Budget Scrutiny Task Group Findings Report

Draft Budget 2026/27

Brent

Foreword

The return of multi-year funding settlements through the recent Local Government Finance Settlement is a welcome shift away from short-term funding cycles. This change provides Brent with a greater degree of certainty, supporting more strategic budget setting, helping to break down departmental silos, and strengthening long-term planning. However, this alone cannot compensate for more than a decade of cuts and underfunding, rising demand for social care, and the mounting pressures created by the temporary accommodation crisis. These challenges are further compounded by the increasing role of privatisation and private equity in publicly commissioned services, particularly in social care, which continue to undermine quality and drive cost inflation. Meaningful reform of local government financing and commissioning frameworks therefore remains essential if councils are to sustain services and ensure value for money for residents.

The Task Group supports the move away from the 'salami-slicing' approach to budget setting that defined the austerity years, and towards broader, thematic categories of savings. Our primary concern, however, remains the impact of this year's budget on residents. How that impact is monitored, reviewed, and mitigated will be central to Scrutiny's ongoing work with local stakeholders. We also emphasise the importance of protecting council owned assets and land as long term public assets, supporting community organisations, enabling service delivery, and creating opportunities for sustainable income generation that will benefit residents for decades to come. Alongside this, strengthening the Council's approach to social value, ensuring robust procurement, and improving productivity, efficiency, and value for money across all services remains critical to delivering a sustainable financial strategy.

Throughout the review, the Task Group has sought to balance financial discipline with the Council's responsibility to residents. Protecting frontline services, supporting the most vulnerable, and ensuring that decisions are made with a clear understanding of their long-term impact on communities have remained central considerations. This report places particular emphasis on prevention, early intervention, and partnership working, especially with the voluntary and community sector (VCS), reflecting both local experience and wider best practice in responding sustainably to financial pressures.

We were particularly encouraged by the work of the Children, Young People and Community Development directorate, including its investment in early intervention, the halving of reliance on agency staff over the past two years, and the development of a council-owned children's home in response to private-equity-driven cost escalation in the sector. This provides a strong example of how strategic investment and public provision can improve outcomes while strengthening financial resilience, and we look forward to seeing how this approach can be applied and embedded across other departments.

I would like to thank the members and officers who contributed to this review. Their engagement and insight have been vital in shaping the Task Group's findings and ensuring that scrutiny continues to play a constructive and evidence-based role in supporting sound decision-making in the best interests of Brent's residents.

Cllr Rita Conneely
Chair – Resources and Public Realm Scrutiny Committee

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Budget Scrutiny Task Group Membership

The Budget Scrutiny Task Group brought together expertise from the Resources and Public Realm Committee (RPR) and the Community and Wellbeing Committee (CWB), with additional representation from the Audit and Standards Advisory Committee to provide assurance on financial governance. The Group consisted of the following members:

Councillor Rita Conneely – Chair

Councillor Ketan Sheth – Vice Chair

Councillor Paul Lorber

Councillor Anthony Molloy

Councillor Ihtesham Afzal

Councillor Michael Maurice

Councillor Sandra Kabir – Co-opted Member (ASAC)

Task Group Terms of Reference

The following terms of reference were agreed at the RPR meeting on 2 September 2025:

1. Consider the Cabinet's budget proposals for 2026/27
2. Receive evidence from cabinet members, senior departmental officers, and any other relevant stakeholders
3. 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 and Financial Background:

1.1. The Council continues to navigate a highly challenging financial landscape, shaped by factors such as the cost-of-living crisis, escalating service demand, and increasingly complex client needs. Pressures are most pronounced in demand-led areas. Homelessness remains a significant cost driver, with over 2,460 households in temporary accommodation and a 36% rise in families placed in emergency accommodation over the past year. Adult Social Care and Children's Services are similarly under strain, impacted by demography and rising contractual costs.

1.2. Escalating costs are also undermining the affordability of the Capital Programme and constraining the Council's ability to invest in preventative measures, heightening the risk of greater financial pressures ahead.

1.3. In December 2025, the Government announced a multi-year settlement as part of the Provisional Local Government Finance Settlement, covering the period from 2026/27 to 2028/29. This represents the first multi-year settlement since 2016 and provides greater certainty for financial planning. Under the settlement, Brent's Core Spending Power is forecast to increase by 9.9% in 2026/27, 7.7% in 2027/28, and 7.3% in 2028/29. This equates to a cumulative increase of £113.6 million (27%) over the three-year period, with approximately 40% attributable to Council Tax and 60% to grant funding.

1.4. While welcomed, this does not offset the cumulative impact of prolonged austerity and sustained demand pressures. Officers are still working through the detailed implications of the settlement, and it remains unclear to what extent the additional funding will alter the savings proposals currently under consideration, or whether additional monies will be used to strengthen the Future Funding Risks Reserve.

1.5. The Task Group's findings are therefore based on the assumptions set out in the Draft Budget 2026/27, with the final budget due to be considered by Cabinet on 9 February 2026. The Draft Budget proposes a Council Tax increase of 4.99% (comprising a 2.99% general increase and a 2% Adult Social Care Precept), alongside £10.4 million of savings to be delivered through a series of cross-cutting themes, including commissioning and procurement, digital transformation, efficiency improvements, workforce productivity, income maximisation, resident experience, and service-specific proposals.

Role and Approach of the Budget Scrutiny Task Group:

1.6. Brent's decision-making framework gives a clear and important role to Overview and Scrutiny in 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 RPR Scrutiny Committee.

1.7. At its meeting on 2 September 2025, the RPR Committee established a Budget Scrutiny Task Group to scrutinise the Draft Budget 2026/27[1].The Task Group held a series of meetings between November and December 2025 with the Cabinet and

[1] Establishment of Budget Scrutiny Task Group Report (September 2025): https://democracy.brent.gov.uk/documents/s152059/06.%20Establishment%20of%20Budget%20Scrutiny%20Task%20Group.pdf

senior officers to prepare this report (a full list of participants is provided at section 6). In line with its remit, the Task Group sought to understand the Council's overall financial position, identify key budget pressures, risks and uncertainties, and consider the assumptions and strategic approach underpinning the Draft Budget and proposed savings.

1.8. Unlike previous years, a more limited number of service-specific savings proposals were published. The majority of proposed savings were instead presented as overarching thematic categories applicable across departments, with detailed plans still under development. Consequently, the Task Group was unable to fully assess the potential impact on services and residents. Members therefore focused on the Council's approach to delivering these proposals, examining the emerging evidence base, key dependencies, feasibility, sustainability, early risks and mitigations, anticipated impacts, and alignment with Borough Plan priorities.

1.9. Early engagement with stakeholders and partners, beyond the formal consultation, during the scrutiny review period was considered to add limited meaningful value. While the Group engaged with ward councillors, more substantive engagement with partners will take place through the RPR Committee as savings plans are developed and refined throughout 2026/27. This approach ensures input at an appropriate stage, focused on deliverability, mitigation, and impact rather than speculation, and provides a clear audit trail of how partner and resident feedback informs scrutiny recommendations and oversight.

1.10. In accordance with the Constitution, this report will be considered by the RPR Committee on 21 January 2026 and submitted to Cabinet on 9 February 2026, alongside the Corporate Director of Finance and Resources' report on final budget proposals. Cabinet will recommend a budget for approval at Full Council on 23 February 2026.

1.11. The Task Group has sought to act as a constructive and independent 'critical friend' in its scrutiny of the Draft Budget, with the aim of supporting robust decision-making and improving transparency. It invites Cabinet to consider the recommendations below and support continued oversight as savings plans evolve.

2. Recommendations

2.1. The Budget Scrutiny Task Group makes seven recommendations to strengthen financial governance and promote a transparent, preventative, and sustainable approach to budget planning, placing residents at the heart of decision-making:

Recommendation 1 – Budget Oversight, Transparency and Accountability

The shift to high-level, collaborative and thematic savings is welcomed, as it has the potential to drive strategic, cross-cutting transformation, foster collaboration, and enable integrated service delivery. By focusing on broader themes rather than isolated reductions, the Council can promote innovation and achieve longer-term efficiencies. However, the absence of detailed delivery plans limits members' ability to assess deliverability, risk, and potential impacts, particularly given current overspends in high-demand services reported at Quarter 3 25/26 and continued reliance on reserves.

The Task Group therefore recommends that the Council:

- **Where reasonable, ensure that detailed delivery plans for all thematic savings categories are developed and sighted to scrutiny at the earliest opportunity, including clear timelines, quantified risks, and mitigation measures, to reduce the risk of in-year slippage and unplanned service impacts.**
- **Commit to regular in-year reporting to scrutiny on the delivery of savings, particularly where proposals were not fully developed at the time of budget approval, to enable early identification of under-delivery and corrective action.**
- **Strengthen financial forecasting in high-demand services, particularly Housing, Adult Social Care and Children's Services, to better reflect demand growth and reduce recurring reliance on reserves to manage overspends.**

Recommendation 2 – Consultation and Resident Engagement

It is recognised that Brent is among the few councils to publish a draft budget as early as November, enabling scrutiny, consultation and engagement during a period of significant uncertainty before any government settlements are confirmed. This proactive approach supports transparency and informed debate. Nonethless, members noted that the high-level presentation and layout of some proposals within the document did not provide the clarity needed for effective consultation and scrutiny, particularly where impacts and options were not able to be clearly set out.

