

	<b>Resources &amp; Public Realm Scrutiny Committee</b> 16 July 2025 <b>Cabinet</b> 28 July 2025
	<b>Report from the Corporate Director, Finance and Resources</b>
	<b>Lead Member</b> <b>Deputy Leader &amp; Cabinet Member for Finance and Resources</b> <b>(Councillor Mili Patel)</b>
<b>Financial Outturn 2024-25</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	None
<b>Background Papers:</b>	N/A
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Rav Jassar Deputy Director, Corporate and Financial Planning Email: <a href="mailto:Ravinder.Jassar@brent.gov.uk">Ravinder.Jassar@brent.gov.uk</a> Tel: 020 8937 1487  Amanda Healy Deputy Director, Investment and Infrastructure Email: <a href="mailto:Amanda.Healy@brent.gov.uk">Amanda.Healy@brent.gov.uk</a> Tel: 020 8937 5912

## 1.0 Executive Summary

- 1.1 This report sets out the outturn for income and expenditure versus the revenue budget and capital programme for 2024/25 and other key financial data. The Council's General Fund outturned at break even, following a transfer from Reserves. The Housing Revenue Account (HRA) has an underspend position of £4.9m, and the Dedicated Schools Grant (DSG) overspent by £0.4m. In 2024/25 the Council's capital programme spent £238.9m which equates to 84% of the approved budget.

- 1.2 Whilst the General fund as a whole broke even, there was an overall service overspend of £15.5m, which is attributable to expected overspends in the provision of homelessness services, temporary accommodation and supported exempt accommodation. Community, Health & Wellbeing achieved a breakeven position and the Children & Young People service overspent by £0.4m, while other services outturned with modest underspends in line with the Quarter 3 forecast. Overall, the financial position has improved by £1.9m since the Quarter 3 forecast. The use of earmarked reserves set aside to manage service overspends of £15.5m has resulted in an overall breakeven position for the General Fund.
- 1.3 A number of spending controls were introduced in 2024/25 to reduce the in year overspend. These controls are estimated to have saved £8m overall and therefore have reduced the required use of reserves. However, as reserves can only be used once this reduces the scope to address such pressures in the future. Further details of the impact of spending controls are set out in the paragraphs below.
- 1.4 The tables below show the forecast position against budget for the General Fund, Dedicated Schools Grant and Housing Revenue Account.

Service Area	Revised Budget	Actual Transactions	Over/(Under) Spend	Q3 Forecast
	£m	£m	£m	£m
Community, Health & Wellbeing	160.4	160.4	0.0	0.4
Children and Young People	91.9	92.3	0.4	1.3
Neighbourhoods and Regeneration	36.0	34.9	(1.1)	(1.7)
Finance and Resources	11.7	11.5	(0.2)	(0.1)
Law & Governance	14.7	14.3	(0.4)	0.1
Partnerships, Housing and Resident Services	40.4	53.2	12.8	12.9
Central Items – Supported Exempt Accommodation	0.0	4.0	4.0	4.5
Total	355.1	370.0	15.5	17.4
Central Items / Transfer from reserves	(355.1)	(370.0)	(15.5)	(17.4)
<b>General Fund Outturn</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
DSG Funded Activity	0.0	0.0	0.4	0.2

Housing Revenue Account (HRA)	0.0	(4.9)	(4.9)	0.0
<b>Total (GF, HRA, DSG)</b>	<b>0.0</b>	<b>(4.9)</b>	<b>(4.5)</b>	<b>0.2</b>

- 1.5 For 2024/25 the Council spent £238.9m, which equates to 84% of the approved capital programme budget, representing an underspend compared to budget by £283.9m as shown in Table 2 below.

Capital Board	Original Budget	Revised Budget	Outturn	FY Variance		
	£m	£m	£m	£m	£m	£m
				(Underspend)/ Overspend	(Slippage)/ Brought Forward	Variance Total
Corporate Landlord	14.2	13.7	11.6	0.0	(2.1)	(2.1)
Housing GF	59.8	81.6	71.0	(1.2)	(9.4)	(10.5)
Housing HRA	57.3	54.7	60.9	1.7	4.4	6.1
PRS I4B	46.3	0.0	0.0	0.0	0.0	0.0
Public Realm	23.8	25.4	18.1	(4.3)	(3.0)	(7.3)
Regeneration	64.7	45.9	34.6	(0.1)	(11.2)	(11.3)
Schools	24.7	28.7	22.1	(0.5)	(6.1)	(6.6)
South Kilburn	27.2	33.4	20.4	(12.1)	(0.9)	(13.0)
St Raphael's	0.3	0.5	0.2	0.0	(0.3)	(0.3)
<b>Total</b>	<b>318.3</b>	<b>283.9</b>	<b>238.9</b>	<b>(16.5)</b>	<b>(28.5)</b>	<b>(45.0)</b>

## 2.0 Recommendation(s)

- 2.1 That Cabinet note the overall financial position for the financial year 2024/25.

## 3.0 Cabinet Member Foreword

- 3.1 As we reflect on the financial year 2024 to 2025, it is clear that Brent Council has navigated another period of profound challenge with determination, resilience and an unwavering commitment to improving the lives of our residents. This year, we have faced a complex and unforgiving financial landscape, shaped by national economic pressures, rising demand for services and the continuing impact of the cost-of-living crisis. Despite these headwinds, we have delivered a balanced General Fund outturn a testament to the strength of our financial planning and the dedication of our finance officers.
- 3.2 The headline figures tell a story of both prudence and ambition. We have spent £238.9 million on our capital programme, achieving 84 per cent of the approved budget. This investment has supported vital regeneration projects, housing developments and improvements to our public realm. Our Housing

Revenue Account closed the year in surplus, and our Community, Health and Wellbeing services delivered £3.3 million in in-year savings while still maintaining essential services. These achievements represent homes built, services delivered and lives improved.

- 3.3 However, we must also confront the stark realities. The Council experienced a £15.5 million overspend across services, driven primarily by the escalating costs of homelessness, temporary accommodation and supported exempt accommodation. The demand from homeless households in Brent reached 6,281 by March 2025 — including 3,538 single people and 2,743 families. The number of households in bed and breakfast accommodation rose by 10 per cent in a single month, from 1,078 in February to 1,182 in April. These figures reflect the daily hardships of families and individuals in our borough.
- 3.4 The £4 million overspend in supported exempt accommodation also highlights the urgent need for national reform, stronger oversight and better regulation to protect both residents and public finances.
- 3.5 In response, we introduced robust spending controls that saved £8.6 million and reduced our reliance on reserves. We held vacancies, renegotiated contracts and made tough but necessary decisions to protect frontline services. But reserves can only be used once, and we must now focus on building a sustainable and resilient financial foundation.
- 3.6 This report is the financial reflection of our values. We have prioritised the most vulnerable, invested in our communities and upheld our commitment to fairness and equity. As we look ahead, we must continue to challenge ourselves, innovate and fight for the resources our borough sorely needs.

## 4.0 Revenue Detail

### 4.1 Community, Health and Wellbeing

Community, Health and Wellbeing	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Adult Social Care & Integrated Care Partnerships	83.8	83.6	(0.2)
Strategic Commissioning & Capacity Building	50.7	50.8	0.1
Public Health	24.2	24.2	0.0
Leisure	1.7	1.8	0.1
<b>Total</b>	<b>160.4</b>	<b>160.4</b>	<b>0.0</b>

## **Summary**

- 4.1.1 The Community Health & Wellbeing directorate has a small underspend of £24k at the end of the year. This is a reduction from the Quarter 3 forecast of a £0.4m overspend. The reasons for the movement are set out below.
- 4.1.2 The directorate was able to deliver £3.3m of in-year savings by bringing forward previously agreed savings, use of service reserves and the impact of changes to the charging policy.

## **Adult Social Care & Integrated Care Partnership**

- 4.1.3 The Quarter 3 forecast had assumed a £0.9m underspend, however the position has reduced to a £0.2m underspend. There were pressures that the service had to manage to arrive at the underspend position mainly as a result of the number of service users across ASC increasing by 7% in 2024/25 and the average weekly costs increasing by 6%. There was an overall c£1.7m pressure against the care packages budgets mainly in Mental Health and Learning Disabilities where there has been a 9% increase in the number of Mental health (MH) clients and a 9% increase in Learning Disabilities (LD) clients placed in supported living accommodation and the average weekly rate for the MH cohort saw a 12% increase while the LD cohort was 1%.
- 4.1.4 The pressure was mitigated from underspends across the Day Centre budgets of £1m and underspends against staffing budgets of £0.7m due to focused management action to reduce agency spend and holding in year vacancies. Furthermore, the service was able to achieve an underspend position through the use of historic reserves from health.

## **Strategic Commissioning & Capacity Building**

- 4.1.5 The Quarter 3 forecast had assumed a £1m overspend, however this has reduced to £0.1m. The movement is mainly due to the Homecare forecast which was based on estimates from Mosaic, but providers are paid based on actual hours utilised from the provider portal. The pressure has arisen from £0.1m slippage against savings from the implementation of technology enabled care.

## **Public Health**

- 4.1.6 The Public Health grant underspent by £0.4m, mainly arising from a delay in the implementation of the social isolation service contract (£0.1m) and late notification of the Agenda for Change funding (£0.3m) which will be passported to the relevant providers. The underspend has been transferred to the Public Health ring fenced reserve, bringing the balance to £10.4m.

## Leisure

- 4.1.7 The service was forecasting an overspend of £0.3m at Quarter 3, which has reduced to £0.1m. The movement was mainly due to additional income not previously recognised in the forecast and in year staff vacancies. The movement has gone towards partly mitigating the pressures arising from the reduced Vale Farm management fee which resulted in a £0.2m pressure.
- 4.1.8 This position was also achieved through drawing down £0.6m from the Willesden PFI smoothing reserve. This reserve balance is now £0.4m and it is expected that this will be utilised in 2025/26.

## Savings and Slippages

- 4.1.9 The department had a savings target of £0.8m to deliver in 2024/25. However, savings target for technology enabled care (£0.1m) has been delayed until 2025/26.

## 4.2 Children and Young People (CYP) (General Fund)

Children and Young People (GF)	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Central Management	2.0	1.7	(0.3)
Early Help	5.6	4.6	(1.0)
Safeguarding and Quality Assurance	4.0	3.8	(0.2)
Localities	24.7	25.1	0.4
LAC and Permanency	7.5	7.9	0.4
Forward Planning, Performance & Partnerships	45.9	47.0	1.1
Inclusion	2.2	2.0	(0.2)
Setting and School Effectiveness	0.0	0.2	0.2
Total	91.9	92.3	0.4

- 4.2.1 The CYP directorate's General Fund budget overspent by £0.4m which is £0.9m less than the Quarter 3 forecast of £1.3m. The decrease is mainly due to less than expected pressures across the service, particularly within the budgets held for central services and Early Help.
- 4.2.2 The £0.4m overspend is mainly attributable to placement spend and an increase in spend against the budget held for clients with no recourse to public funds as well as a £0.5m provision for disputed invoices raised to the Integrated Care Board for health contributions towards the cost of children in care.

- 4.2.3 Recruitment and retention across the directorate remains a national challenge. However, management actions to reduce reliance on agency staff have resulted in a significant decrease in costs, from an average weekly expenditure of £119k (covering 92 agency staff) in April 2024 to approximately £67k (covering 52 agency staff) by the end of the financial year.

#### **Detailed narrative**

- 4.2.4 Pressures against the placement budgets led to an overspend of £1.1m, as previously reported in Quarter 3, due to an increase in the number of children placed in residential care homes; with a significant increase seen in the second half of the financial year, as well as placements in secure accommodation. The Pressures against the residential care placements were partially offset by underspends against the budgets held for the cost of children placed by Independent Fostering Agencies (IFA), due to an overall reduction of the number of Looked After Children in Brent, as well as increased income from the Home Office for Care Leavers and Unaccompanied Asylum-Seeking Children (UASC) presenting to the borough compared to budget.
- 4.2.5 The Localities service overspent by £0.4m due to an increase in spend against the budget held for clients with no recourse to public funds. However, pressures within this area were mitigated by in-year savings through the recovery of overpayments, staffing vacancies and reduction in agency spend.
- 4.2.6 The LAC and Permanency area also experienced budget pressures, resulting in a £0.4m overspend, primarily driven by legal costs. This year's pressure is attributed to a small number of legal challenges and high-cost legal disbursements associated with age assessments for Unaccompanied Asylum-Seeking Children (UASC).
- 4.2.7 The Safeguarding and Quality Assurance service underspent by £0.2m. The main driver being staff vacancies both within the Children Safeguarding and Participation services as well as a small underspend in centralised training. This outturn was in line with previous forecasts.
- 4.2.8 The budgets held for central services underspent by £0.3m as some of the expected department wide pressures did not materialise. This budget includes a £0.5m provision for disputed invoices raised to the Integrated Care Board for health contributions towards the cost of children in care.
- 4.2.9 The pressures within the directorate were mitigated by a £1m underspend in the Early Help service. As part of spend control measures, the service maximised the use of grant funding, drew on service reserves where possible,

secured a Public Health contribution for the Citizen's Advice Bureau contract, and held vacancies where possible.

### **Savings and slippages**

4.2.10 The directorate delivered £1.9m of agreed savings in 2024/25. A further £1.2m of savings was originally allocated to the SEND Transport budget; however, this has been deferred to 2025/26 to align with the implementation of the newly approved transport policy. The policy is expected to begin delivering cost savings as it gains traction.

4.2.11 Savings were achieved through several measures, including £0.86m from reductions in care packages, £0.51m from staffing efficiencies, and £0.376m from contract savings and other miscellaneous items. Additionally, £0.2m in digital savings was realised, of which £80k was met from wider service area budgets.

4.2.12 In addition, the directorate had identified c£1m of in year savings included in the reported outturn.

### **4.3 Neighbourhoods and Regeneration**

<b>Neighbourhoods and Regeneration</b>	<b>Revised Budget</b>	<b>Outturn</b>	<b>Over/(Under) Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Public Realm	24.9	23.1	(1.8)
Inclusive Regeneration & Employment	3.1	3.2	0.1
Property & Assets	8.0	8.6	0.6
<b>Total</b>	<b>36.0</b>	<b>34.9</b>	<b>(1.1)</b>

### **Summary**

4.3.1 Neighbourhoods & Regeneration are reporting an underspend of £1.1m for 2024/25. This is a planned underspend as a result of in-year savings implemented by the department which were required Council-wide to help manage the overall budget pressures. These savings come from a review of the resources available to the department and largely come from the utilisation of service reserves and additional income generated by the Parking service in 2024/25.

4.3.2 The outturn has moved from the £1.7m underspend which was forecast at Quarter 3. The increase in cost is a change in how lease commitments are accounted for, ensuring they are now fully captured in our financial reporting.



This will result in a recurring cost going forward, providing a more accurate picture of our long-term financial obligations of the Property & Assets Portfolio.

### **Public Realm**

- 4.3.3 Public Realm report an underspend of £1.8m. This is an improved position from the £1.0m underspend forecast at Quarter 3. This change is largely due to refinements in how income is recognised within Parking & Healthy Streets. Enhanced reporting processes have enabled earlier recognition of Penalty Charge Notice (PCN) income, including amounts issued but not yet paid adjusted for those expected to be cancelled or uncollectable. This technical adjustment has improved the in-year position, but does not affect the overall value of revenue generated.
- 4.3.4 Within Public Realm pressures still remain around Waste. As reported at Quarter 3 pressures have resulted from increased residual waste and fly-tipping, alongside higher variable costs for recycle processing and unfavourable fluctuations to market prices for recyclates. In order to combat this the service have worked to increase the recycling rate by 5%, to reduce fly tip reports by 10,000, and introduced priority work to increase waste enforcement actions by 3,100.
- 4.3.5 A number of waste initiatives were introduced throughout the year such as 'don't mess with Brent' and 'contamination monsters'. Since the monsters contamination campaign and intervention launched in July 2024, it has resulted in a reduction of the number of recycling loads rejected at processing. An average of 33% of loads were rejected in 23/24 compared to an average of 18% of loads rejected in 24/25. The lower rejected loads increased the overall tonnage of recycling processed, increasing the rebate from sale of materials, whilst reducing costs on rejected recycling which moves as general waste when rejected. The 'dont mess with Brent' campaign focused on littering and fly-tipping, and as such the income collected enforcement action grew by £0.1m in 2024/25 when compared to the previous year.
- 4.3.6 These pressures from waste were able to be managed within the Directorate due to underspends from Parking & Healthy Streets. This underspend comes from improved performance due to a range of operational improvements and efficiencies. These include new enforcement plans reviewed monthly, increased use of e-bikes, new and replacement CCTV enforcement cameras, along with new Controlled Parking Zones which has resulted in a significant increase in the number PCNs issued over the last year.

### **Inclusive Regeneration & Employment**

- 4.3.7 Inclusive Regeneration & Employment report a £0.1m overspend for 2024/25. At Quarter 3 the Department were reporting a £0.4m underspend as a result of in-year savings targets. However, due to underspends within Public Realm some planned reserve movements were not required.

### **Property & Assets**

- 4.3.8 Property & Assets report an overspend of £0.6m for 2024/25. As noted in 4.3.1 this overspend and variance from the Q3 position is down to a review of lease accounting effecting the reported income within Commerical Property.
- 4.3.9 Within the Directorate there were also higher than anticipated staffing costs within Facilities Management largely coming from increased overtime costs, which are under review for 2025/26. High inflation also resulted in increased contract costs for the FM contract. However, the overspend was offset within the Department from an underspend in Energy due to energy costs being based upon contracts bought for future energy supply, and the fall in energy costs.

### **Savings and Slippages**

- 4.3.10 Savings for 2024/25 were set under the Council's previous structure. Following the change, savings have been realigned and £2m of savings are attributable to the Neighbourhoods and Regeneration department. £0.7m of this £2m target relates to finding new tenants for parts of the Civic Centre, which has been deferred to 2025/26. Of the remaining £1.3m of savings in 2024/25, these were able to be delivered in-year.

## **4.4 Law and Governance**

<b>Law and Governance</b>	<b>Revised Budget</b>	<b>Outturn</b>	<b>Over/(Under) Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Democratic Services	5.9	5.8	(0.1)
Human Resources	3.7	3.4	(0.3)
Legal Services	5.1	5.1	0.0
<b>Total</b>	<b>14.7</b>	<b>14.3</b>	<b>(0.4)</b>

### **Summary**

- 4.4.1 Law & Governance are reporting an underspend of £0.4m for 2024/25. This is an improved position from the £0.1m overspend forecast at Quarter 3.
- 4.4.2 The main driver for the improved position is Legal Services who now report a breakeven position. The department had previously been experiencing

pressures on their staffing budget due to high agency costs covering essential vacant posts. However, the Department implemented a recruitment drive in-year. This recruitment, combined with a review of debt recovery cases to generate income and an increase of staff time spent on capital projects has led to the improved outturn position.

4.4.3 Human Resources report an underspend of £0.3m, consistent with the position reported at Quarter 3. This underspend is primarily attributable to the achievement of in-year savings and the use of the Public Health grant to fund a proportion of apprentice and graduate salaries, reflecting their contribution to public health-related activities.

4.4.4 Democratic Services report a small £0.1m underspend representing an improvement from the break-even position forecast at Quarter 3. The underspend is largely the result of staffing vacancies that remained unfilled by the of the financial year.

## 4.5 Finance and Resources

Finance & Resources	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Finance Services	7.0	6.8	(0.2)
Organisational Assurance & Resilience	4.7	4.7	0.0
Shared Technology Services*	0.0	0.0	0.0
<b>Total</b>	<b>11.7</b>	<b>11.5</b>	<b>(0.2)</b>

\*Shared Technology Service show a net zero budget, however their gross expenditure budget is £17m. This expenditure is fully recharged across the three partner boroughs, therefore the income for these recharges net the expenditure to zero.

### Summary

4.5.1 Finance & Resources report a £0.2m underspend for 2024/25. This an improved position from the £0.1m forecast at Quarter 3.

