



**Resources and Public Realm
Scrutiny Committee**
7 November 2023

**Report from the Corporate Director
of Finance & Resources**

**Cllr Mili Patel, Deputy Leader and
Cabinet Member for Finance,
Resources, and Reform**

Analysis of budget savings 2018-2023

Wards Affected:	All
Key or Non-Key Decision:	Not applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	Appendix A: 2018-19 Savings Appendix B: 2019-20 Savings Appendix C: 2020-21 Savings Appendix D: 2021-22 Savings Appendix E: 2022-23 Savings
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Ravinder Jassar, Deputy Director of Finance, ravinder.jassar@brent.gov.uk

1.0 Executive Summary

- 1.1. The purpose of this report is to provide analysis of savings made to Brent Council's revenue budget since 2018, including a breakdown of the savings made which equate to service reductions.
- 1.2. This report constitutes the response of the Corporate Director of Finance and Resources to Information request (1), Agenda Item 6 from the meeting of the Resources and Public Realm Scrutiny Committee of 19 July 2023.

2.0 Recommendation(s)

- 2.1 That the committee notes the contents of the report.

3.0 Detail

- 3.1 For each financial year, Brent Council is required by statute to set a balanced General Fund revenue budget. In order to achieve this, the expenditure requirement for the year is first calculated as the current expenditure budget plus the growth requirement for items such as inflation and demographic changes. This is then compared to the available funding from Council Tax, Business Rates and Government grants to identify the budget gap.
- 3.2 In February of each year, the budget for the following financial year is recommended to Full Council for approval, along with a set of savings proposals to remove from the budget an amount equivalent to the identified budget gap. This means that the budget approved in February meets the statutory requirement to set a balanced General Fund revenue budget.
- 3.3 All of the savings proposals put forward in the budget reports have gone through a rigorous process to ensure that the agreed savings are achievable. They are signed off before publication by the relevant Corporate Director and Head of Finance. The corresponding budgets are then immediately reduced by the amount of the agreed savings.
- 3.4 If circumstances change during the financial year to which the savings relate, such that all or part of a saving becomes unachievable, the service managers are expected to find mitigations to offset the additional cost or reduced income. For example, it may be necessary to reduce expenditure where an increased income target is unachievable. As such, the following analysis is based on the savings originally agreed by Full Council for the financial years 2018/19 through to 2022/23.
- 3.5 Table 1 provides a breakdown of the savings from 2018/19 to 2022/23 by service area*. This shows that since 2018, £40.9m of savings have been made to the General Fund revenue budget, in addition to the £150m of savings previously delivered between 2010 and 2018. Of this, more than half of the savings have been delivered by the Care, Health & Wellbeing and Resident Services departments. These departments include Adult Social Care and Temporary Accommodation, which are two of the areas currently facing the biggest increases in costs due to demographic and inflationary pressures.

Table 1: Savings 2018/19 – 2022/23 by Service Area*

Service Area	2018/19 (£000)	2019/20 (£000)	2020/21 (£000)	2021/22 (£000)	2022/23 (£000)	Total (£000)
Care, Health & Wellbeing	2,400	2,075	3,025	2,490	120	10,110
Children & Young People	750	1,400	1,591	605	300	4,646
Communities & Regeneration	-	2,367	518	518	130	3,533
Finance & Resources	1,100	274	200	190	150	1,914
Resident Services	2,897	2,817	2,020	2,448	1,420	11,602
Governance	4,500	230	50	702	600	6,082
Central Items	1,250	300	-	1,500	-	3,050
Total	12,897	9,463	7,404	8,452	2,720	40,936

- 3.6 Table 2 provides a breakdown of the service reduction savings from 2018/19 to 2022/23 by service area*. This shows that only 6% of the total savings across the five years were related to service reductions**. Of these savings, approximately 40% of this was due to a reduction in Concessionary Fares in 2021/22 as a result of Covid-19. This saving has been reversed in subsequent budgets as passenger transport in London has recovered from the pandemic.

Table 2: Service reduction savings 2018/19 – 2022/23 by Service Area*

Service Area	2018/19 (£000)	2019/20 (£000)	2020/21 (£000)	2021/22 (£000)	2022/23 (£000)	Total (£000)
Care, Health & Wellbeing	400	125	-	1,030	-	1,555
Children & Young People	-	250	-	-	-	250
Communities & Regeneration	-	60	158	-	-	218
Finance & Resources	-	100	-	-	-	100
Resident Services	-	250	-	50	-	300
Governance	-	98	-	-	-	98
Central Items	-	-	-	-	-	-
Total	400	883	158	1,080	-	2,521

- 3.7 The savings proposals as approved by Cabinet for each of the financial years are included in the appendices.

* Since 2018, there have been multiple changes to the structure of Brent Council. The savings from these years have been mapped to the current Corporate Directorates. Where a previous directorate was split and the saving was a directorate saving, the saving has been mapped evenly between the new directorates. The items highlighted as Central Items were Council wide savings, for which it was not possible to make a direct mapping.

** The remaining savings are related to efficiencies, service transformation and income generation.

4.0 Stakeholder and ward member consultation and engagement

- 4.1 There is no stakeholder and ward member consultation and engagement required for the purposes of this report.

5.0 Financial Considerations

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

6.0 Legal Considerations

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

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are no Equality, Diversity & Inclusion considerations for the purposes of this report.

8.0 Climate Change and Environmental Considerations

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

9.0 Communication Considerations

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

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources