

Budget Scrutiny Task Group Findings Report

Scrutiny of the Draft Budget
Proposals for 2024/25 and 2025/26

24 January 2024



Foreword

The last year has represented one of the worst years for local government finances. Nationwide we are seeing the collapse of councils as the financial viability & stability of local authorities is threatened.

Threatened by local government funding holes which central government fail to close. Threatened by the cumulative impact of another year of austerity, which sees Brent receive one of the smallest increases in government support across London, failing to match inflation. Threatened by imposed competition within the sector which leaves local authorities bidding against each other for essential funding for key services.

Despite the challenges, Brent has chosen to protect the most vulnerable residents, ensuring no staffing cuts to the homelessness teams, investing in community assets instead of selling them, and building a council-owned and delivered children's home, as just a few to mention. This work can be built upon by prioritising collaboration in a genuine partnership model across the sector to combat austerity policies.

On a separate note, I am pleased to see the progress already made by the Council to enhance the mitigations in the draft proposals as a result of the concerns raised by the Task Group in its evidence sessions.

I would like to give my thanks to our local stakeholders and community groups who contributed to this report and to the staff who supported the Task Group.



Cllr Rita Conneely

Chair – Resources and Public Realm Scrutiny Committee

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Members of the Budget Scrutiny Task Group

The Budget Scrutiny Task Group was a joint effort between the Council's two scrutiny committees, with representation from both the Resources and Public Realm Committee (RPR) and the Community and Wellbeing Committee (CWB). The Task Group comprised of the following members:

Councillor Rita Conneely – Chair

Councillor Ketan Sheth – Vice Chair

Councillor Anthony Molloy

Councillor Jayanti Patel

Councillor Tazi Smith

Task Group Terms of Reference

The following terms of reference were agreed at the Resources and Public Realm Scrutiny Committee on 6 September 2023:

- Consider the Cabinet's budget proposals for 2024/25 and 2025/26
- Receive evidence from Cabinet Members, senior departmental officers, and any other relevant stakeholders
- Agree a draft report to comment on the budget proposals for submission to the Resources and Public Realm Scrutiny Committee for ratification and submission to Cabinet.

1. Introduction

Context

- 1.1. Brent continues to operate in an extremely challenging financial environment, navigating spiralling inflation, high interest rates, increasing demand for some services, insufficient government funding, and the ongoing impacts of the cost of living crisis. The latter has created even more challenges – we have an ageing population with more complex needs and rapidly rising homelessness, with an average of 148 households presenting as homeless every week.
- 1.2. In July 2023, the Council agreed its revised Medium Term Financial Strategy (MTFS), outlining that £8m of savings would be required between 2024/25 to 2025/26 to legally balance the budgets of those years. The Council later published its draft Budget in November 2023, revising earlier budget assumptions, and setting out a series of budget proposals totalling £8m which, if approved following consultation and scrutiny, would be implemented in 2024/25 and 2025/26. It also proposed a Council Tax increase of 4.99% (consisting of a 2.99% general increase plus 2% for the Adult Social Care Precept). Nonetheless, the focus in the Budget is centred around delivering efficiency measures, service transformations, cost reductions and generating income whilst protecting front line services, staff and Council priorities as much as possible.
- 1.3. In addition to the Council's ever growing adult social care costs, the most significant new pressure identified in the Quarter 2 Financial Report 2023/24 was in the temporary accommodation (TA) area resulting in a forecasted overspend of £13.4m in 2023/24 alone (5% of the overall revenue budget). To mitigate this, the Council has been forced to introduce new spending controls and a Budget Assurance Panel to provide additional oversight and scrutiny of its financial situation and prevent its budget position deteriorating further. It has since been confirmed by finance colleagues that the Quarter 3 Financial Report 2023/24 (due to be published in January 2024) will not be materially different in terms of the issues raised in Quarter 2.
- 1.4. Upon release of the Autumn Statement in November 2023 and the Local Provisional Local Government Finance Settlement in December 2023, the Council has since confirmed no changes to the draft Budget will be required. The government updates provide no new funding for general local government services and no additional funding to tackle the persistent overspend pressures in social care and homelessness.
- 1.5. The Council will therefore be under intense pressure to continue to realise its planned savings whilst taking action to curb its expenditure in order to maintain a balanced budget.

Role of Task Group

- 1.6. Brent's decision-making framework gives a clear and important role to Overview and Scrutiny in its budget-setting. The process for developing proposals for the budget and capital programme is outlined in the Brent Council Constitution, Part 2, Standing Order 19. This requires that the Cabinet's budget proposals be considered by the Council's Resources and Public Realm Scrutiny Committee. After it has scrutinised the proposals, the Committee will then submit a note of its deliberations and comments on the proposals to the Cabinet.

- 1.7. The Resources and Public Realm Scrutiny Committee agreed to scrutinise the draft budget proposals for 2024/25 and 2025/26 through a Budget Scrutiny Task Group. This was established at the committee meeting on 6 September 2023.¹
- 1.8. The panel held a series of meetings between October and December 2023 to prepare this report. This included closed meetings that discussed the Task Group's own findings, ideas, and recommendations, and evidence sessions with the Cabinet, Corporate Management Team, and our valued partners to consider the main budget pressures, risks, and uncertainties to the Council; test assumptions, modelling and forecasting on which the draft Budget has been built; challenge how resources are prioritised/managed; and consider the overall impact of the proposals on residents and partners. The full list of participants is provided in section 6 of this report.
- 1.9. For the purposes outlined in the Constitution this report will be considered and agreed by the Resources and Public Realm Scrutiny Committee on Wednesday 24 January 2024. A report from the Committee will then be presented to Cabinet for consideration on Monday 5 February 2024, alongside the report from the Corporate Director of Finance and Resources on the final budget proposals for 2024/25 and 2025/26.
- 1.10. The Task Group seeks to act as a 'critical friend'. Therefore, it is hoped this report will enhance constructive debate on the proposals, where we would welcome the Cabinet's decision to take our recommendations on the proposed budget for 2024/25 and 2025/26 forward.

2. Recommendations

- 2.1. The Budget Scrutiny Task Group makes the following recommendations to Cabinet.