4.5.2 The underspend in Finance is due to a combination of achieving in-year savings, implementing spending controls and holding posts vacant.

4.5.3 Shared Technology Services report a break-even position after the completion of charges to the partner organisations.

4.5.4 Organisational Assurance & Resilience also report a break-even position. At Quarter 3 it was expected that the department would achieve a £0.1m underspend due to staffing vacancies. However, this did not materialise due to successful recruitment in Quarter 4.

## 4.6 Partnerships, Housing and Resident Services

<b>Resident Services</b>	<b>Revised Budget</b>	<b>Outturn</b>	<b>Over/(Under) Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Resident Services	16.2	14.8	(1.4)
Communications, Insight and Innovation	16.7	16.0	(0.7)
Housing Needs and Support	2.4	17.7	15.3
Communities and Partnerships	4.3	4.1	(0.2)
Private Housing Services	0.4	0.3	(0.1)
Corporate Director	0.4	0.3	(0.1)
<b>Total</b>	<b>40.4</b>	<b>53.2</b>	<b>12.8</b>

### Summary

4.6.1 The Partnerships, Housing and Resident Services department is reporting a net overspend of £12.8m for 2024/25. The overspend is as a result of the high level of pressures in the Housing Needs and Support service leading to a £15.3m overspend, which is partially reduced by in-year saving measures across other service areas within the department. In-year saving measures amounting to £2.3m were achieved by holding posts vacant, generating additional income and reviewing opportunities to postpone expenditure plans in the short term. The outturn is in line with the Quarter 3 forecast, which projected an overall £12.9m overspend for the department.

### Resident Services

4.6.2 Resident Services are reporting an overall £1.4m underspend, which is £0.1m below the original in-year saving target and the Quarter 3 forecast. Higher than anticipated spend on the funeral service and printing costs were largely offset by additional income achieved by the Registration and Nationalities team as a result of a higher demand for services.

4.6.3 Customer Services also continued to support residents though the cost-of-living crisis. The Council allocated £0.4m from reserves to the Resident Support Fund to support residents experiencing financial difficulty. The Government continued to fund the Household Support Fund and the Council has been granted £5.6m which was used to support households receiving free school meals for holiday period, credit union support with interest free loans, food banks, careers in Brent, winter support, holistic support with debt and reactive support with household bills through an application process.

## **Communications, Insight and Innovation**

- 4.6.4 Communications, Insight and Innovation are showing a £0.7m underspend for the service. This is £228k greater than their in-year saving target and the Quarter 3 forecast. The greater underspend is attributable to additional filming, advertising and events income achieved by the service.

## **Housing Needs and Support**

- 4.6.5 The Housing Needs and Support service report a total net overspend of £15.3m, which is consistent with reported forecasts during the year and is due to extreme pressures on the Housing Needs service. An extremely high level of demand for homelessness services and emergency temporary accommodation is a national issue, but it is particularly acute in London.
- 4.6.6 The demand from homeless households in Brent as of March 2025 was 6,281, broken down between 3,538 single people and 2,743 families. This equates to an average of 121 applications per week. Whilst this level of demand represents a 14% reduction on the 2023/24 total number of applications, which was 7,300, the demand for the service and associated costs remain high. In April 2025, there are a total of 1,182 homeless households in Bed and Breakfast (B&B) accommodation - an increase of 10% from February 2025, when there were 1,078 homeless households.
- 4.6.7 Progress continues to be made in the key priority of decanting households living in the highest cost nightly paid Temporary Accommodation (TA) properties (B&B), into more affordable accommodation. The Council has also entered in a number of lease arrangements to achieve cost avoidance in comparison to more expensive B&B placements.
- 4.6.8 In 2024/25, i4B continued its street property acquisition programme and had a target to acquire 25 homes. i4B is a housing company wholly owned by Brent Council set up to acquire, letting, and manage a portfolio of affordable, good quality private rented sector (PRS) properties. Properties are let to homeless families at Local Housing Allowance (LHA) levels. This enables the Council to either prevent or discharge its homelessness duty and therefore reduce temporary accommodation costs whilst also ensuring families have a secure and responsible landlord. The rise in LHA rates has enabled i4B to increase its acquisition price caps. As of April 2025, 36 properties have been acquired, 28 have been let, 3 are in refurbishment and 5 have been handed over to Housing Lettings to secure suitable tenants. There are a further 4 properties that are in the i4B acquisition pipeline.
- 4.6.9 In addition, as of April 2025, 16 properties have been acquired under the Local Authority Housing Fund (LAHF) grant fund from the Ministry of Housing, Communities and Local Government (MHCLG) aiming to reduce local housing pressures, provide sustainable settled housing and support

local housing markets. A number of properties are also in conveyancing or awaiting valuation.

### **Communities and Partnerships**

- 4.6.10 Within the Communities and Partnerships service there is a £140k underspend, which is in line with expected in-year savings and the Quarter 3 projection. Savings were achieved by holding a number of positions within the service vacant throughout the year.

### **Private Housing Services**

- 4.6.11 Private Housing Services are reporting a net £116k underspend attributed to additional licensing income achieved as a result of expanding the licensing scheme. A proportion of the additional income generated in-year was also transferred to reserves in order to manage future years costs as licensing charges cover multiple years.

### **Corporate Director**

- 4.6.12 Within the Corporate Director budget there is a £138k underspend that is as a result of not spending some of the support budgets in full.

### **Supported Exempt Accommodation**

- 4.6.13 The supported exempt accommodation properties are leading to growing financial pressures on the Council and presented a new budgetary risk for 2024/25, leading to a £4m overspend in the year. This is because providers are not constrained by the Local Housing Allowance (LHA) caps like other landlords and are able to charge a higher rent once they justify that they are providing support. The amount of Housing Benefits subsidy is dependent on the Rent Officer decision and is awarded based on the claim related rent. This is a national challenge as there is a need for better regulation around the agreed criteria that a provider should meet to be considered as a Supported Exempt Accommodation provider and further clarity on what constitutes as minimal care would enable a universal approach when considering an individual's support needs. Historically, this has not been a significant budget pressure for the Council and has been managed corporately within the wider Housing Benefits budget.
- 4.6.14 A detailed review has taken place within the Adult Social Care and Single Homelessness Team to ensure providers can adequately fulfil the care and support duties required for Supported Exempt Accommodation. A dedicated working group has been set up within the Council and its work aims to minimise the opportunities for exploitative landlords to join the Supported Exempt Accommodation market by introducing a clear strategy on the Council's mechanisms to review landlords that enter this market and those already established. Reviews are also planned to be carried out to consider the individual's support care needs and to verify whether the provider is

providing the appropriate amount of care. In February 2025 a consultation was launched on the implementation of the Supported Exempt Accommodation Act. This consultation seeks views on the implementation of measures in the Supported Housing (Regulatory Oversight) Act 2023. It focuses on the detail of a licensing regime and National Supported Housing Standards and includes content on Housing Benefit. The Supported Housing (Regulatory Oversight) Act was introduced in 2022 and came into force on 29 August 2023. The Act introduces national standards for support and gives local housing authorities power to set up licensing schemes to manage the scale and distribution of supported accommodation and tackle poor quality supported housing. As Government consults on the standards and licensing and more details becomes known, further horizon scanning will continue to ensure the outputs of this work are aligned to the new requirements.

### **Savings and Slippages**

- 4.6.15 In additional to the £2.3m in-year savings target, a total of £1.5m of agreed savings were planned to be delivered from the department's budgets in 2024/25, including a £0.4m housing saving deferred from the previous financial year. All savings were achieved in full and delivered mainly by service transformations, restructures and digital projects.

## **5.0 Central items**

### **Collection Fund – Council Tax**

- 5.1 The budgeted net collectible amount for Council Tax (after exemptions, discounts and Council Tax support) was £216.3m in 2024/25. The actual net collectible amount as at 31 March 2025 was £215.5m, a decrease of £0.8m since April 2024. This is due to additional exemptions for student accommodation for which there is an up to 100% discount on the liability. After accounting adjustments for items such as impairment for doubtful debt, and write-offs, there is a cumulative Council Tax deficit on the Collection Fund of £10.7m (£1.2m surplus in 2023/24). Of this, Brent's share of the deficit is £8.2m (GLA £2.5m). The movement in the balance is made up of a £9.9m repayment of the estimated 2023/24 surplus from January 2023, which was significantly higher than the actual surplus, the decrease in the net collectable debit and an increase in the impairment for doubtful debt as a result of low collection rates compared to the budget. The Council holds a Collection Fund reserve for the purpose of smoothing out any surpluses/deficits and the deficit will be contained within the reserve.
- 5.2 The in-year collection rate was 91.2%, 1% lower than the amount achieved in 2023/24. Collection will continue beyond the end of the financial year, but a lower in-year collection target increases the pressure on the debt recovery team to collect more of that debt and achieve the 97.5% long-term collection

that has been assumed as a part of Brent's revenue budget. Evidence suggests that debt becomes much harder to collect after two years have passed, so the continued low in-year collection of Council Tax is a key risk to the Council's financial resilience in the medium term.

- 5.3 During the 2024/25 financial year, the budget for 2025/26 was set. As part of this, the Council calculated the taxbase for 2025/26. This included a reduced assumption of 97% long term collection due to the ongoing issues with collection. The deficit arising in 2024/25 as a result of the long term collection target having been set higher than the actual collection suggests is feasible, will be included in the estimate of the 2025/26 closing position, which will be repayable in 2026/27. As per the above, this deficit is expected to be contained within the Collection Fund reserve. The Council holds a Collection Fund reserve for the purpose of smoothing out any surpluses/deficits and it is expected that this deficit will be contained within the reserve.
- 5.4 Any budget gap arising from reduced expectations for collection will have to be met either from reserves in the short term or from additional budget savings. The Council has already committed to a challenging programme of savings across 2025/26, with further savings of £30m to be delivered between 2026/27 and 2028/29 and the reserves have been depleted in recent years due to high inflation and demographic pressures. Ongoing low collection of Council Tax may result in a permanent reduction in resources for the Council through a further reduction in the taxbase used for budgeting purposes.
- 5.5 With this in mind and for the need for significant improvement, an external review of Council Tax collection was commissioned during 2024/25. The review was identified what is possible within the service and to assess how much effort/cost is required to deliver change compared to potential savings and service benefits. This is currently being reviewed internally. Additional capacity has been provided within the service, meaning that the numbers of reminder notices and summons will go out in higher numbers in order to maximise collection.

### **Collection Fund – Business Rates**

- 5.6 The budgeted net collectible amounts for Business Rates (NNDR) for 2024/25 was £140.1m (after exemptions, reliefs and discounts). The actual net collectible amount as at 31 March 2025 decreased to £126.0m, a decrease of £14.1m since April 2024. This decrease is due to the following items:
- Higher than expected movements on the impairment for doubtful debt, because collection was lower than expected (£0.6m);
  - Higher than expected movements on the appeals provision, because the value of successful historic appeals exceeded the level of provision set aside (£2.8m);



- A reduction in the liabilities before reliefs are applied (£1.1m, of which £0.3m was for prior years);
- An increase in reliefs funded through Section 31 grants (£4.0m); and
- An increase in empty property relief (£5.6m, of which £2.8m was for prior years), which is an unfunded relief.

5.7 After accounting adjustments for items such as impairment for doubtful debt, and write-offs, there is a cumulative NNDR deficit on the Collection Fund of £6.6m (£9.0m surplus in 2023/24), of which Brent's share is £2.0m (GLA £2.4m, MHCLG £2.3m). The movement in the balance is made up of a £1.2m repayment of the estimated 2023/24 surplus from January 2023, the £14.1m decrease in the net collectable debit and a £0.3m reduction in Transitional Protection Payments due to the Collection Fund. The Council holds a Collection Fund reserve for the purpose of smoothing out any surpluses/deficits and it is expected that this deficit will be contained within the reserve.

5.8 The in-year collection rate was 93.4%, 0.2% higher than the amount achieved in 2023/24, but still below the 94% in-year target. Collection will continue beyond the end of the financial year with a long-term collection target of 98% based on historic data. Evidence suggests that debt becomes much harder to collect after two years have passed. Therefore, to achieve the long-term collection target, a marked improvement in the Council's collection of arrears must be seen quickly to make up for the lower expectations for in-year collection. It is also important for the Council to continue to make improvements to in-year collection, as this remains the best way of achieving the long-term target.

5.9 Included within the outstanding debt for 2024/25 are several large unpaid liabilities where work is ongoing to achieve collection in a timely manner. This includes multiple cases of suspected rates avoidance, for which legal advice is currently being sought. In some of these cases, the businesses are undergoing a change of use process, to change their properties to uses which would have a lower rateable value and are challenging their rates bills accordingly. The process for the Valuation Office Agency to investigate and resolve such cases is a process that takes time. However, the Council remains committed to pursuing all business rates liabilities and will take whatever actions are required to ensure that every business pays the business rates that they are liable for.

### **Virements**

5.10 The table below shows the virements which have been entered to adjust the budgets at Corporate Directorate level from November 2024 to the end of 2024/25. Cabinet are recommended to approve these virements.

	2024/25 In-Year Budget at 01.11.2024	In-year growth	Transfer of functions between services	Technical Adjustments	2024/25 Closing Budget
	£m	£m	£m	£m	£m
<b>Community, Health and Wellbeing</b>	156.5	3.9	0.0	0.0	160.4
<b>Children and Young People</b>	91.0	0.8	0.0	0.1	92.0
<b>Neighbourhoods and Regeneration</b>	35.4	0.6	0.0	0.0	36.0
<b>Partnerships, Housing and Resident Services</b>	39.1	1.4	0.0	(0.1)	40.4
<b>Law and Governance</b>	14.0	0.6	0.0	0.0	14.6
<b>Finance and Resources</b>	9.5	2.2	0.0	0.0	11.7
<b>Central Items</b>	(345.5)	(9.6)	0.0	0.0	(355.1)
<b>Total Budget</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

5.11 In-year growth items are budget movements from the Central Items budget to Departmental budgets which were not actioned at the start of the financial year. The table above includes the following in-year growth items added between November 2024 and the end of 2024/25:

- Funding from reserves for prior year payment from Community Health and Wellbeing (Adult Social Care) (£3.0m)
- Funding from reserves to Partnerships, Housing and Resident Services for expenditure on the Triple Value Impact programme (£0.3m)
- Permanent funding for recurring core operational capacity pressures in Finance and Resources (£1.6m)
- Allocation of the 2024/25 pay award to services (£0.7m to Community, Health and Wellbeing, £0.9m to Children and Young People, £0.6m to Neighbourhoods and Regeneration, £1.2m to Partnerships, Housing and Resident Services, £0.3m to Law and Governance and £0.2m to Finance and Resources)
- Funding from reserves for Change Programme salaries in Law and Governance (£0.3m)
- Temporary funding from the Borough Plan budget for salaries in Community, Health and Wellbeing (£0.01m)
- Funding from reserves to Finance and Resources for Insurance compensation payments (£0.4m)
- Funding from reserves to Community, Health and Wellbeing for the migration of social care software (£0.1m)

- 5.12 Transfers of functions between services are budget movements between Corporate Directorates, which occur when a department is moved from one service to the other. The virement ensures that the department and the related budget remain together. The table above includes the following transfer of functions between services items added between November 2024 and the end of 2024/25
- Transfer of Staff Networks Budget – Policy from Partnerships, Housing and Resident Services to Law and Governance (£0.02m)
- 5.13 Technical adjustments are budget movements resulting from events which are provided for in the MTFS, but only confirmed during the year (e.g. pay award), budget movements resulting from changes to processes (e.g. centralisation of budgets) or other budget movements between directorates resulting from changes to the Council's structure. The table above includes the following technical adjustment items added between November 2024 and the end of 2024/25:
- Correction of errors in virements in prior periods (£0.1m to Children and Young People, £0.1m from Partnerships, Housing and Resident Services)

## 6.0 Dedicated Schools Grant (DSG)

DSG Funding Blocks	Revised Budget	Outturn	Over/(Under) Spend
	£m	£m	£m
Schools Block	118.2	118.2	(0.1)
High Needs Block	77.4	79.5	2.1
Early Years Block	34.6	33.1	(1.5)
Central Block	2.1	2.0	(0.1)
<b>Total</b>	<b>232.4</b>	<b>232.8</b>	<b>0.4</b>

### Summary

- 6.1 The overall DSG deficit has increased from the brought forward balance of £13.2m to £13.6m at the end of 2024/25, including an in-year pressure of £0.4m. Despite surpluses against the Schools Block (£0.055m), Early Years (EY) Block (£1.5m) and the Central Schools Services Block (£0.144m), these were offset by a pressure against the High Needs Block which saw a deficit of £2.1m.
- 6.2 The HN Block reported an overspend of £2.1m compared to £0.2m reported in Quarter 3. The main reason for the increase being the top-up funding for children placed in special schools and academies due to an increase in pupil numbers and average unit costs mainly from January 2025. There was an increase in the number of children requiring Education, Health and Care Plans (EHCPs) which was 3,892 as at March 2025 compared to 3,598 as at

March 2024, an increase of 8.2%. This led to increases in the top-up funding for in-borough mainstream academies and special schools, placements in independent day special schools and alternative education for children awaiting placements as well as the post-16 provision.

- 6.3 The Schools Block surplus was due to underspends against the de-delegated budgets held for contingencies and maternity and paternity cover.
- 6.4 The £1.5m under-spend against the EY Block is mainly driven from the additional funding from the Department for Education (DfE) to cover the increase in provision of free childcare for working parents from September 2024 to 30 hours. This allocation was provided based on an estimated take up of hours by working parents in Brent. However, take-up has been lower than predicted leading to underspends of £0.5m and £0.7m reported against the under 2- to 2-year-old and the 2-year-old working parent entitlements respectively.
- 6.5 The EY Block funding is based on headcounts at January census points. Therefore, there is a risk that the DfE may claw back some of the funding received in 2024/25 following confirmation of the final January 2025 census and a final in-year adjustment expected in July 2025. An allowance has been made for the potential clawback and the remaining surplus will offset the overall DSG in-year deficit.
- 6.6 The budgets held for central service also saw an underspend of £0.5m due to vacancies held throughout year and a reduction in spend towards the training offer. This budget included a contingency of £0.1m which was not utilised and contributed to the underspend.
- 6.7 The DSG deficit will be disclosed as an earmarked unusable reserve in line with DfE regulations (the School and Early Years Finance (England) Regulations 2023). The regulations make clear the requirement for any DSG deficit balance to be held within the local authority's overall DSG and carried forward to be funded from future year's funding and/or recovery plans agreed with the DfE. This also means that authorities cannot fund a deficit from the General Fund without the secretary of state's approval. The recent Spending Review confirmed this arrangement will be in place until the end of the 2027/28 financial year.
- 6.8 This is the final year of the DfE's Delivering Better Value (DBV) in SEND programme to provide dedicated support and funding to help local authorities reform their high needs systems. The Council received a grant of £1m grant funding allocated over two financial years i.e., 2023/24 and 2024/25 to deliver the actions in the Management Plan as well as cost benefits identified as part of the programme. The pilot has been successful with a plan to continue some of the workstreams that were developed with the DfE as part

of business-as-usual processes to continue to work towards reducing the overall deficit and to achieve a more sustainable High Needs Block budget in the future.

- 6.9 In 2024/25, maintained school balances decreased by £1.0m (£2.1m decrease last year) from £12.9m to £11.9m. This reduction in school balances is mainly attributable to reduced income linked to falling pupil numbers particularly withing the Primary phase. Of the 54 maintained schools, 27 increased their balances and 27 decreased their balances. Also included in this total are 8 schools in deficit and at the end of 2024/25, 2 schools that were previously in deficit recovered their deficit; however, 3 new schools have closed with deficit balances. The challenge remains that school budgets are under considerable pressure due to rising costs. In some cases, reduced funding levels have resulted from a reduction in the number of pupils on the school roll.

## **7.0 Housing Revenue Account (HRA)**

### **Summary**

- 7.1 Budgets for the Housing Management function are contained within the ring-fenced Housing Revenue Account (HRA), which had a balanced budget for 2024/25 made up of £65.8m of income matched by expenditure.
- 7.2 The HRA has outturned with a surplus of £2.9m for 2024/25, which will allow the HRA operating reserve to increase to £5.3m, which is above the target level of £3.4m.
- 7.3 The overall HRA outturn for the financial year 2024/25 is a result of a number of variances across services. An additional £4.3m in rental income was generated during the year as a result of new stock additions, contributing positively to the overall financial position. Leaseholder service charge income came in £1m above budgetary expectations, resulting in increased revenue from leaseholders. The allowance for debt impairment was increased by £0.7m to recognise the challenges in debt collection. This adjustment reflects current trends in arrears and collection rates.
- 7.4 There was a £4.2m overspend relating to responsive repairs, which was driven by an increase in demand for urgent maintenance and efforts to address a backlog of outstanding repair works, highlighting ongoing pressures on the repairs and maintenance budget. In order to ensure the HRA is prepared for upcoming financial obligations, a provision of £1.3m was set aside to cover anticipated future expenses.
- 7.5 Costs amounting to £1.7m that were originally capitalised and relate to schemes that were subsequently paused or abandoned, were reclassified

and charged to revenue. This change reflects the need to account for expenditure that no longer meets capitalisation criteria.

- 7.6 In addition, insurance costs rose by £0.6m during the year and costs associated with decants and tenant incentive payments were £0.3m higher than expected. A larger than planned volume of pest control interventions led to an additional £0.2m in costs above budgetary expectations.
- 7.7 A planned revenue contribution to capital of £4m was not required during the year, which provided some relief to the revenue budget and improved the in-year financial position.
- 7.8 Following a reassessment of costs and asset revaluation, £2.8m was released from a provision previously set aside for Granville remediation works.
- 7.9 Staffing costs within Property Services were £0.9m below budget. This underspend is largely attributed to staff vacancies and cost control measures introduced by the Council to manage overall expenditure.
- 7.10 Lastly, there was a £0.9m reduction in support services costs. This saving contributed to the overall efficiency of the fund and helped offset pressures in other areas of the budget.
- 7.11 Additional reserves totaling £2m have been created to manage the current risks around housing maximization strategies and new contract implementation.

## **8.0 Capital Programme**

- 8.1 The Council's Capital Programme is a bold and forward-looking five-year investment plan, with a total budget of £1039.0m for the period 2024/25 to 2028/29. This programme is funded through a blend of capital receipts, government grants, external contributions, earmarked reserves, and borrowing.
- 8.2 In 2024/25, the Council delivered £238.9m of capital expenditure against a revised budget of £283.9m, representing an overall budget variance of £45.0m and performance of 84% compared to revised budget. Due to the project-based and multi-year nature of capital expenditure, underspends in a year may be due to scheme costs slipping into future years or being accelerated into current year with no overall impact on the cost of the scheme compared to overall scheme budget. A net £28.5m of the overall variance relates to scheme costs that have slipped into 25/26.

Capital Board	Original Budget	Revised Budget	Outturn	FY Variance		
	£m	£m	£m	£m	£m	£m
				(Underspend)/ Overspend	(Slippage)/ Brought Forward	Variance Total
Corporate Landlord	14.2	13.7	11.6	0.0	(2.1)	(2.1)
Housing GF	59.8	81.6	71.0	(1.2)	(9.4)	(10.5)
Housing HRA	57.3	54.7	60.9	1.7	4.4	6.1
PRS I4B	46.3	0.0	0.0	0.0	0.0	0.0
Public Realm	23.8	25.4	18.1	(4.3)	(3.0)	(7.3)
Regeneration	64.7	45.9	34.6	(0.1)	(11.2)	(11.3)
Schools	24.7	28.7	22.1	(0.5)	(6.1)	(6.6)
South Kilburn	27.2	33.4	20.4	(12.1)	(0.9)	(13.0)
St Raphael's	0.3	0.5	0.2	0.0	(0.3)	(0.3)
<b>Total</b>	<b>318.3</b>	<b>283.9</b>	<b>238.9</b>	<b>(16.5)</b>	<b>(28.5)</b>	<b>(45.0)</b>

### Corporate Landlord

- 8.3 Corporate Landlord, which is made up of Retained Estates, Digital Strategy, ICT and Libraries, has a variance to budget of £2.1m made up of a slippage across a number of schemes.
- 8.4 The projected slippage is made up of £0.4m in Digital Strategy due to a change in priorities, which has led to the delivery of some projects being pushed back to the next financial year. The public sector decarbonisation scheme experienced slippage of £0.2m due to viability challenges with two workstreams. The retained estates project also experienced slippage of £0.6m and the ICT Investment fund has realigned project delivery timescales creating £0.7m slippage to 25/26.

### Housing General Fund

- 8.5 The Housing General Fund programme delivered an outturn of £71.0m, providing an overall variance to budget of £10.5m.
- 8.6 The variance is largely due to slippage relating to the Local Authority Housing Fund Programme to acquire 42 local properties for temporary accommodation and resettlement to reduce pressure on future revenue housing costs. This budget was approved by Full Council in February. Having successfully acquired 10 homes during 24/25 the remaining 32 homes will be acquired in 25/26.
- 8.7 The net £1.2m underspend is made up of a £1.9m underspend on the Brent Indian Community Centre development which has completed and delivered 29 affordable homes as well as a community facility. This is partially offset by

a £0.9m overspend on the Clock Cottage project, which will provide 13 supported living units. The contractor has completed an extensive suite of surveys to fully understand the condition of the building in order to propose and complete the refurbishment and these works are significantly greater in extent and cost than previously allowed for within the project and its budget. Officers are engaging with the GLA to increase the level of funding provided for this scheme to reduce the financial impact and a decision is expected during July 2025.

### **Housing HRA**

- 8.8 The Housing HRA reported an outturn of £60.9m against a budget of £54.7m, resulting in a budget variance of £6.1m.
- 8.9 This is primarily due to an accelerated spend of £15.5m to facilitate the expedited progress on the Claire Court Housing Development. However, this is partly offset by slippage of £5.4m for Five Tower Blocks Programme, £4.2 for the Alpertown Bus Garage and £1.1m for the Refurbishment of Granville Homes, owing to delayed procurement and project completion.
- 8.10 A reported net overspend of £1.7m is largely driven by a £3.9m overspend for Major Repairs & Maintenance, primarily due to increased costs associated with the energy efficiency works programme and a rise in void properties. These overspends are partially offset by £2.1m in underspends across various schemes, where several projects have now been completed and no additional expenditure is expected against the current budget.

### **PRS i4B and First Wave Housing**

- 8.11 The budget represents the drawdown of loan facility by i4B Holdings Ltd to continue their acquisition programme to deliver homes in the private rented sector. The company have been able to utilise existing funds drawn down to acquire properties within the year so there has been no call for new funding in 24/25. A budget has been allocated to 25/26 with future loan funding is expected contingent on them presenting a viable property acquisition programme.

