

Appendix B: MTFS Model

CHANGES TO THE BUDGET	BUDGET	ADJUSTMENTS			BUDGET	Relative Changes 2025/26 to 2026/27
YEAR-ON-YEAR	2025/26 £m	Growth £m	Savings 2026/27	Changes in Funding £m	2026/27 £m	
Base Budget	431.4				431.4	
<b>Growth</b>						
Demographics						
- Adult Social Care		8.2			8.2	
- Children's Social Care		4.6			4.6	
- Temporary Accommodation		4.0			4.0	
- Other Departments		0.2			0.2	
Sub-total		17.0			17.0	
Inflation						
- Adult Social Care		12.3			12.3	
- Children's Social Care		2.1			2.1	
- Temporary Accommodation		4.0			4.0	
- Contracts		4.6			4.6	
Sub-total		23.0			23.0	
Capital Programme Financing		0.5			0.5	
Service Changes - Other		11.2			11.2	
		51.7			51.7	
<b>Savings</b>						
Commissioning & procurement			(3.1)		(3.1)	
Digital programme			(1.4)		(1.4)	
Efficiency			(3.2)		(3.2)	
Workforce			(0.4)		(0.4)	
Income Maximisation			(0.5)		(0.5)	
Resident Experience			(0.7)		(0.7)	
Service specific			(1.1)		(1.1)	
			(10.4)		(10.4)	
<b>Changes in Funding</b>						
Reductions in service area income budgets due to funding consolidation				26.6	26.6	
	431.4	51.7	(10.4)	26.6	499.3	
<b>Funding</b>						
Revenue Support Grant	(31.5)			(69.5)	(101.0)	
Business Rates	(125.1)			(7.3)	(132.4)	
Council Tax	(178.4)			(12.2)	(190.6)	
Specific Grants	(96.4)			21.1	(75.3)	
	(431.4)	0.0	0.0	(67.9)	(499.3)	

MTFS ASSUMPTIONS	
Growth	The growth proposals in the budget are largely responsive in nature rather than introducing new service provision. This is a direct result of the volatile and unpredictable economic climate faced by the Council where rising demand and demographic pressures increase the cost of providing existing services to current service standards.
Demographic Growth	This largely relates to changes in the make up of the population due to ageing (Adult Social Care) and demand pressures on the placements, transitions, homecare and children with disabilities budgets (Children's Social Care).
Inflation	General inflation is above the Bank of England's target with CPI in September 2025 at 3.8%, although this has fallen to 3.4% in December 2025. Specific inflationary pressures are being experienced in social care where rising demand and a shortage of supply puts upwards pressure on prices. These inflationary pressures have direct effects on goods and services bought by the council and indirect effects via increased prices for services and supply contracts.
Capital Programme Financing	The inflation crisis since 2021 resulted in the Bank of England raising the base rate from a historic low below 1% up to 5.25% at its recent peak. As of December 2025, the base rate is at 3.75%, down from 4.5% in February 2025, but is expected to remain at a higher level than before the crisis began. This means that, coupled with the inflationary pressures on the programme itself, the cost of financing the Capital Programme has increased significantly since the plans were produced and growth is required to ensure the budget is sufficient to ensure the continued affordability of the programme.

Temporary Accommodation	In recent years, Brent has seen a surge in cases of homelessness in which the authority has a statutory duty to provide accommodation. Due to a severe lack of available and affordable properties, high inflation and the limitations of the Housing Benefit system, Brent has been required to use a growing amount of expensive temporary accommodation, including B&Bs, the cost of which has increased rapidly at the same time.																																																																						
Service Changes - Other	These are unavoidable changes resulting from new burdens, increases in ringfenced grants and externally driven changes to service levels, for example concessionary fares. It includes the pay award, which has been higher than the norm in recent years as a response to inflation and the cost-of-living crisis. With inflation remaining above the Bank of England's 2% target, growth for the pay award in 2026/27 is at a higher level than before the inflation crisis																																																																						
Savings - Full Details in Appendix C	New savings proposals for agreement total £10.4m.																																																																						
Commissioning & procurement	Cross-cutting savings that aim to reduce commissioning and procurement spend.																																																																						
Digital programme	Cross-cutting savings that support council-wide digital transformation focused on unlocking productivity, automating low-value tasks and maximising return on previous technology investments.																																																																						
Efficiency	Standardised 1% efficiency target across the council's controllable budget.																																																																						
Workforce	Cross-cutting savings that support the council's ambition to modernise its operating model by establishing a leaner, more agile workforce.																																																																						
Income Maximisation	A focused programme to increase and safeguard income through targeted updates to fees and charges, stronger recovery processes, improved payment oversight, and higher collection performance.																																																																						
Resident Experience	Enhancing the overall customer experience while reducing the cost of handling interactions.																																																																						
Service specific	Savings attributable to specific services. Full details of these savings are in Appendix C.																																																																						
Funding	The changes to Core Funding are detailed in full in Section six of the report. The table below shows the changes from 2025/26 to 2026/27 in Specific Grants.																																																																						
	<table><tr><th>SPECIFIC GRANTS</th><th>2025/26</th><th>2026/27</th><th>Difference</th><th></th></tr><tr><td></td><td>£m</td><td>£m</td><td>£m</td><td></td></tr><tr><td>Children, Families and Youth Grant</td><td>0.0</td><td>8.9</td><td>8.9</td><td></td></tr><tr><td>Local Authority Better Care Grant</td><td>16.5</td><td>16.5</td><td>(0.0)</td><td></td></tr><tr><td>Social Care Grant</td><td>34.4</td><td>0.0</td><td>(34.4)</td><td></td></tr><tr><td>ASC Market Sustainability and Improvement Fund</td><td>5.9</td><td>0.0</td><td>(5.9)</td><td></td></tr><tr><td>Children's Social Care Prevention Grant</td><td>1.4</td><td>0.0</td><td>(1.4)</td><td></td></tr><tr><td>Total Social Care Grants</td><td>58.2</td><td>25.4</td><td>(32.8)</td><td></td></tr><tr><td>Recovery Grant</td><td>5.8</td><td>5.8</td><td>(0.0)</td><td></td></tr><tr><td>Homelessness, Rough Sleeping and Domestic Abuse Grant</td><td>0.0</td><td>7.8</td><td>7.8</td><td></td></tr><tr><td>Crisis and Resilience Fund</td><td>0.0</td><td>7.8</td><td>7.8</td><td></td></tr><tr><td>Public Health Grant</td><td>26.0</td><td>28.5</td><td>2.5</td><td></td></tr><tr><td>Other grants</td><td>6.4</td><td>0.0</td><td>(6.4)</td><td></td></tr><tr><td>Total Specific Grants</td><td>96.4</td><td>75.3</td><td>(21.1)</td><td></td></tr></table>	SPECIFIC GRANTS	2025/26	2026/27	Difference			£m	£m	£m		Children, Families and Youth Grant	0.0	8.9	8.9		Local Authority Better Care Grant	16.5	16.5	(0.0)		Social Care Grant	34.4	0.0	(34.4)		ASC Market Sustainability and Improvement Fund	5.9	0.0	(5.9)		Children's Social Care Prevention Grant	1.4	0.0	(1.4)		Total Social Care Grants	58.2	25.4	(32.8)		Recovery Grant	5.8	5.8	(0.0)		Homelessness, Rough Sleeping and Domestic Abuse Grant	0.0	7.8	7.8		Crisis and Resilience Fund	0.0	7.8	7.8		Public Health Grant	26.0	28.5	2.5		Other grants	6.4	0.0	(6.4)		Total Specific Grants	96.4	75.3	(21.1)	
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