Budget Presentation and Communications

Recommendation 1 – Improvements to budget communications:

The Task Group acknowledge the improvements that have been made to the consultation and engagement process following the Budget Scrutiny Task Group Review 2023/24, but believes further work is still needed to better communicate to residents what the vision, mission, aims and priority protection areas of the upcoming Budget are. This also includes ensuring communications meet agreed accessibility standards, such as writing documents in plain English in line with the average Brent reading age. These revisions will help build a greater understanding of the priority areas safeguarded in the proposals and enable residents to provide more meaningful/influential consultation feedback. As an example the Task Group received evidence that there was only one proposal from the Housing portfolio as the Council had made a concerted effort to protect housing services and the most vulnerable; Although it could be assumed that an area not featured in the proposals would be protected, such information should be made clearer in the draft Budget for the lay person. **The Task Group recommend that the Council includes a concise, summary page in the Budget (and in future budgets), adopting more accessible language which makes it clear what its vision, aims, and priority protection areas are.**

¹<https://democracy.brent.gov.uk/documents/s135401/6.%20Establishment%20of%20Budget%20Task%20Group%20v1.pdf>

Recommendation 2 – Developing clearer and concise proposals:

Some of the proposals are generally vague and lack clarity around the possible impact(s) on residents and partners (e.g. 2024-25 CR02, 2024-25 FR02, 2024-25 RS21, 2024-25 CHW03, 2025-26 CHW02 etc.) **The Task Group recommend that the Council review the proposals ahead of publication of the final Budget to ensure that the final proposals and their possible impact(s) can be clearly understood and are accessible to all Brent residents. This review could be actioned collaboratively with a lay-panel (e.g. resident focus group) and in future years by including additional questions in the consultation. These suggestions could also help achieve recommendation 1.**

Recommendation 3 - Alignment with climate action commitments in Borough Plan 2023-27:

Building on the recommendation made as part of the Budget Scrutiny Task Group Review 2023/24, there still needs to be greater alignment between the draft Budget and the Borough Plan 2023-27, particularly in relation to climate action. The Task Group appreciates changes being made to the corporate reporting template to include a 'Climate Change and Environmental Considerations' section - this good practice should also be applied in the budget setting process. **The Task Group recommend that the Council adopt a 'green budget' which clearly outlines the climate and environment implications of each proposal.** This will assist the Council in its urgent climate commitments, including the goal to become Carbon Net Zero by 2030.

Stronger Partnership Working with the Voluntary and Community Sector (VCS)

Recommendation 4 - Shared Outcomes Framework:

Although the Council has understandably prioritised protecting the VCS and frontline services over other areas in its proposed budget, there is scope for stronger partnership working with the sector. During the Stakeholder Session (please see section 3), VCS partners expressed concerns that mitigations proposed in the draft Budget were centred around signposting to the VCS, however there had been no discussion or collaboration around how these mitigations would be delivered or achieved in practice. **The Task Group recommend that the Council explores a shared-outcomes framework with the voluntary sector for the benefit of residents/service users. As part of this work, the Council should urgently discuss and collaborate with the VCS in relation to budget proposals that involve them and/or may have an impact on their service provision. This discussion could build on the Task Group's recommendation from the Budget Scrutiny Task Group Review 2023/24 which suggested a collaborative strategy with the VCS to enable these organisations to identify and secure new income streams.**

A shared-outcomes approach could avoid future service cuts, avoid service duplication and save the Council money long-term. Additionally, it would ensure that a consistent dialogue is maintained with the VCS throughout each financial year around issues like council budgets rather than the current approach which has meant budget discussions with the sector take place after proposals have already been drafted.

Income Generation

Recommendation 5 – Establishing a strategic approach to income generation:

The Task Group commend the Council's creativity/efforts to generate additional income to bolster its finances, and particularly welcomes proposals such as 2024-25 FR01, 2024-25 RS13, and 2024-25 RS14. However, more could be done to generate even more income. **The Task Group recommend that the Council develops a longer-term, strategic approach to income generation (accompanied with yearly action plans) rather than focusing on piecemeal proposals year to year. The strategy should include a robust monitoring process that enables holistic working across all departments to create synergies for income generation. Specifically, allocating a dedicated, cross-departmental resource to work across the Council to investigate and identify additional opportunities for income generation e.g. compliance with mandatory HMO licensing, compliance with council tax on empty properties, and business rates evasion.**

Establishing a longer-term approach will help the Council to be more resourceful and self-sufficient in the absence of large central government funding pots. Strategic interventions could enable the Council to address areas of improvement in its operations and recoup income that would have been otherwise due, as well as identify new creative ways of generating income. The Task Group however recognise a balanced approach must be adopted that ensures the Council does not become over-commercialised and learns from local authorities that have experienced financial difficulties (i.e. entered s114 territory²) due to certain commercial choices.

Recommendation 6 - Renting out Civic Centre meeting rooms:

The Task Group acknowledge the efforts the Council has made to rent out spaces in the Civic Centre to generate additional income, however believes there are additional opportunities that can be realised. **The Task Group recommend that additional space, specifically meeting rooms, in the Civic Centre are made available for external hire given that staff no longer work 5 days per week in the office. To complement this suggestion, some council meetings could be moved outside of the Civic Centre to be held in other community assets in the borough.**

Not only could this recommendation generate additional income, but it could provide residents and businesses with office space and workspace solutions in the heart of the borough. It could also encourage members/officers to increase their use of other community facilities in the borough and spread the Council's visibility more equally throughout the borough.

Recommendation 7 – Implementing additional shared service arrangements:

The Council's efforts to generate additional income by offering shared services to other local authorities are welcomed. Notable examples include proposal 2025-26 CYP04 which intends to sell additional respite bed nights to other local authorities at the Ade Adepitan Short Break Centre. Another instance is the formation of the Shared Technology Services (STS), an IT shared service for the councils of Brent, Lewisham and Southwark, whereby Brent is the host borough for the service. **The Task Group recommend that the Council explores further opportunities for shared service arrangements, learning lessons from its current arrangements and from good practice of the shared service models that already exist across the country.**

It is acknowledged that there is not a single model that suits all councils, localities, or types of service provision, and that this recommendation will take time to scope out. However, if

² <https://www.instituteforgovernment.org.uk/explainer/local-authority-section-114-notices>

delivered effectively, the Council would be able to generate additional income, reduce duplication, potentially increase investment in services, and reimagine services to better meet the needs of residents.

