result of additional reliefs granted to businesses, due to COVID-19, where the council will receive a grant to compensate for the loss of income. The reduction to the overall rateable value has left the Collection Fund with an in-year deficit of around £61.2m, of which £22.5m will be funded by the GLA and £20.3m from central government. Brent's share will be funded from a reserve specifically earmarked for this purpose. As at the 31 March 2022, the amount collected was 91.3%, which is higher than the amount collected in the same period last year at 87.3%, as payment deferrals to support businesses overcome the impact of COVID-19 have been reduced and enforcement activity has re-commenced.
- 3.6.4. Movements between the budgeted and actual collectable amounts affect the overall level of balances held on the Collection Fund at year-end after deducting charges. For Business Rates, additional grants were paid to the General Fund which have been moved to reserves to repay Brent's share of the deficit over the next two years as described in paragraph 3.6.2.
- 3.6.5. The Central Items net position includes various COVID-19 grants from central government. These include the Winter Support Grant, Contain the Outbreak Management Fund (COMF) and other non-ring-fenced COVID-19 grants which totalled £22.8m. The total gross COVID-19 cost impact across the council was £20.7m. Restricted grants have been utilised first to maximise the flexibility in the use of the

general grants. Grants unspent in 2021/22 will be transferred to reserves to support further COVID-19 recovery action for businesses and the community and financial impacts on the council in 2022/23.

37. Dedicated Schools Grant (DSG)

3.7.1. Summary

The overall DSG outturn for 2021/22 is a deficit of £4.6m, against grant funds of £202.5m, resulting mainly from overspending against the High Needs (HN) Block. This deficit is lower than the position reported at Qtr. 3 of a deficit of £5.4m. This is mainly due to a reduction (£0.5m) in the pressure assumed against the Early Years (EY) Block to reflect the impact of a 2020/21 funding adjustment as a result in a reduction in the number of pupils; however, following a final reconciliation, the impact of this pressure was managed within the overall block in 2021/22. The deficit was also mitigated by an underspend against the Schools Block.

3.7.2. The cumulative DSG deficit at the end of 2021/22 has increased to £15.1m. This includes a deficit of £10.5m brought forward from 2020/21. The financial year 2022/23 is the final year for the statutory override put in place to enable local authorities in deficit carry forward the deficit, which will be funded from future years' DSG allocations and/or cost reductions arising from recovery plans. Further guidance is being sought from the Department for Education (DfE) to clarify the position on deficits after 2022/23.

Table 8 – Dedicated Schools Grant Outturn 2021/22

DSG Funding Blocks	Revised Budget (£m)	Outturn (£m)	Over/(Under) Spend (£m)
Schools Block	117.5	117.0	(0.5)
High Needs Block	60.0	65.3	5.3
Early Years Block	22.7	22.7	0.0
Central Block	2.3	2.1	(0.2)
Total	202.5	207.1	4.6

3.7.3. Detailed Narrative

The Schools Block has underspent by £0.5m mainly due to growth funds for academies not recouped. This is as a result of the timing difference between academies and local authority financial years, where funding for academies is adjusted to take into account an additional 5 months of growth funding required by academies, but not maintained schools.

3.7.4. Although the HN Block allocation increased by £6m in 2021/22, the number of children with Education, Health and Care plans (EHCPs) has continued to rise, therefore adding continued pressure against the HN Block from growing demand. However, the trend in table 9 shows a 4% increase compared to January 2021 which indicates that the rate of growth is slowing as a result of the management plan action to manage demand, following the introduction of a revised EHCP assessment, planning and review process in April 2021.

Table 9 – Education, Health and Care Plans

EHCP Statistics	January	January	January	January	January
Financial Year	2018	2019	2020	2021	2022
Number of EHCP	2,076	2,173	2,426	2,784	2,938
Brent Year on Year % Increase	6%	5%	12%	15%	6%
National Year on Year % Increase	11%	11%	10%	10%	10%