The Task Group therefore recommends that the Council:

- **Improve the clarity and transparency of budget consultation materials, ensuring residents and partners understand what is being proposed, the likely impacts, and how feedback can influence outcomes, particularly where proposals remain high-level or under development.**
- **Publish Fees and Charges proposals alongside future draft budgets or consultations, to enable meaningful scrutiny and public engagement on affordability, impact, and mitigation.**

Recommendation 3 – Debt Recovery and Collection

Enhanced debt recovery efforts have delivered significant progress and are recognised as vital in supporting the Council's financial position. Effective debt collection is critical, as failure to do so not only impacts the Council's immediate cash flow but also undermines long-term financial stability, potentially increasing reliance on external borrowing or reducing eligibility for government grant funding. While recognising these risks, Members emphasised that the current approach must continue to distinguish clearly between those unwilling to pay and those unable to pay, underpinned by a strong ethical framework.

The Task Group therefore recommends that the Council:

- **Sustain and embed the enhanced debt recovery approach beyond March 2026, while maintaining a policy that makes a clear distinction between those unwilling and those unable to pay.**
- **Ensure the Debt Recovery Policy continues to balance financial recovery with fairness and protections for vulnerable residents, and report outcomes to scrutiny.**

Recommendation 4 – Property Strategy 2024–27 Implementation

The Council's commitment to maintaining investment in regeneration and infrastructure through the delivery of its Capital Programme is welcomed, particularly amid significant challenges such as market volatility, rising costs and high borrowing rates. However, asset disposal as a means of generating capital receipts to finance capital expenditure is not regarded as a preferred option. In many cases, subject to viability, retaining assets can deliver greater strategic value (for example, converting them into residential accommodation to help alleviate temporary accommodation pressures) providing both financial and wider community benefits.

Nonetheless, the Council's Property Strategy, developed in collaboration with stakeholders, sets out a strategic, systematic and data-led approach to managing the Council's assets. Effective implementation of the Strategy is essential in ensuring that any proposed disposals are assessed rigorously and balanced against wider strategic objectives.

The Task Group therefore recommends that the Council:

- **Ensure any proposed asset disposals deemed strictly necessary are supported by a clear, evidence-based rationale setting out short-term financial benefits alongside long-term strategic, regeneration and place-based implications.**
- **Where reasonable, ensure that the Resources and Public Realm Scrutiny Committee has sight of significant asset disposal proposals at the appropriate stage, to enable review and meaningful challenge.**

Recommendation 5 – Digital Transformation and Resident Access

Digital transformation offers significant potential to deliver efficiencies and improve service accessibility, but these benefits rely on careful implementation to avoid unintended consequences. While there are clear opportunities for innovation and cost savings, there are also risks of digital exclusion and system vulnerabilities.

The Task Group therefore recommends that the Council:

- **Adopt a phased and risk-managed approach to digital transformation and automation of services, ensuring that non-digital access routes remain available for vulnerable residents and those unable to use digital services.**
- **Strengthen cyber security and digital resilience arrangements as an integral part of efficiency and digital programmes, recognising the financial and service risks associated with system failure or cyber-attack.**

Recommendation 6 – Fees, Charges and Fair Income Generation

Detailed proposals on fees and charges are often unavailable at the draft budget stage because these can only be finalised once funding assumptions are clearer following the settlement and inflation expectations. This timing reflects the reality that fees and charges are frequently used to help close funding gaps identified later in the process. While recognising these timing constraints, it remains a priority for members that income generation measures are fair, proportionate, and aligned with strategic priorities, with careful consideration of their impact on low-income and vulnerable residents.

The Task Group therefore recommends that the Council ensures any changes to fees and charges are evidence-based and proportionate, balancing the need for financial resilience with equity considerations. Where changes are likely to have regressive impacts, these should be clearly understood and, where possible, mitigated for low-income and vulnerable residents, informed by consultation and consistent with the Council's Medium-Term Financial Strategy.

Recommendation 7 – Jobs, Skills and Financial Resilience

Prevention and early intervention are critical to reducing long-term demand on services, with employment and skills identified as key drivers of resident financial resilience. In this context, there are opportunities to better use commissioning and procurement to deliver wider social and economic benefits, while ensuring these approaches remain proportionate and cost-effective within the Council's financial constraints.

The Task Group therefore recommends that the Council strengthen the alignment between its budget strategy and jobs and skills agenda, acknowledging that employment, skills development and improved financial resilience are critical preventative measures but require sustained investment and partnership working. As part of this approach, the Council should make more consistent and strategic use of social value, ensuring that, where proportionate and deliverable, contracts support local employment, apprenticeships, training and skills development opportunities that help residents into sustainable work, contribute to long-term financial sustainability, and remain aligned with the Council's Community Wealth Building objectives.

3. Evidence Gathering

3.1. The Budget Scrutiny Task Group held a series of meetings with the Cabinet and senior officers, including the Corporate Management Team (Chief Executive and Corporate Directors) between November and December 2025 to help inform its findings for this report. These discussions formed part of a wider evidence-gathering process, supported by written stakeholder submissions, reports, and briefings, including detailed financial data, forecasts, benchmarking, narrative explanations, and risk information relevant to the Draft Budget 2026/27.

3.2. Central to the review was the Medium-Term Financial Outlook—the framework guiding the Council's financial strategy. It provides forecast projections for the General Fund and underpins financial planning for the Housing Revenue Account (HRA), Dedicated Schools Grant (DSG), and Capital Programme. The review also considered the draft budget, including the budget-setting process and approach for 2026/27, and the proposed budget measures, comprising of corporate savings category proposals applicable to all council departments, as well as a small number of service-specific proposals.

Budget Approach and Consultation

3.3. The Task Group queried the different approach applied to this year's budget-setting process differing from previous years, moving from detailed, service-specific savings proposals to a thematic, cross-cutting approach with savings categories applied across all directorates. The Deputy Leader explained that earlier budget rounds addressed the most difficult frontline service decisions, enabling a greater focus this year on internal efficiencies rather than further service reductions, though some impacts on services and residents could remain. The thematic approach is intended to support cross-departmental working, shared planning, and best practice in alignment with the council's change programme, rather than isolated service-by-service savings.

3.4. While recognising the opportunities, members highlighted challenges, including that many savings categories remain under development and lack detailed delivery plans, increasing uncertainty and risk of slippage. This absence of detail limits scrutiny's ability to fully assess feasibility and makes it challenging for residents to understand what is being consulted on, the potential impacts, and how they can influence outcomes. To address this, the Group sought assurance that planned engagement events will clearly communicate the practical implications of proposals and equip stakeholders with the information needed to provide informed feedback. In parallel, ongoing scrutiny by the Resources and Public Realm Committee will be essential as proposals develop, ensuring risks and impacts are assessed and providing a channel for residents' and partners' concerns.

Council Tax

3.5. Members queried the proposed Council Tax increase of 4.99% (comprising a 2.99% general increase and a 2% Adult Social Care Precept), including its practicality, and sought to understand the evidence supporting the view that this level of increase struck an appropriate balance between protecting services and maintaining affordability.

3.6. While acknowledging the role of the Council Tax Support Scheme in mitigating hardship from recurring Council Tax increases, the Group sought further clarity on whether this approach delivered a genuine net benefit or primarily redistributed resources between schemes. This was considered in the context of ongoing challenges with Council Tax collection rates, which remain below target. The collection target was reduced from 94% in the previous year to 92.5%, yet current performance still falls short of this revised target.

Strategic Use of CIL Funding in the Context of Budget Pressures

3.7. Echoing previous Task Group recommendations on maximising the community benefit of Community Infrastructure Levy (CIL) funding, members raised concerns that, where CIL balances remain unspent while Council Tax continues to increase and services are reduced, residents may question why these funds are not being used to support projects or mitigate service impacts. The Group noted that CIL (both Strategic CIL and Neighbourhood CIL) has accumulated over several years, often from areas of deprivation heavily reliant on statutory services most affected by reductions. Members therefore sought clarity on how the Council is aligning its strategic approach to CIL expenditure with areas and projects experiencing the greatest impact from service reductions.

3.8. In response, officers emphasised that the use of CIL funding is subject to strict statutory and regulatory requirements governing allocation and expenditure. While acknowledging these constraints, the Task Group maintained that, where legally permissible, CIL could be deployed more widely to support infrastructure with invest to save opportunities to help mitigate budget reductions or prevent specific service cuts. By way of example, members highlighted Cabinet's decision in September 2025 to approve funding for 50 NCIL projects, including 'Don't Mess with Brent' initiatives, where NCIL funding was leveraged to alleviate cost pressures in delivering infrastructure around waste collection services. The Task Group noted this illustrated how CIL can offset financial pressures on services while remaining compliant with the regulatory framework. There was a clear desire to see this proactivity applied more widely to support services and communities most affected by budget pressures.

Debt Recovery

3.9. The Task Group acknowledged the significant commitment to debt recovery, consistent with its recommendation from the previous year, and sought to understand the return on this investment to date. Since April 2025, the Debt Recovery Service launched a focused improvement plan to tackle the most persistent areas of debt: Adult Social Care, Housing Benefit Overpayments, Sundry Debt and Council Tax. At the start of the programme, the total outstanding balance across the four areas stood at £173m, which reduced by £11m at the end of the programme, almost double the reduction achieved over the same period last year.

3.10. While commending efforts to maximise recovery, the Group emphasised the need to focus on those who refuse to pay rather than those struggling, and to ensure appropriate support for the latter. The Council's Debt Recovery Policy remains vital for securing income for essential services while upholding a fair, ethical, and compassionate approach to collection.

DSG

3.11. Officers assured members that the Council continues to monitor and implement its High Needs Block (HNB) Deficit Recovery Management Plan, which sets out long-term actions to reduce the cumulative deficit. Since its introduction, Brent's annual growth in Education, Health and Care Plans (EHCPs) has remained below the national average, reflecting the impact of Council-led initiatives. One example is the 'Intervention First' pilot in Harlesden, running for the past 18 months. This programme targets early primary-aged children, enabling professionals to address speech and language needs earlier and prevent escalation to the point where an EHCP is required. In light of anticipated Special Educational Needs and Disabilities (SEND) reforms, expected in early 2026, the Council will continue to develop and strengthen its deficit recovery plan to ensure it remains fit for purpose and responsive to changing circumstances.

3.12. The government's decision to extend the statutory override on DSG deficits until 2028 was acknowledged by the Task Group, allowing these deficits to remain outside main revenue budgets and helping protect the Council's wider financial position during reform. However, members highlighted the important caveat that this measure does not resolve the structural deficit and only postpones the financial impact, leaving the long-term position dependent on broader reform and continued government responsibility for costs

HRA

3.13. The Task Group noted The HRA continues to face significant cost pressures, driven by rising repairs and maintenance costs on the existing housing stock and compounded by increased compliance obligations, including enhanced building safety and energy efficiency standards. Voids also remain a key contributing factor. While acknowledging ongoing efforts to reduce voids, the Task Group highlighted that this issue continues to have a material financial impact on the HRA and implications for service delivery. To address these concerns, the Resources and Public Realm Committee will undertake a detailed review of housing voids and their impact on financial pressures at its meeting in February 2026. This review aims to inform future activity and provide assurance that decisions are financially sound and effective.

3.14. The final budget requirement and associated savings for the draft HRA budget and the 2026/27 HRA Business Plan are still being finalised and will be presented to Cabinet in February 2026. In the absence of this detail, strengthening reserve levels remains critical to enhance financial resilience and provide flexibility in managing future challenges. Despite £4.5m in operating reserves, this is £9.6m short of the peer average. Nonetheless, the February 2026 scrutiny review will provide an opportunity to explore options for bolstering these balances alongside measures to reduce financial pressures.

Capital Programme

Viability, Risk, and Affordability:

3.15. The Task Group noted ongoing viability issues and delays within the Capital Programme, resulting in postponed cost avoidance and increased completion costs. These pressures have been exacerbated by enhanced building safety regulations, causing further delays and, in some cases, rendering projects no longer viable.

3.16. Future demographic changes are expected to increase pressure on Capital delivery, with a resulting impact on the capital financing budget from 2026/27 onwards. While interest rates remain high, the impact of the Capital Programme on the revenue budget is expected to grow over time. Work is ongoing to mitigate these pressures, and growth in capital financing costs for 2026/27 is currently forecast to be relatively low (£0.5m). However, there is a significant risk that, if mitigations are not achieved, the capital financing budget will require additional growth or the Capital Programme will need to be scaled back to ensure affordability within the revenue budget. This remains a particular concern for members, given the potential implications for delivering affordable housing.

Implementation of Property Strategy 2024-27:

3.17. The Task Group noted that a key part of implementing the Council's Property Strategy will be identifying suitable properties for disposal which will result in capital receipts which could then be used to finance capital expenditure, among other purposes. The Group emphasised that disposing of land or property may not always align with the Council's longer-term strategic responsibilities to residents, particularly the need to support regeneration and sustained place-based investment over the long term (for example, over the next 10 years and beyond). Members therefore stressed the importance of ensuring that any future asset disposals that are deemed necessary are supported by a clear, evidence-based rationale and subject to appropriate scrutiny, where reasonable, to assess their soundness and longer-term implications.

Savings Proposals

Commissioning & Procurement (£3.06m Council-Wide Saving):

3.18. The Task Group queried the proposed saving of £1.56m, to be delivered through a reduction in third-party spend via targeted contract reviews, enhanced supplier engagement, and more strategic procurement planning. Members noted that the proposal represented a modest 0.5% reduction in overall third-party spend and questioned whether it struck the right balance between ambition and deliverability, given the scale of contracts across the Council and the capacity of the procurement service. In response, officers explained that, as this was a relatively new approach, a cautious and measured target had been set. While acknowledging that the saving accounted for a small proportion of overall spend, it was considered reasonable and achievable within existing procurement capacity, supported by recent improvements through the Procurement Improvement Programme (PIP). Achieving this will depend on continued collaboration with service areas over the next 12 months, applying varied strategies and market intelligence to drive down contract costs.

3.19. The Group sought assurance that reductions in third-party spend would not be passed on to residents through increased costs or negatively impact the workforce. Officers acknowledged the risk but advised that all savings proposals would undergo Equity, Diversity and Inclusion Impact Assessments to identify and mitigate potential impacts on residents and staff. It was further explained that the approach will prioritise savings through changes to contract specifications and management practices, designed to minimise adverse impacts on service users.

3.20. Separately, members asked for clarification on the proposed £0.6m saving relating to tail spend rationalisation, including the intended benefits, how the process would operate in practice, who would be affected, and whether there would be any disproportionate impacts on residents, businesses or partners. Members raised concerns that a number of suppliers within the Council's tail spend were likely to be local businesses and emphasised that the approach should not undermine the Council's Community Wealth Building objectives. In response, it was confirmed that support for small and medium-sized enterprises remained a core principle of the upcoming refreshed Procurement Strategy and that appropriate monitoring arrangements would be put in place to ensure this was reflected in implementation.

3.21. While not part of the specific commissioning and procurement savings proposal, the Task Group explored broader approaches to support financial sustainability and reduce pressure for direct service reductions. This included discussion on the more intentional and strategic use of social value commitments within contracts. Members noted that, when applied proportionately, social value requirements could help ease pressure on service budgets by delivering wider community benefits alongside core services, such as local employment, apprenticeships, training opportunities, and preventative support, which could, in turn, reduce demand on council services over time. Officers advised, however, that any increased emphasis on social value would need careful management to ensure expectations were appropriately scoped and costed. Without this balance, there is a risk that providers could offset social value commitments through higher core service costs, undermining the intended financial benefits.

Digital Programme (£1.43m Council-Wide Saving):

3.22. The Task Group recognised the potential of technology, automation, and artificial intelligence to deliver efficiencies across the Council but stressed the need to balance associated risks. Members highlighted the importance of contingency measures to ensure that those unable to access digital or automated services do not face barriers, particularly in areas supporting vulnerable cohorts such as Adult Social Care and Children's Services. The Group therefore endorsed a phased implementation approach, allowing risks to be managed, lessons learned, and adverse impacts on residents mitigated.

3.23. It was confirmed that, as the Council increases its use of technology and automation, alternative non-digital options will remain available for those with the greatest needs, and assurances were provided that appropriate systems, safeguards, and oversight arrangements will be in place. Officers also offered an alternative perspective, explaining that the introduction of new processes and pathways, in the context of ongoing real-terms funding pressures across the Council, would enable services to focus resources on residents with the most complex and acute needs. Adult Social Care was cited as one example, where the use of automation and technology to reduce lengthy waiting times, particularly for telephone access, could improve the customer experience while supporting efficiency savings. Another instance from Adult Social Care was the implementation of the Magic Notes software, which is used to record discussions with service users and support the production of assessments and care plans. The technology received positive feedback from staff and residents and significantly improved productivity, enabling social workers to complete up to four assessments a day. It also strengthened clinical governance by reducing the risk of human error.

3.24. In light of the Council's growing reliance on technology, automation, and digital systems to deliver efficiencies, the Task Group emphasised the importance of strengthening cyber security and wider risk management arrangements. With local authorities increasingly targeted by cyber attacks, the potential consequences of system failure or data breaches could outweigh any financial savings achieved. Cyber security and resilience must therefore be treated as integral to the implementation of technological change and carefully managed as part of any transformation programme.

Service Efficiency (£3.20m Council-Wide Saving):

3.25. The Task Group raised questions about how this saving proposal would be implemented, how it aligns with other savings proposals, and what implications it may have on services. It was noted that departments are required to deliver efficiency savings of 1% of their budgets this year. With detailed proposals yet to be developed, concerns about feasibility and potential impact remain.

3.26. Building on these concerns, the Group explored how the Council would ensure that efficiency measures did not result in hidden service reductions or compromise service quality, particularly in relation to potential disproportionate impacts on protected groups. Members highlighted services such as Social Care and sought assurance that safeguarding would not be adversely affected. In response, officers advised that achieving the 1% target would be challenging and acknowledged that workforce impacts, including reductions in posts or holding vacancies, could not be ruled out at this stage as part of efforts to streamline services. Any changes would be subject to appropriate assurance processes, including impact assessments and safeguarding considerations.

3.27. Members highlighted that some departments, such as Housing and Adult Social Care, face significantly higher levels of demand, meaning that a 1% efficiency requirement could have a disproportionate impact compared with other services. In response, officers advised that the Medium-Term Financial Strategy (MTFS) focuses on understanding growth pressures for the upcoming financial year and beyond, and on ensuring that budgets are aligned to support areas of greatest need. This approach enables the Council to recognise differential pressures across services and balance efficiency requirements with targeted investment, so that services experiencing the highest demand can continue to meet their duties.

3.28. In light of this, the Task Group stressed the importance of ensuring that financial forecasting accurately reflects growth in these high-pressure areas. Members noted that failure to do so increases the risk of in-year overspends, which could undermine planned efficiency savings and lead to continued reliance on reserves—an issue that has been a recurring concern in recent years.

Workforce (£400k Council-Wide Saving):

3.29. The Task Group explored the feasibility of this proposed saving, particularly the aspect dependent on strengthening recruitment and retention and reducing reliance on agency staff. Members noted that services such as Adult Social Care and Children and Young People's Services had experienced persistent difficulties in recruiting and retaining permanent staff and had therefore relied on agency workers to maintain service delivery and meet statutory obligations, with this continuing to feature as a recurring risk within the Council's budgets. The Group agreed that agency spend constituted a considerable drain on resources and highlighted that further innovative approaches to recruitment and retention would need to be explored in order for the proposed saving to be achieved.

3.30. Members' concerns were acknowledged, and they were assured that significant progress has already been made, with council agency spend reducing substantially. For example, agency spend in Children and Young People's Services has halved over the past two years, driven by efforts to transition agency staff into permanent roles, supported by stable management and strong leadership.

Income Maximisation (£500k Council-Wide Saving):

3.31. The Task Group recognised that the Council's expected precarious financial position in 2026/27 will require maximising income from fees and charges as part of the income maximisation savings proposal. In this context, members noted that a fundamental review of the Council's fees and charges policy is planned, with £0.5m of savings assumed through policy changes to help meet the Council's savings requirement for 2026/27 and beyond.

3.32. In the absence of detailed Fees and Charges proposals accompanying the draft budget, the Group set out a clear red line: any changes should not be regressive. Where increases are unavoidable, members stressed these should be accompanied by appropriate mitigation measures, particularly to protect the most vulnerable residents. Members emphasised that fees and charges must be fair, should not disproportionately penalise the poorest in society, and, where possible and appropriate, should be subject to consultation.

Resident Experience Channel Shift (£655k Council-Wide Saving):

3.33. Similar to previous discussions on digital transformation savings, the Task Group sought assurance that the proposal to encourage digital-first pathways would not restrict access for vulnerable residents with support needs or those in crisis. Members were advised that approximately 50% of users currently access self-service council services without assistance, highlighting the need to maintain appropriate non-digital routes for those unable to do so. Officers confirmed that existing infrastructure, including call centres and in-person support at the Civic Centre and Hubs, would be retained for residents unable to transition to self-service.

3.34. The Council will continue to digitise processes where appropriate while preserving human interaction for services where this remains essential. The intention behind channel shift is to encourage digital use for those able to access it, while prioritising frontline, customer-facing services for residents with the greatest need. Importantly, the proposal is designed to enhance service quality for vulnerable residents by freeing up resources for personalised support, rather than excluding them from access.

Lane Rental Scheme (£350k Service-Specific Saving)

3.35. The Task Group sought clarification on the evidence underpinning the projected saving from the proposed Lane Rental Scheme. Officers confirmed that the Council had drawn on insight and learning from similar schemes implemented in other boroughs and noted that, despite delays in implementation, financial returns elsewhere had been substantial. The £350k figure was described as a conservative estimate, reflecting the complexities of implementation; however, officers were confident that savings would increase year on year once the scheme is fully established.

3.36. Beyond financial returns, the scheme offers a range of benefits for residents. By incentivising utilities companies to complete roadworks more quickly and during off-peak periods, it will helps reduce emissions associated with traffic congestion and vehicle idling. Shorter and fewer disruptions will also support active travel, as improved access to safe and clear routes can encourage walking and cycling.

Asset Utilisation (£190k Service-Specific Saving)

3.37. The Task Group firstly acknowledged the aspect of the saving related to the upcoming review of parking policy aimed at generating additional income through parking charges. While this saving specifically relates to off-street parking, the Group noted that further measures could be explored or expanded. The scrutiny function is currently undertaking a review of Kerbside Management in the borough, which will consider parking arrangements and is expected to provide insights to inform both the parking review and the development of a new parking policy.

3.38. Members were also pleased to note that the Council was also exploring opportunities for parks commercialisation, echoing sentiments previously expressed by the Task Group. The emerging strategy focuses on optimising built assets within parks, including proposals to introduce padel courts in suitable locations. Officers advised that, given the growing popularity of padel, a typical court could generate approximately £60 per hour, and based on an indicative assumption of around 80 parks and 50 open spaces with three courts per site, this could generate income in the region of £400k for the Council. The Group commended the Council for adopting revenue-generating approaches from the private sector and welcomed its ambition to lead in this area in local government to maximise income opportunities. Beyond financial returns, members also recognised the potential health and wellbeing benefits for residents, aligning with the Council's Health and Wellbeing Strategy.

Reduce Subsidy Loss (£130k Service-Specific Saving):

3.39. The Task Group supports the proposed saving to reduce subsidy loss on Supported Exempt Accommodation (SEA). Regarding the plan to utilise a Council subsidiary to deliver provision, it was noted that much of the current non-commissioned SEA in Brent offers poor value for money for both the Council and the Department for Work and Pensions (DWP), and raises concerns about the quality and standards delivered by some providers.

3.40. Members acknowledged that the proposal could significantly enhance the quality of care, support and supervision for residents, while helping individuals progress towards independent living. They also recognised that this approach aligns with ongoing work by the SEA Working Group to address overspends in this area.

Homelessness Prevention (£200k Service-Specific Saving):

3.41. The Task Group queried the feasibility of this saving in preventing homelessness through friends and family evictions and emphasised the need for robust mitigation measures to be developed in order to reduce the risk of in-year savings slippage. It was noted that many of the factors contributing to such exclusions, such as overcrowding, are often beyond the Council's control in preventing homelessness.

3.42. Even in cases where prevention activity may otherwise be appropriate, housing benefit regulations frequently treat family-and-friends accommodation arrangements as non-commercial, rendering them ineligible for housing benefit. This significantly limits the Council's ability to financially sustain such arrangements as a homelessness prevention measure once eviction becomes imminent. This raises questions about whether the Council should focus its resources on areas that are more directly within its control. One such area is the work of the Housing Department to reduce housing stock voids.

Housing Benefit Claim Reduction (£270k Service-Specific Saving):

3.43. The Task Group noted the uncertainty associated with this saving and stressed the need for early identification of mitigation measures and alternative options, rather than waiting until March 2026 for a review. The proposal states that if caseloads do not reduce by March, the strategy would need to be reconsidered. As this review would occur after final budget approval in February 2026 but only weeks before the 2026/27 budget takes effect in April 2026, any shortfall would leave little time to adjust plans, forcing the Council to identify alternative savings at pace and increasing the risk of short-term, reactive measures rather than well-planned, sustainable solutions.

4. Other Meetings

4.1. Outside of the sessions detailed in section 3, the Chair of the Budget Scrutiny Task Group hosted a drop-in session for ward councillors to share their local insights on the Draft Budget 2025/26.

5. <u>Conclusion</u>

5.1. The Task Group commends the Council for its prudent approach in navigating a challenging financial environment. Sustained fiscal discipline and careful planning have helped maintain a comparatively robust position at a time when many councils nationally are reliant on, or signalling the need for, Exceptional Financial Support from Government to achieve a balanced budget. Enhanced spending controls and the establishment of a Budget Assurance Panel have strengthened oversight of high-pressure areas and supported a more coordinated approach to managing service demands, resulting in cost avoidance of over £8 million to date. Members also note positive developments such as the investment in debt recovery, which has contributed to improved financial resilience.

5.2. Despite the proactivity of the council to manage overspends, the Council's Quarter 3 2025/26 financial position demonstrates the volatile environment the Council is operating in, highlighting the need for further action to prevent the budget gap over the Medium Term from significantly worsening. Persistent overspends in demand-led services, particularly Housing and Social Care, driven by rising demand and high contractual costs, continue to place significant pressure on the Council's finances. This has led to ongoing reliance on reserves, an unsustainable approach that reinforces the urgency of rebuilding both the General Fund and Housing Revenue Account reserves.

5.3. While the additional funding provided through the multi-year settlement is welcomed and may help mitigate some acute pressures, the Task Group notes that the largely ringfenced nature of this funding limits flexibility in addressing the overall budget gap for 2026/27, though it may, within these constraints, support the Council in rebuilding reserves and addressing key areas of overspends.

5.4. The Task Group also welcomes the adoption of a thematic approach to savings, marking a positive shift from previous 'salami-slicing' methods toward more strategic, cross-cutting transformation. Yet, as many detailed plans remain under development, this approach carries uncertainty and risk of slippage, underscoring the need for ongoing scrutiny, particularly around impacts on services and residents.

5.5. Against this backdrop, the Task Group supports the Draft Budget 2026/27 in principle as a framework for decision-making, subject to the outcomes of the final consultation, acceptance of the recommendations set out in section two of this report, and the timely provision of sufficient detail on savings proposals as they emerge at future committee meetings. This will be necessary to enable effective scrutiny of risks, impacts on residents and services, and proposed mitigation.

5.6. In the absence of detailed proposals setting out how the savings categories will be delivered, the Task Group has at this stage established clear red lines to guide ongoing scrutiny. These include ensuring transparency and clear, evidence based rationale for any disposal of Council-owned assets with the default position being that there should be no disposals; appropriate mitigation for the most vulnerable residents where regressive fees and charges are proposed; and no reductions to frontline services without adequate mitigation and scrutiny, including opportunities, where reasonable, for resident and partner engagement.

5.7. Alongside these principles, it is emphasised that the recommendations should not be considered in isolation, but alongside those made through earlier Budget Scrutiny Task Group reviews. A consistent theme is the importance of closer collaboration with the VCS, particularly as reliance on the sector continues to increase. Year-round engagement, supported by the multi-year settlement, will enable more meaningful dialogue on budgetary matters, improve outcomes, and strengthen financial resilience. Drawing on the VCS's frontline insight can also support effective resident engagement and the co-design of solutions aligned to local needs, with a stronger focus on prevention and early intervention. This includes supporting approaches that improve residents' financial resilience and reduce future demand on services, such as pathways into employment, skills development, and other preventative interventions, thereby reducing the need for more costly remedial and crisis responses and delivering longer-term savings.

Key Contacts

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