Lobbying and Advocacy

Recommendation 8 - Housing Subsidy Loss:

Although the Task Group welcomes the increase to Local Housing Allowance rates via the Autumn Statement 2023, further pro-active work could still be carried out with neighbouring local authorities, London Councils, and the Local Government Association (LGA) to seek reform to the Housing Benefit Subsidy rules. **The Task Group recommend that the Council works with the above mentioned associations to lobby for positive change to the Housing Benefit subsidy rules which currently caps the amount the Council can claim back from the Department of Work & Pensions (DWP) to 90% of the 2011 LHA rates per household for TA provided, and which places financially onerous restrictions on the types of TA the Council can provide to be eligible for housing benefit subsidy.** Such reform would enable Brent to significantly reduce its overspends, and to have access to a wider pool of affordable temporary accommodation to deal with increased demand in homelessness.

Recommendation 9 – Retaining use of New Millennium Day Centre

The Task Group accept that alternative provision will be put in place to mitigate the impacts of ceasing use of the New Millennium Day Centre. It would nevertheless be disappointing to lose a vital space in the borough that brings local communities together and which allows the Council to achieve its 'Borough of Culture' legacy ambitions. **The Task Group recommend that the Council explores options to retain the building for community use.**

Recommendation 10 – Wembley Stadium: 'Community Impact' Ticket Levy:

The Task Group welcome the financial contributions made by Wembley Stadium towards the Council's event day management costs (e.g. cleansing and waste management, highways management, enforcement etc.), however recognise that these contributions do not cover the full extent of the costs incurred by the Council for its operations on event days. **The Task group recommend that the Council explores options with the Stadium for a ticket levy, whereby the Council receives a proportion of each ticket sale in order to fully recover costs incurred or to provide for further enhancement of the Council's event day operations.**

Recommendation 11 - Delegation of budgets and decision making to Brent Integrated Care Partnership (ICP):

The Task Group note that the success of many of the proposals are dependent on effective partnership working with health partners (e.g. 2024-25 CHW01, 2024-25 CHW03, 2025-26 CHW03, 2025-26 CYP06 etc). It was heard that the established working arrangements and governance in the Brent ICP provide opportunities for closer working between the Council and NHS partners. These working arrangements have enabled health funding to be transferred to Adult Social Care to support residents and the local health and care system. However, the Task Group understand that the centralisation of decisions on NHS budgets away from the borough to North West London Integrated Care Board (NWL ICB) has reduced the ability of the Brent ICP to address local needs and may have increased future demand on the system. For example, in accordance with ICB processes, the ICP has

submitted robust business cases for paediatric continence services, nursing provision for children in special schools, and to manage pressures on CYP and adult mental health services. All of these business cases are still awaiting a decision after many months, while need continues to increase.

The Task Group recommend that the Council continues to advocate and make the case to NWL ICB for both a better alignment of NHS resources to population need and for an increased delegation of budgets and decision making to Brent ICP. Not only would devolution to place allow for more effective collaboration between the Council and local health partners but it would also allow for implementation of service change at greater pace. Additionally, the Task Group is of the view that the ICP is better able than NWL to tailor services to the needs of Brent's diverse communities with greater flexibility to respond to changing needs or circumstances.

3. Evidence Sessions

- 3.1. The Budget Scrutiny Task Group held a series of meetings with Cabinet Members, the Corporate Management Team, and partners to review the suitability of the budget proposals 2024/25 and 2025/26 and to inform its recommendations.
- 3.2. As part of this process, council officers provided the following reports for consideration:
 - [Q2 Financial Performance 2023/24](#)
 - [Medium Term Financial Strategy \(MTFS\)](#)
 - [Draft Budget 2024/25 and 2025/26 \(inclusive of the revised MTFS and the draft budget proposals for 2024/25 and 2025/26\)](#)

Work Planning Sessions

- 3.3. The work planning meeting was held on 23 October 2023.
- 3.4. Task Group members discussed and agreed the approach to be taken to scrutinise the Draft Budget 2024/25 and 2025/26. This consisted of:
 - A stakeholder session with key voluntary and community sector partners to analyse the budget proposals and temperature check the impact and assumptions that sit behind them
 - An evidence session to review the Council's Treasury Management and borrowing; as well its updated Medium Term Financial Outlook, and the budget proposals put forward for the following directorates: Finance and Resources, Communities and Regeneration, and Resident Services
 - An evidence session on the remaining proposals for Governance, Care, Health, and Wellbeing, and Children and Young People
 - A final evidence session to hear any additional evidence and to discuss and agree the draft recommendations
- 3.5. There were a number of areas and themes that the Task Group agreed to review including:
 - Brent Council's **Medium Term Financial Outlook**, including the overall financial position
 - **The impact of inflation** on Brent Council's budget pressures and performance
 - **The impact of rising interest rates** on Brent Council's budget pressures and performance

- **The impact of the uncertainty in government funding** on Brent Council's operations and performance
- **The impact of the cost of living crisis** on Brent Council's budget pressures and performance
- **The impact of Covid-19** on Brent Council's budget pressures and performance.
- Key departmental **overspends and underspends**
- **Service Specific Pressures, Risks, Uncertainties, and Mitigations**
- **Current/future budget assumptions** e.g. income assumptions, spending assumptions etc.
- The **proposed budget development process for 2024/25**
- **The impact of budget proposals for 2024/25 and 2025/26** on service delivery and customer satisfaction
- Council **reserves** and **Reserves Strategy**
- Ringfenced budgets e.g. **Housing Revenue Account (HRA)**, **Schools and the Dedicated Schools Grant (DSG)**, and the **Public Health Grant**
- The **Capital Programme** of the Council
- Options for **Income Generation and debt collection** e.g. fees and charges, Council Tax, business rates etc.
- **Treasury Management** e.g. investments, borrowing, minimum revenue provision (MRP) etc.
- Budget **Consultation**

3.6. The Cabinet, Corporate Management Team and Statutory Scrutiny Officer were sighted on the scope and content of the Budget Scrutiny Task Group Review.

Evidence Session 1

3.7. Evidence session 1 was held on 21 November 2023.

3.8. Key attendees included the Leader, the Deputy Leader and Cabinet Member for Finance and Resources, Regeneration and Planning, the Cabinet Member for Housing, Homelessness, and Renters Security, the Chief Executive, the Corporate Director for Finance and Resources, the Corporate Director for Communities and Regeneration, and the Corporate Director of Resident Services.

3.9. The session focused on several topics including:

- The Council's renewed MTFs (inclusive of the budget setting process)
- Risk, issues and uncertainties faced by the Council e.g. inflation, interest rates, demand for services and uncertainty in central government funding
- Core budget assumptions
- Income Generation
- Council reserves and the Reserves strategy
- Council Tax
- Housing Revenue Account
- Dedicated Schools Grant
- Capital Programme
- Treasury Management (e.g. approach to council borrowing, minimum revenue provision (MRP) etc.)

3.10. The Task Group also undertook a deep dive exercise into the draft budget proposals for the directorates below:

- Finance and Resources
- Communities and Regeneration

- Resident Services

3.11. This exercise involved assessing the impact of these proposals on residents, analysing the accuracy of the relevant equality impact assessment screenings and discussing whether the proposals were realistic.

Scene-setting

3.12. The Task Group heard evidence of the difficult financial situation facing the Council, with detail provided on the local and national context of the budgetary pressures facing local authorities.

Budget-Setting Process:

3.13. Despite these challenges, it was heard that the budget setting process commenced early with draft proposals for 2024/25 and 2025/26 being published in November 2023. It was also noted that as part of this process, the Task Group reviewed the Quarter 2 Financial Report in November 2023, and the original MTFS back in July 2023. Nonetheless, publishing the draft Budget in November enabled the Council to observe good practice in conducting robust consultation and engagement with residents and partners ahead of the final Budget being published in February 2024. It also enables the Council to carry out robust equality impact assessments (EIAs) to ensure that none of the proposals as currently developed disproportionately impact residents with protected characteristics. Further EIAs are carried out as appropriate as proposals adopted in the Budget are further developed for implementation.

3.14. The Task Group explored the priority protection areas in the draft Budget. These understandably were centred around the statutory services provided by the Council and supporting those in most need. For example, services in Housing Needs, Children & Young People (CYP) and Adult Social Care (ASC). Nonetheless, the Task Group was provided with assurance that 'cuts' in this draft Budget had been kept to a minimum due to more difficult decisions (e.g. library closures) being taken in earlier budget processes alongside the Council's continued proactivity to generate extra income.

3.15. The Task Group were satisfied with current reserves levels and on the soundness of the Council's reserves strategy.

Core Assumptions:

3.16. The Task Group discussed and sought clarity on the budget assumptions made in the draft Budget and revised MTFS. It was highlighted that scenario modelling and sensitivity analysis had been carried out as part of the budget assumptions, including best case, central case and worst-case scenarios. The central case was used to formulate the budget gap of £8m between 2024/25 and 2025/26. Due to the volatility in the economic environment the Task Group agreed with the Council going with a central case. Nonetheless, it was mentioned that the core assumptions were based on the information currently available to the Council during formation and would be reviewed following details of the Provisional Local Government Finance Settlement.

3.17. Since Evidence Session 1 the Provisional Local Government Finance Settlement 2023 has been published requiring updates to some of the assumptions made in the renewed MTFS from November 2023. For example, additional funding of £1.7m to ASC will be provided which is above the MTFS forecast. Despite slight changes being required to the assumptions in the draft Budget, it has since been confirmed that no

changes to the £8m savings target are actually required. This is because the Settlement does not adequately provide funding to cover inflationary pressures and offers no new funding to tackle persistent pressures in social care and homelessness. The Council will therefore be under pressure to continue to realise its planned savings whilst taking action to curb its expenditure in order to maintain a balanced budget.

Key Pressure Areas:

- 3.18. The Task Group noted the pressures in key service areas, namely in:
- CYP – e.g. placements for looked after children and care leavers account for circa £29m, with the average annual cost of a residential placement costing £320k
 - ASC – e.g. aging population (approximately 12% of Brent residents are over 65) yet ASC budget has reduced by over £11.3m over the last 5 years
 - Temporary Accommodation - 22% increase in homelessness demand, costs of temporary accommodation and Housing Benefit subsidy loss

Income Generation:

- 3.19. The Task Group sought assurances that the Council's proposed Fees and Charges maximised income generation and were relative to neighbouring boroughs. It was reiterated that Fees and Charges are reviewed on a yearly basis, which includes benchmarking activities and assessing market demand. It was, however, stressed that comparisons to inner London boroughs were not relevant to Brent, as these boroughs would be able to charge higher fees due to their location.
- 3.20. The Task Group also explored whether the Council is doing enough to generate additional income from enforcement activity. For example, Business Rates collection was discussed, and the need for additional enforcement to be carried out, specifically on commercial buildings deliberately left unusable and vacant. The Task group questioned whether it was worth creating additional resources for more thorough enforcement to take place around the collection of Business Rates.

DSG:

- 3.21. Although progress was acknowledged around the current management of the DSG deficit (e.g. the £1m provided to Brent as part of the 18 month Delivering better Value (DBV) in SEND Department for Education programme to support the Local Authority to return to an in-year balance), the Task Group had concerns around this budget pressure;- especially pertaining to the potential implications around local authorities not being able to hold DSG deficits after the 2025/26 financial year. This could mean Brent's deficit may have to be funded using General Fund reserves which is a major risk and added pressure to the Council's financial resilience.

HRA:

- 3.22. The Task Group noted comments that significant costs reductions are required in the Housing Revenue Account. This consists of £3.1m in 2024/25. The Group also noted the major challenges for the HRA which included the following:
- Rising inflation is affecting all expenditure types and contract costs
 - Increased utility costs to be passed on to tenants and leaseholders
 - No funding available in the account for carbon reduction work, fire safety or remediation works
 - Rising cost of living impacting rent collection rates
 - A 7% rent rise limitation for 2023/24 impacting 2023/24 and future rent levels

Capital Programme:

- 3.23. The Task Group noted the uncertainty within the capital programme because of factors such as inflation, making the viability of ongoing schemes challenging. For example, the financial environment has meant that grants which the Council had access to had not increased to reflect the increased costs as a result of inflation. It was also noted that the pressures in the capital programme have been further exacerbated by building safety regulations, meaning further slippages in schemes.
- 3.24. It was noted that such schemes which are no longer viable will need to reduce in scope, be paused, or discontinued. The Task Group acknowledged this but stressed the need for viability assessments to consider money saved elsewhere for the Council e.g. schemes which increase social housing stock and which relieve overspend pressures in Housing/temporary accommodation.