- 3.7.5. The High Needs (HN) budget, excluding the proportion allocated to academies, is £60m. This budget has overspent by £5.3m mainly because of increased expenditure against top up funding for special schools and additionally resourced provisions (ARPs) within Brent and independent special schools.
- 3.7.6. The £5.3m deficit is £0.9m lower than the £6.2m HN deficit reported in 2020/21. This is mainly as a result of the reduction in the pressure against the post 16 top-up funding which saw a £1.4m overspend in 2020/21, compared to an underspend of £0.1m in 2021/22.
- 3.7.7. There has been a significant increase in the top-up funding allocated to Brent special schools and ARPs. This is as a result of more children being placed in settings within the borough as opposed to other boroughs where costs are significantly higher. This is in line with the Deficit Recovery Management Plan. Schools Forum also agreed an increase in share from 7.5% to 8% for Brent’s special schools bringing them closer to funding levels in neighbouring boroughs. This has also contributed to the increased expenditure against this line.
- 3.7.8. The DfE requires local authorities to have a management plan agreed by the Schools Forum in place to recover the deficit over a number of years. Progress against the plan is being tracked. Options reviewed by the task group set up by the Strategic Director of CYP to recover the deficit include :
- i. The introduction of the SEN Support Service, which is expected to manage demand, as part of the Graduated Response Programme; improved quality of EHCP assessment; and person centred planning and SMART annual reviews. As a result, young people will be provided with earlier support, thereby reducing the need for an EHCP to trigger additional support. The budget allocated to this was fully spent in 2021/22. The impact of this will be evidenced from 2022/23 onwards.
 - ii. Looking to establish more SEND provision in the borough as part of the School Place Planning Strategy Refresh, including developing new additionally resourced provisions (7 in Primary and 2 in Secondary) in the academic year 2022/2023. This will reduce the need for young people to be placed in schools in other boroughs. In January 2022 Cabinet agreed a £44m capital investment programme to provide additional school places for the growing number of children with SEND in the borough. The programme will deliver 427 SEND places in Brent.
 - iii. Ensuring there is full cost recovery including administration and other specific costs from other local authorities that place pupils in Brent special schools.
 - iv. Continued central government lobbying.

38. Housing Revenue Account (HRA)

- 3.8.1. The budgets for the Housing Management function are contained within the ring-fenced Housing Revenue Account (HRA), which had a balanced budget set for 2021/22.
- 3.8.2. The HRA overspent by £0.6m in 2021/22, which was offset through the use of the HRA Operating Reserve.

Table 10 – Housing Revenue Account Outturn 2021/22

HRA	Revised Budget (£m)	Outturn (£m)	Over/(Under) Spend (£m)
HRA*	0.0	0.6	0.6
Total	0.0	0.6	0.6

* The HRA budget is comprised of £55.7m expenditure and £55.7m income

- 3.8.3. The overspend was due to partially funding a provision for capital works to the Granville New Homes blocks that are being transferred to the HRA from First Wave Housing on 1st April 2022. This is an accounting adjustment and there is no material impact on the HRA budgets overall as a result of this action. The HRA reserves were used to cover the timing difference and the provision will be released in 2022/23 returning the HRA reserves to their previous value.
- 3.8.4. Other in-year budgetary pressures were associated with repairs related payments, which were mitigated through underspends on staffing to the value of £0.2m. This is consistent with the position reported at Quarter 3.
- 3.8.5. During the year, tenants facing financial hardship were supported through Brent's Resident Support Fund, which has helped to contain the level of arrears. Tenants have also had water rates refunds applied to their rent accounts to the value of £7.1m following the High Court's decision in the case of *Jones v London Borough of Southwark Council* [2016 EWHC 457] that required these refunds where local authorities including Brent had similar arrangements with water companies.

4. Capital Programme

- 4.1. The Council has an ambitious five-year capital investment programme totalling £710m, which is financed from a combination of capital receipts, grants, contributions, reserves and external borrowing
- 4.2. For 2021/22, the Council spent £165m which equates to 75% of the approved capital programme budget and was under spent compared to budget by £56.9m or 25% as shown in Table 11 below. This underspend is in fact slippage which will be reprofiled into the new financial year.

Table 11 - Capital Programme Outturn for 2021/22

Programme	Revised Budget (£m)	Outturn (£m)	Over/(Under) Spend (£m)
Corporate Landlord	19.0	10.0	(9.0)
Regeneration	11.7	8.4	(3.3)
St. Raphael's Estate Regeneration	2.6	1.2	(1.4)
Housing Care Investment	135.0	109.7	(25.3)
Schools	10.8	7.2	(3.6)
South Kilburn	17.9	14.0	(3.9)
Public Realm	25.3	14.8	(10.4)
Grand Total	222.3	165.4	(56.9)

Corporate Landlord

43. Corporate Landlord is reporting a £9.0m slippage. This is largely due to a number of projects within the programme, which have not progressed as anticipated. The Energy project has a slippage of circa £3.8m for the LED programme and Solar PV programme where further design and implementation plans have been required which has extended initial timescales. ICT have a slippage of £2.7m due to delays in commissioning. Digital Strategy have slippage of £1m due to re-prioritisation of projects and the ability to deliver more within the programme due to resource constraints. The Oracle Cloud programme have a slippage of £1m as the delivery of the phase 2 projects started later than projected. Equipment for flexible working saw a slippage of £0.4m due to a reduction in demand for equipment during the year.

Regeneration

44. Regeneration is reporting a £3.3m slippage. The Morland Garden project, which will deliver affordable homes, adult education centre and affordable workspace, experienced delays in the procurement as it required a re-tender exercise resulting in a £1.2m slippage against the original project plan. The Harlesden Regeneration Heritage Action Zone project is undergoing discussions with the grant provider as required works are in excess of the grant funding resulting in a delay of delivery and a £2.4m slippage.

St Raphael's

45. The slippage of £1.4m is due to delays in procurement of architects and other consultants for the project.

Housing, Care and Investment

46. The £25.3m slippage in Housing Care and Investment (comprising of £7.9m on Housing HRA and £17.3m on Housing GF) is due to slower than previously anticipated progress on a number of schemes. Within the HRA, £1.2m slippage in the Enfranchisement project resulted from delays in lease extensions due to ongoing negotiations. There is a £7.2m slippage in Watling Gardens (delivering a mix of supported, affordable and shared ownership units) due to project delays arising from cost increases and the related scheme viability issues.
47. Within the General Fund, £4.3m slippage in Stonebridge (delivering affordable rented

homes) occurred, as initial budget was frontloaded in 2021/22, which should have been spread more evenly into 2022/23. There is a £3.6m slippage in Honeypt Lane (delivering affordable rented homes) because the budget was set providing for inflation-related increases to materialise in 2021/22 which was not quite reflected in 2021/22 valuations, but will be reflected in 2022/23. Slippages of £3.9m in Brondesbury Road (delivering affordable rented homes) and £1.6m in Northwick Park Infrastructure Fund (delivering regeneration and infrastructure works at Northwick Park) are due to slower scheme progress than previously anticipated for various reasons including time taken for contract negotiations. On Private Sector Acquisition scheme (under which the Council buys properties from private sector to let to homeless families in Brent), there is a slippage of £4.6m due to slower rate of purchase as there was lack of sufficient properties meeting i4B's criteria.

Schools

48. There is an overall slippage of £3.6m into 2022/23, £0.6m for projects coming in under budget including £0.3m for the Councils contribution to Ark Elvin and £0.3m for phase 3 of the primary school expansion projects; these are funded from grants so the funding will be available for other projects. There is also £2m slippage on the Dedicated Schools Facilities and School Asset Management, £0.4m on the Roe Green Kitchen S106 project, these are all dependent on completion of assets works, which has suffered delays, owing to procurement issues and having to ensure that works cause minimum disruption. This will be spent in future financial years. There is a £0.6m slippage on another school works project that is close to being complete and likely to produce an underspend but the final figure is yet to be confirmed.

South Kilburn

49. The slippage of £3.8m is primarily due to delays in acquisitions on Austin House and Blake Court with an underspend of £2.4m, these are based on leaseholders not wanting to currently sell, thus delaying the project. There is also a £0.9m underspend on Hereford and Exeter as we purchased a commercial property for less than originally expected. There is a £0.5m underspend on the design of Carton Vale Boulevard which will provide public realm and road improvements which will be used in the next financial year.

Public Realm

- 4.10. There is a £8.4m slippage in the highways area; £4.2m of this on recovery initiatives across three projects which will be utilised in the new financial year and £2.8m on the main highways scheme which has experienced severe delays in delivery. There is also £1.4m on the highways S106 schemes with some of these funds due to be decommissioned and reallocated. There is a £0.9m budget slippage on parks, primarily due to the pitch improvements which did not spend as expected and will be used in future financial years. There is also a £1.1m slippage across the other programmes including landscaping, parking & street lighting and sports, delays to delivery have resulted in spend now being projected in 22/23.

5. Financial Implications

- 5.1. This report is about the Council's financial position in 2021/22, but there are no direct financial implications in agreeing the report.

6. Legal Implications

- 6.1. Managing public money responsibly is a key legal duty, but there are no direct legal

implications in agreeing the report.

7. Equality Implications

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

8. Consultation with Ward Members and Stakeholders

8.1. Not applicable.

9. Human Resources

9.1. Not applicable.

Report sign off:

Minesh Patel
Director of Finance