### **St Raphael's**

- 8.12 The works at St Raphael's estate have consisted of improvements to pavements and roads whilst exploration to deliver future development continues. £0.3m has been slipped into 25/26.

### **Public Realm**

- 8.13 The Public Realm Board has delivered significant improvements throughout the year spending £18.1m during 24/25. One notable success was the



completion ahead of schedule of the reconstruction of Triangle and Wembley High Road, an important and complicated engineering project that addressed long-standing structural issues and reduced the need for costly reactive repairs. The overall budget variance for the Board was £7.3m, consisting of a net underspend of £4.3m and net slippage of £3.0m. The underspend was largely driven by £2.5m of unused contingency, as well as £1.5m on Streets & Parking, and £0.5m on Highways Management due to lower-than-expected expenditure on several large infrastructure projects.

- 8.14 The £3.0m slippage reflects £2.8m of accelerated spend on Footways due to significant progress to achieve early completion of works offset by £5.8m of slippage attributed to resource reprioritisation and procurement delays. For example, the carriageway surfacing programme experienced a delay of £1.465m due to difficulties in procuring consultants to conduct condition surveys. Discrepancies in the raw data extended the validation process, delaying the Cabinet report until the final quarter. Consequently, the 2024/25 programme was merged with the 2025/26 schedule and will be delivered during the summer months, which are optimal for this type of work. Full expenditure is expected by the end of September 2025. Similarly, £238k of slippage in the Structures programme resulted from delays in procuring consultancy services, which in turn postponed study and design work, leaving schemes unready for implementation within the financial year. Injection patching, a seasonal activity typically carried out between April and October, saw £212k of slippage. This was partly due to the use of a 2023/24 carry-forward during the early part of the year, contributing to the underspend carried into the current financial year. The renewal of road markings also experienced £88k of slippage, primarily due to weather dependency and issues with the contractor's subcontractor. However, the contractor has since acquired its own road marking vehicle and is now operating full-time in the borough, ensuring full delivery this year. The overall investment in footways (originally planned over four years (ending in 25/26) is ahead of schedule with all schemes expected to be completed by the end of September 2025 which is 6 months ahead of plan.

## **Regeneration**

- 8.15 The Regeneration Programme has an overall budget variance consisting of £0.1m underspend and £11.2m slippage. The Wembley Housing Zones scheme accounted for £6.6m of this slippage, largely due to delays in starting various phases of work, partly influenced by the timing of payment notices. The contribution of £1.6m to the delivery of Alperton Medical Centre has slipped due to contract queries between partners. The delivery of the Picture Palace project which is creating a community hub focused on cultural, educational and youth amenities, has been delayed to June 2025 which has resulted in slippage of £1.3m. The delivery of affordable workspace at Watkins Road was delayed with works starting in December 2024 resulting

in slippage of £0.4m. The development of a pedestrian and cycle bridge at Grand Union has experienced delays in appointing a planning consultant resulting in slippage of £0.5m.

### **Children, Young People and Community Development**

- 8.16 The Schools Board has been renamed during the year to better align with the projects being delivered to Children, Young People and Community Development. The board has an overall budget variance of £6.6m driven by £6.1m slippage and £0.5m underspend.
- 8.17 The net underspend position was a result of underspend against the Devolved Formula Capital works of £0.3m, the Schools Asset Management Programme of £0.1m and underspend against attributable overhead costs to deliver the programmes of £0.7m. There was an overspend within the inclusive environment project within the SEND expansion programme of £0.5m however this additional cost will be funded within the Basic Need Grant provided by the Department for Education.
- 8.18 The £6.1m slippage is predominately relating to the SEND programme. £5.6m slippage is because of a failed tender exercise for the Additional Resource Provision programme which delayed the start on site during the year. These works are now underway. A further £0.5m slippage relates to the Islamia School and Youth Zones projects, with spend anticipated in 25/26.

### **South Kilburn**

- 8.19 The South Kilburn regeneration programme will deliver over 2,400 new homes of which 50% will be affordable. To date, ten buildings have been delivered or are on site including a new medical centre, community halls and affordable workspace. Seven sites remain to be developed, including a new primary school building, an enhanced public realm, and open spaces. The underspend of £12.1m was due to the substantial mid-year remodel of the forecast to a Single Delivery Partner model for the sites yet to be delivered. The procurement for the partner will commence in 25/26.

### **Capital Financing**

- 8.20 The capital financing budget for 2024/25 was £27.8m inclusive of in year virements. The final debt management outturn position at 31 March 2025 was £41.5m. There was a drawdown of £13.7m from the Capital Financing Earmarked Reserve to fund the outturn variance. There was an increase in costs due to several factors including a review of soft loan accounting which had resulted in an in year charge to the Revenue Account. Investment income had also decreased in line with the reduction in the Bank of England Bank Rate during the year. Borrowing rates continued to remain elevated

during the 2024/25 financial year resulting in new loans being raised at an average rate of 4.8%.

The Council raised £170.0m in new loans and repaid back £84.2m of loans resulting in a net movement of £85.8m increase in the debt portfolio. The Council's cash balances held in its Money Market Funds (MMF) decreased from £90.6m at the start of the financial year to £47.3m, a change of 48%. The change in cash balances has been a result of the need to fund the Council's daily cashflow requirements including the funding of its capital programme in lieu of borrowing. The Council's average debt pool rate was 3.85% as at 31 March 2025, and return on cash investments was 4.53%.

### **Treasury Management Prudential Indicators**

- 8.21 In line with changes to the Prudential Code in 2021, the performance of the Council's treasury and capital activities against the approved prudential indicator for the year are now reported quarterly within these financial reports to members. Details of the performance against the indicators based on the latest information at the financial year end will be included in the Treasury Management Outturn Report.

### **9.0 Stakeholder and ward member consultation and engagement**

- 9.1 There are no stakeholder and ward member consultation arising from this report.

### **10.0 Financial Considerations**

- 10.1 This report is about financial position in 2024/25 for the General Fund revenue budget, the Housing Revenue Account, the Dedicated Schools Grant and the Capital Programme. There are no direct financial considerations in agreeing the report.

### **11.0 Legal Considerations**

- 11.1 There are no legal considerations arising out of this report.

### **12.0 Equity, Diversity & Inclusion (EDI) Considerations**

- 12.1 There are no EDI considerations arising out of this report.

### **13.0 Climate Change and Environmental Considerations**

- 13.1 There are no climate change or environmental considerations arising out of this report.

### **14.0 Human Resources/Property Considerations (if appropriate)**

14.1 There are no HR or property considerations arising out this report.

**15.0 Communication Considerations**

15.1 There are no direct communication considerations arising out of this report.

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance and Resources