Treasury Management:

- 3.25. The Task Group received evidence on the Council's approach to treasury management and borrowing (including MRP). It was explored why the Council is borrowing to build housing. It was explained that borrowing made it easier for the Council to build social housing at affordable rates for residents. The panel endorsed this approach and were happy to see continued investment in this area.
- 3.26. Specifically, the Task Group were assured that the approach to MRP remains prudent and compliant with the statutory guidance for MRP.
- 3.27. Since Evidence Session 1 the Task Group Chair has met with the Chair of the Audit and Standards Committee and the Independent Chair of the Audit and Standards Advisory Committee to discuss the Council's Treasury Management. The Task Group are satisfied with the prudence of the Council's Treasury Management.

Finance and Resources

- 3.28. A total of £400k savings are proposed in the Finance and Resources Directorate for 2024/25.

Increasing Civic Centre Car Park Charging Tariffs:

- 3.29. It was confirmed that the proposal made around this in the 2023/24 budget was achieved. Task Group members also questioned whether electric cars were also subject to charges in the Civic Centre Car Park. It was confirmed electric vehicle spaces are charged by the Council.

Property Strategy to maximise rental return on council assets:

- 3.30. The Task Group challenged the soundness of this proposal and questioned what evidence existed that partners would take on council-owned businesses at market rent. The Corporate Director of Finance and Resources provided assurances around this, stating that the proposal was prudent and not overly ambitious.
- 3.31. It was acknowledged that the £50k income target took into consideration that community usage of buildings would be treated differently. Rental and management options will be explored further in the coming months; The draft Property Strategy will

be presented to the Resources and Public Realm Scrutiny Committee on 27 February 2024 to review whether it is fit for purpose for residents and partners.

Communities and Regeneration

- 3.32. A total of £170k savings are proposed in the Communities and Regeneration Directorate for 2024/25.

Volunteering platform:

- 3.33. It was confirmed that the discontinuation of the volunteering platform would not disproportionately impact young people in accessing volunteering opportunities. Alternative provision was highlighted such as the Mayor of London's volunteering platform. Additionally, it was stated that the Council worked with an independent organisation Social Change Agency who agreed with the Football Association to introduce a new online resource for Brent called 'Brent Giving'. This platform will also act as a volunteer brokerage tool and will replace the volunteering platform in question.

Reducing the headcount in Communities and Regeneration:

- 3.34. The Task Group questioned what impact the reduction in headcount, specifically the deletion of vacant posts within the Community Engagement team, would have on the delivery of the upcoming Community Engagement Framework. It was acknowledged that there has been a recent change in Corporate Director and the details of this saving will be informed by which roles are needed to achieve the Council's community engagement commitments.

Resident Services

- 3.35. A total of £2.1m savings are proposed in the Resident Services Directorate for 2024/25 and 2025/26.
- 3.36. It was confirmed that a holistic approach was taken to identify savings across the entirety of the directorate to ensure service areas such as Housing were protected as far as possible from cuts. The use of technology was also prioritised in the proposals to offset the need for forced redundancies which do not feature in the proposals.

Housing proposals:

- 3.37. The Cabinet Member for Housing, Homelessness, and Renters Security confirmed that the proposed draft Budget makes a concerted effort to adequately protect and safeguard housing services.
- 3.38. The Task Group went on to confirm whether the departments under the lead member's remit were utilising the grants available to generate additional income to improve services. It was confirmed this was the case, although the decisions on what grants to apply for were aligned with political priorities.

TA overspends:

- 3.39. The Task Group noted the seriousness of the current in year TA overspends and the financial implications that this will continue to have in future years. In discussing potential mitigations, the Task Group explored the potential impact the current expansion of universal credit could have on the Housing Benefit Subsidy Loss shortfall. For example, whether it was possible to transfer residents in TA from Housing Benefit

to Universal Credit to plug the shortfall created by Housing Benefit subsidy loss. It was confirmed that TA was not eligible for Universal Credit.

Community Hubs:

- 3.40. The Task Group questioned whether there were any plans to reduce the amount of Community Hubs. It was confirmed that this was not the case, and that hub buildings were not costly to run from a facilities management perspective.

ICT Solutions:

- 3.41. Assurances were provided around the achievability of this proposal where it was stated that the licences to realise this proposal had already been identified.

Libraries and Heritage - realignment of managerial responsibilities and posts:

- 3.42. Although this saving was noted, it was questioned whether other savings could be made around library services, specifically around reducing provision. It was noted a political decision had specifically been made to protect libraries from cuts (leading to reductions in operating hours) due to the wider implications on residents as some libraries are community hubs.

Generating income from Parks through organised cultural and entertainment events:

- 3.43. The Task Group welcomed this proposal considering that this was a recommendation of the Budget Scrutiny Task Group Review 2023/24 to further achieve 'Borough of Culture' legacy commitments.

Rental of Parks' building space:

- 3.44. It was questioned whether investment was needed in any of these assets to realise the saving. In response, it was stated that a business case could be presented to finance colleagues, if needed. Although it was acknowledged that the £30k saving was identified by an external company, the Task Group still had concerns whether this saving was financially worthwhile.
- 3.45. Despite this the Group welcomed investment in council assets to keep them in use, especially where matched funding is provided from other sources.

Increasing tennis/sports bookings:

- 3.46. The achievability of this proposal was questioned due to intelligence within the Task Group of tennis grounds being continually broken into and used free of charge. Although this concern was acknowledged, it was stressed that this proposal would enable the courts to be properly marketed with a simpler booking system.

Evidence Session 2

- 3.47. Evidence session 2 was held on 23 November 2023.
- 3.48. Key attendees included the Leader, the Deputy Leader and Cabinet Member for Finance and Resources, Regeneration and Planning, the Cabinet Member for Public Health and Adult Social Care, the Cabinet Member for Children, Young People and Schools, the Corporate Director for Finance and Resources, the Corporate Director for

Governance, the Corporate Director for Care, Health, and Wellbeing, and the Corporate Director for Children and Young People.

- 3.49. The Task Group undertook a deep dive exercise into the draft budget proposals for the directorates below:
- Governance
 - Care, Health, and Wellbeing
 - Children and Young People
- 3.50. This exercise involved assessing the impact of these proposals on residents, analysing the accuracy of the relevant equality impact assessment screenings, and discussing whether the proposals were realistic.

Governance

- 3.51. A total of £435.8k savings are proposed in the Governance Directorate for 2024/25 and 2025/26.
- 3.52. The Task Group heard that legal services were likely to face the greatest impact from the proposed savings for the directorate, particularly in relation to general available resource. Implications included a potential loss of support for senior officers resulting in higher workloads. This will be mitigated by recruiting more experienced staff, compensating staff for any extra workloads and exploring outsourcing ad-hoc counsel that legal services provide.
- 3.53. The Group considered the solutions/mitigations put forward as feasible but stressed concerns for potential staff burnout and subsequent issues such as sick and stress leave. The Corporate Director of Governance acknowledged these.

Care, Health, and Wellbeing

- 3.54. A total of £3.03m savings are proposed in the Care, Health, and Wellbeing Directorate for 2024/25 and 2025/26.
- 3.55. It was highlighted that the majority of the proposals are centred around service transformation with an emphasis on technology-based services and provision to assist with increased demand in services and caseloads. This led the Task Group to question whether the Council were taking advantage of partnership opportunities and the grants offered by central government for digital transformation. In response to the issues raised, specific funds provided by the NHS and current examples of exceptional partnership working with companies such as BT, Amazon and Microsoft were highlighted.

ASC:

- 3.56. The Task Group were informed that ASC is the highest spend for the Council, whereby a substantial proportion of the budget goes towards statutory services which the Council has a responsibility to deliver under the Care Act.

Public Health:

- 3.57. The Task Group questioned how much unspent money there was in the Public Health reserve. It was confirmed that the Council has £10m in reserves of which £6m is ringfenced for prevention work. The Cabinet Member for Adult Social Care and Public

Health added that the Public Health grant has gone up by 1-2% which is not in line with inflation. However, the Council are still expected to meet the increased costs of contracts, including potential in-year increases resulting from NHS uplifts, meaning some funds need to be held back to allow for this.

- 3.58. It was confirmed that the public health grant is ring-fenced with clear criteria on how it can be spent.

Reducing building-based provision and day care opportunities:

- 3.59. It was highlighted that approximately only 80 people are accessing the New Millennium Day Centre and that the proposed saving aims to reassess how the service can be used more effectively. Options already exist to use other services including at the John Billam Resource Centre.

Continuing sustainable long-term care and support needs costs that promote independence – reducing high expenditure packages in mental health and learning disability:

- 3.60. The Task Group questioned whether reducing Mental Health services would lead to pressures on other services (e.g. Housing Needs and Homelessness provision). The Group were reassured that the proposal put forward is about re-assessing packages for areas such as supported living, and specific individual cases, rather than reducing overall service provision.
- 3.61. It was stressed that the proposals will also improve the use of direct payments and the possibility to access certain services at reduced costs by examining different options for service delivery (e.g. utilising more enhanced technology and digital support).

Children and Young People

- 3.62. A total of £1.85m savings are proposed in the Children and Young People Directorate for 2024/25 and 2025/26.
- 3.63. The Cabinet Member for Children, Young People and Schools stated the proposals put forward for the department demonstrated that Brent have made effective use of the institutional knowledge ranging from targeting services, streamlining processes, effective budget management, and learning from other local authorities' good practice. It was stressed that outsourcing Children's Services vulnerably exposes the Council to the whims of the market, hence the proposal to build a flagship residential children's home.
- 3.64. The Task Group acknowledged the excellent work by the directorate in relation to grants provision (e.g. delivering services in collaboration with other local authorities) and in securing grants which has helped supplement the Budget. Reassurances were provided that dedicated resource/time will continue to be allocated for staff to secure grant funding. The Task Group welcomed these lessons being shared with other council departments, especially Care, Health, and Wellbeing.

Building a new Residential Children's Home:

- 3.65. The Task Group questioned the achievability of building a new residential children's home in the borough and whether such a project would be affordable to the Council. The Cabinet Member for Children, Young People and Schools assured the Group that there was a separate fund for the project and that the Council had the funding

assurances for this. Residential care costs are extremely high, so having a Council-owned home would be more cost-effective by significantly reducing the cost of care per child. Also, it would enable a higher level of security for residents and ensure private firms do not profit at the detriment of the Council.

Usage of school premises and under used buildings:

- 3.66. The Task Group sought further information on school premises and other under used buildings and whether there was a possibility of generating additional income by using these spaces for community use. The Group were informed that some schools rely on this type of income i.e., renting football pitches, but not all schools participate in such schemes. It was stated that the use of such buildings and open spaces is dependent on governors of schools and the Council's role is solely to share good practice. The Task Group acknowledged this and encouraged further exploration of the Council's role in supporting schools to share good practice in this area.

Reductions in School Improvement Funds (SIF):

- 3.67. The Task Group sought assurances that a reduction in school improvement funds (including staffing) would not impact on education and delivery. The Corporate Director for Children and Young People reiterated that cuts were centred around a central government decision to reduce the School Effectiveness grant as the Department of Education (DfE) believe many schools and academy trusts are already providing these functions. The Group were therefore assured that School Effectiveness resource moving forward should be satisfactory.

Education Health and Care Plans (EHCPs):

- 3.68. The Task Group raised significant concerns around the ballooning rates of EHCPs in the borough, their costs and general provisions. It was acknowledged by both cabinet members and officers that EHCPs create additional financial and resource pressure on the department, thus creating substantial backlogs. Taking this into consideration, assurances were sought on whether the Council had enough staff to review the plans. It was confirmed that current levels were manageable, although the department would like to reduce caseloads whilst increasing quality levels, leading to higher resident satisfaction and improved performance.
- 3.69. It was also highlighted to the Group that this workstream is funded through the DSG; Should local authorities not be able to hold DSG deficits beyond 2025/26, this is likely to have detrimental impacts on the Council as any overspend in the service would not be allowed to continue and would likely have to be covered by the General Fund.

Stakeholder Session

- 3.70. This session was held on 30 November 2023 and attended by colleagues from the VCS and business sectors (a full list of external witnesses who contributed to this report is outlined in section 6 of this report). The Deputy Director of Finance and Director of Communities were also present to provide independent support to the Task Group.
- 3.71. The Deputy Director of Finance opened the session with an overview of Brent's current financial situation. Key highlights included the main financial pressures faced by Brent:
- Rising demand for services, especially in the Care, Health, and Wellbeing, and Children and Young People directorates

- Rise in homelessness, and the associated overspends in temporary accommodation in the current budget to deal with the issue (as it currently stands approximately overspend of £13 million which totals 5% of the Councils budget).
 - Inflation
 - Uncertainty/lack of central government funding
- 3.72. The Task Group then sought to understand stakeholder views on the proposals and any potential gaps in the draft Budget 2024/25 and 2025/26; explore their experiences, pressures and priorities, and where they believe Council investment should be targeted over the next two years and beyond.
- 3.73. Key concerns raised by our stakeholders included:
- **Vagueness of proposals** – need for the Council to better communicate the impact of the proposals especially due to their importance and potential detrimental impact on residents. The ambiguity in the proposals not only makes it difficult for residents to understand what the Council’s plans are but also for local councillors to provide useful advice to residents in their wards. This oversight can be corrected by providing more detail of the impact under each proposal and listing alternative services that can be accessed should the proposals proceed.
 - **Achievability/soundness of proposals** – i.e. whether proposals such as 2024-25 CHW01, 2024-25 CHW02, 2024-25 CHW03 are actually achievable due to their reliance on partners.
 - **Safeguarding the ‘most vulnerable’** – with the level of proposed cuts in the proposals, stakeholders questioned whether it is possible to safeguard the most vulnerable in the borough. In explaining this view, increased homelessness in the country/borough, and the increased gatekeeping of temporary accommodation was highlighted as an exacerbating factor. Also, it was noted that crucial services, such as Elder’s Voice, are coming to an end or have been discontinued which leaves gaps in provision for vulnerable cohorts.
 - **Visible ‘cost shunting’** – i.e. signposting to the VCS in the proposals without any discussion or consideration with the VCS around their capacity to meet any increases in demand. This also raised questions about the achievability of such proposals.
 - **Limited financial support/investment into VCS and business sector** – concerns were raised about the limited financial support given to both sectors and the lack of proposals around this in the draft Budget 2024/25 and 2025/26. It was acknowledged that this could relate to the lack of clarity in the draft Budget around what the Council’s priority protection areas are. This issue was raised last year around the need for a clearer narrative and vision around budget.
 - **Robustness of Equality Impact (EI) screenings** – concerns were raised about proposals such as 2024-25 CHW01, 2024-25 CYP06, 2024-25 identifying no disproportionate adverse impacts on particular groups with ‘protected characteristics’.
 - **Alignment with strategic priorities in the Borough Plan 2023 - 27** – similar to last year, concerns were raised around the draft Budget 2024/25 and 2025/26 not being as strategically aligned with the priorities set out in the Borough Plan, mainly our climate commitments, including our goal to become Carbon Net Zero by 2030. For example, it was highlighted that the Council better demonstrate the impact of relevant proposals on emissions. Additionally, it was identified that some of the

proposals impact early years support and therefore contradicting the Council's strategic priority 'The Best Start in Life'.

- **Proposed 4.99% increase in Council Tax** - if approved this could result in many more residents slipping into poverty and homelessness. Key initiatives such as the Council Tax Support Scheme received honourable mentions due to it being one of the most generous schemes in London. However, it was stated by the Deputy Director of Finance that should Brent Council ever issue with a section 114 notice, initiatives such as the Council Tax Support scheme would be at risk of abolition due to the necessity to only prioritise statutory services in these circumstances.
- **Ceasing the use of New Millennium Day Centre** – although it was acknowledged alternative service provision will be provided and that this is an NHS asset, there is still concern around losing the use of this asset for the benefit of local communities, specifically vulnerable residents who currently access it.
- **Consultation and Engagement** – similar concerns raised last year, stakeholders reiterated the need to carry out additional bespoke engagement with vulnerable residents/service users. It was highlighted that the current budget consultation and engagement process is not fit for all residents. For instance, online surveys and attending in person/online meetings are not always suitable for many vulnerable residents. The Council could learn lessons and work in partnership with the VCS to establish an effective approach to consultation and engagement.
- **Accessibility** – similar to the above point and views raised by the VCS last year, more work is needed to improve the standard of accessibility of budget communications to residents with support needs (e.g. disabled residents) in communicating the proposals e.g. robust BSL interpreter/language support.

3.74. Our stakeholders' priorities for Council investment included:

- Additional investment into the VCS which could include financial assistance (e.g. longer-term grant funding for VCS) and/or community assets (with capped peppercorn rents) to the sector to help alleviate the financial burdens faced in a volatile economic environment. An example cited for exploration was transforming abandoned properties on Brent's high streets for community use. This type of initiative could assist with building a better offer for residents/service users.
- Better partnership working with the voluntary sector to represent the value it brings to residents of Brent and the money the sector saves the Council. A start to better partnership working could be relooking at the draft proposals that suggest signposting to the VCS, using evidence collated by the VCS, to make sure they are fit for purpose. Also, exploring a shared-outcomes framework between the Council and the sector for the benefit of residents/service users.
- Increased accessibility support to ensure those with specific needs (e.g. disabled residents) receive adequate assistance to navigate the process of digital form-filling. This could help avoid obstructions to such residents in accessing extra funds and entitlements, especially important during a cost-of-living crisis.
- Clearer alignment between climate commitments and early years commitments in the budget proposals for 2024/25 and 2025/26.

Final Evidence Session

- 3.75. The final evidence session was held on 11 December 2023.
- 3.76. Key attendees included the Leader, Deputy Leader, the Chief Executive, the Corporate Director of Finance and Resources, the Corporate Director of Communities and Regeneration, the Corporate Director of Children and Young People, the Corporate Director of Governance, the Corporate Director of Resident Services, and the Director of Public Health.
- 3.77. At this meeting, the Task Group discussed and agreed the provisional recommendations that would be made to Cabinet and Full Council, based on all of the evidence heard to date. For transparency purposes, it was highlighted by the Chair that possible amendments and changes are likely to be made to the recommendations discussed ahead of reviewing and digesting additional evidence outside of this meeting. Any additions would be reflected in this final report.
- 3.78. Final recommendations can be found in section 2 of this report.

4. Other Meetings

- 4.1. Outside of the sessions detailed in section 3, the Chair of the Budget Scrutiny Task Group met with the Independent Chair of the Audit & Standards Advisory Committee, the Chair of the Audit & Standards Committee and the Director of the Integrated Care Partnership to seek further intelligence, clarity, and assurances on the evidence provided by cabinet members/council officers as part of the Budget Scrutiny Task Group Review.
- 4.2. Additionally, the Chair held a drop-in session for backbench councillors to provide their thoughts and insights on the draft budget proposals for 2024/25 and 2025/26.

5. Conclusions

- 5.1. Given the extremely challenging circumstances that local authorities are facing with regards to budget pressures and financial planning, the Task Group agree that the Council has correctly balanced its responsibilities and risks and continues to maintain a prudent financial position despite ongoing austerity, financial uncertainty, and economic turmoil.
- 5.2. The Task Group commends the Council's creativity in identifying additional savings of £8m that will be applied over the next two financial years and its success in limiting the impact of these savings on service reductions and cuts to frontline services.
- 5.3. Despite the Council's great efforts, the persistent funding reductions from central government and the impact on the Council cannot be overstated. The Council continues to find itself in a position where it must do more with less. For instance, the £8m savings identified in the draft Budget are in addition to the £210m savings that have been delivered since 2010. During this period the Council has also experienced an increased demand for services with key pressures to navigate, such as high levels of inflation, high interest rates, delays in funding reforms and the ongoing impacts of the cost of living crisis. Consequently there is a high risk that the Council may need to

cut vital provision to meet its legal obligations in setting a balanced budget, should government not intervene and deliver overdue funding reforms in the sector.

- 5.4. The latest Provisional Local Government Finance Settlement, published in December 2023, is an extra blow to Brent as we will experience the lowest increase in government support across London boroughs (excluding the City of London). It does not adequately provide funding to cover inflationary pressures and offers no new funding to tackle persistent overspend pressures in social care and homelessness. Therefore, the Council will be under pressure to continue to realise its planned savings, with no choice but to curb its expenditure and increase its Council Tax by the maximum of 4.99% to desperately bring in funding to maintain vital services.
- 5.5. Partnership working is crucial for the Council within this extremely challenging financial environment, particularly with the VCS. It is important to recognise that such partners are also struggling in this current environment, where it is vital to establish a realistic, collaborative strategy with the sector to help realise our savings and ensure quality support is still available to our communities. Additionally, more progress can be made to make the draft Budget clearer. This includes specifically highlighting priority protection areas, ensuring that the language used to describe the impacts on residents/partners under the proposals is more accessible and concise, as well as add 'climate and environment implications' under each proposal in line with our fast-approaching climate action commitments.
- 5.6. We would also like to stress our feedback from last year's Review around the importance of continued lobbying with London Councils for funding reforms (inclusive of multi-year financial settlements); the need for identifying/developing additional opportunities to generate additional income/grant funding to help reduce overspend areas; and leveraging funding from our anchor institutions to deliver on joint initiatives for the common purpose of enriching our residents' lives.
- 5.7. In summary the Task Group supports the draft Budget, subject to the outcomes of final consultation and the acceptance of the recommendations outlined in section two of this report. Should our recommendations be accepted, we encourage the Cabinet to closely monitor their progress and to provide regular updates to the Resources and Public Realm Scrutiny Committee to ensure they are achieved in their entirety.
- 5.8. This report is not the end of the budget scrutiny process and we look forward to discussing our recommendations and the budget as a whole at future meetings.

6. Participants

We commend the Council for the prudent, tough financial decisions it has taken in recent years to ensure we have achieved a balanced budget, despite facing significant cuts to local government funding.

We would like to thank the following members for giving up their time to take part in this process, and also to the many council officers who worked extremely hard to support and provide us with information and advice when needed:

- Councillor Muhammed Butt – Leader of the Council
- Councillor Shama Tatler – Deputy Leader and Cabinet Member for Finance, Resources & Reform, Regeneration & Planning
- Councillor Promise Knight – Cabinet Member for Housing, Homelessness & Renters Security
- Councillor Gwen Grahl – Cabinet Member for Children, Young People & Schools

- Councillor Neil Nerva – Cabinet Member for Public Health & Adult Social Care
- Cllr Jumbo Chan – Chair, Audit & Standards Committee
- David Ewart – Independent Chair of the Audit & Standards Advisory Committee
- Kim Wright – Chief Executive
- Minesh Patel – Corporate Director, Finance & Resources
- Peter Gadsdon – Corporate Director, Resident Services
- Alice Lester – Corporate Director, Communities & Regeneration
- Debra Norman – Corporate Director, Governance
- Rachel Crossley – Corporate Director, Care, Health & Wellbeing
- Nigel Chapman – Corporate Director, Children & Young People
- Ravinder Jassar – Deputy Director of Finance
- Tom Shakespeare – Integrated Care Partnership Director
- Melanie Smith – Director of Public Health
- Janet Latinwo – Head of Strategy & Partnerships
- Tom Pickup – Policy, Partnerships and Scrutiny Manager
- Jason Sigba – Strategy Lead, Scrutiny
- Chatan Popat – Strategy Lead, Scrutiny

The Task Group would also like to thank the following valued partners and stakeholders, who contributed to our discussion to ensure robust consideration of the budget proposals:

- CVS Brent
- Crisis Skylight Brent
- Brent Friends of the Earth
- Brent Mencap
- Brent Parks Forum
- Brent Youth Parliament
- SUFRA North West London
- West London Business

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