Waltham Forest

LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	**Cabinet** **3 November 2022**	
Report Title	**FINANCIAL MONITORING: MONTH 6 (September)**	
Cabinet Portfolio	Councillor Grace Williams Leader of the Council	
Report Author/ Contact details	Ursula Gamble, Corporate Director of Financial Services Finance & Governance Directorate 020 8496 4636 ursula.gamble@walthamforest.gov.uk	
Wards affected	None specifically	
Public Access	OPEN	
Appendices	None	

1. SUMMARY

1.1 This report presents the forecast year-end position in respect of the Council's revenue expenditure. The month 6 monitor currently identifies net pressures of £12.137m and is mainly due to a combination of pressures in Adult Social Care, Children's Social Care, SEND Services and ASB (Anti-Social Behaviour) Team,

1.2 There are currently a number of unknowns around the impacts of inflation, the increasing cost of energy and the cost of living crisis for residents that could lead to additional pressures for the Council. These will all have an impact on the demand for services, as well as potentially impact on the Council's ability to collect income from council tax, business rates, rents and other fees and charges.

2. RECOMMENDATIONS

2.1 Cabinet is recommended to:

2.1.1 **Note** that in the wake of the Chancellor's recent mini budget and the unprecedented impact it has had on the financial markets, a special Task

Group has been formed to ensure the Leader and CEO are fully briefed by the Council's s151 Officer on any significant financial risks to ongoing capital projects and service delivery in order that any urgent decisions can be taken to ensure that the financial stability of the Council is maintained.

2.1.2 **Approve** that Strategic / Executive / Service Directors continue to identify management actions to mitigate any reported pressures and report those mitigations to the Director of Financial Services, which is in line with financial ground rules reaffirmed by Cabinet in May 2022 budget monitoring report.

2.1.3 **Note** North London Waste Authority is to make a rebate on the borough levy this year for approximately £0.841m and the proposal to reuse the funding for other cost of living issues.

2.1.4 **Note** that the anticipated outturn at month 6 shows £12.137m in-year pressure. This will be reviewed over the coming months and actions taken to achieve a balance position for the year end, following service mitigation / plans provided (agreed in 2.1.2), and the potential use of corporate resources to maintain a balanced position at year-end.

3. REPORT

3.1 At the end of period 6, the projected General Fund outturn is an overspend of £12.137m, an adverse movement of £0.027m from month 5. The Council is monitoring and reviewing how the pressure can be managed to achieve a balanced position by the year end and the People Directorate are identifying plans to mitigate this, in line with the financial ground rules.

Directorate	Net Year End Forecast Variance Month 6	Previous Month Net Variance	Adverse / (Favourable) change in Net Forecast
	£'000	**£'000**	**£'000**
Chief Executive	0	0	0
Deputy Chief Executive	(99)	(40)	(59)
People	12,359	12,205	154
Place	(123)	(55)	(68)
Finance & Governance	0	0	0
Corporate Expenditure	0	0	0
TOTAL	**12,137**	**12,110**	**27**

3.2 The forecast overspend of £12.137m includes the increased anticipated cost for the SEND Transport Service, following the novation of the contract, as the supplier has withdrawn the service. This additional pressure is projected to be £1.1m.

3.3 The potential savings following the Government's decision to cease the National Insurance levy in November is approximately £0.418m, assuming it includes Employers NI, and this is not currently reflected in the current forecast in 3.1 above.

3.4 As per the Council's financial ground rules – which were included in the month 2 monitor, service directors are required to implement management actions to mitigate any pressures outlined in paragraph 3.1, before the use of corporate or reserve items are considered.

DEPUTY CHIEF EXECUTIVE DIRECTORATE - Shazia Hussain

3.5 Deputy Chief Executive is forecasting a net underspend of £0.098m in month 6, a favourable movement of £0.058m from month 5.

Deputy Chief Executive	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement
	£000's	£000's	£000's	£000's	£000's
Deputy Chief Executive	139	139	0	0	0
Communications & Strategy	1,007	1,020	13	8	5
Technology	(1,348)	(1,552)	(204)	(55)	(149)
People, Organisation Development & Business Support	2,312	2,312	0	0	0
Change	35	25	(10)	(23)	13
Customer Strategy & Digital	3,906	3,906	0	0	0
Strategy, Insight & Communities	1,409	1,344	(65)	(59)	(6)
Climate and Behaviour Change	135	135	0	0	0
Bad Debt Provision	0	167	167	89	78
Total	**7,595**	**7,496**	**(98)**	**(40)**	**(58)**

3.6 **Technology**

3.7 As at month 6, Technology is reporting an underspend of £0.204m. This is a favourable movement of £0.149m from month 5, largely due to savings identified from a vacant post in ICT Operations and following a review of the Azure contract as well as additional income.

3.8 **Strategy, Insight & Communities**

The underspend in this area for month 6 is £0.065m this is a favourable movement since month 5, as unbudgeted income was received for services provided by the Business Intelligence Team.

3.9 **Bad Debt Provision**

There is a £0.167m overspend forecast in relation to the Bad debt Provision which is an increase of £0.078m from month 5. This is due to two unpaid invoices in Business Intelligence. Outstanding debtors continue to be managed monthly by the service.

3.10 **Future Risks**

There are a number of risks identified within People, Organisation Development and Business Support (specifically Families, and Corporate Business Hub) and in Customer Service and Digital Strategy (Libraries) that may create budget pressures. These are being closely monitored, and mitigations developed as appropriate.

PEOPLE DIRECTORATE – Heather Flinders

3.11 The month 6 position is an adverse net variance of £12.359m, a £0.154m adverse movement from period 5. Adult Social Care is forecasting an overspend of £9.663m, and a further £2.374m relates to Children Services. Schools Support is forecasting an overspend of £0.225m and SEND Services is forecast to overspend by £2.417m.

Traded Services and Central Retained Family budgets are showing a favourable position of £0.589m and £1.875m respectively, which reduce the net overspend. Further details of the major variations are shown below.

People	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement
	£'000	£'000	£'000	£'000	£'000
Adult Social Care	71,541	81,686	10,145	9,663	482
Children's Social Care	42,426	44,922	2,496	2,374	122
Early Help	2,783	2,783	0	0	0
Learning	1,669	1,619	(50)	0	(50)
School Support	17,369	17,594	225	225	0
Public Health Ring Fenced	29	29	0	0	0
Public Health Ring Other	329	(81)	(410)	(315)	(95)
Traded Services	3,183	2,594	(589)	(309)	(280)
SEND Services (General Fund)	7,836	10,253	2,417	2,442	(25)
Families Centrally Retained	(701)	(2,576)	(1,875)	(1,875)	0
Total	**146,464**	**158,823**	**12,359**	**12,205**	**154**

Adults Social Care – Darren McAughtrie

3.12 The total in-year pressure in Adult's before mitigations at month 6 is £10.145m. This is an increase of £0.482k since Month 5. The increase is predominantly due to an increase in existing and new high cost, complex need, care packages.

Adults Social Care	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement
	£'000	£'000	£'000	£'000	£'000
Home First	9,005	9,585	580	545	35
Care & Quality Standards	62,536	72,101	9,565	9,118	447
Total	**71,541**	**81,686**	**10,145**	**9,663**	**482**

3.13 Staffing (£0.177m) – As at month 6 we are reporting a small underspend. There has been an improvement of (£0.71m) from month 5. This position is reviewed regularly and assumes some continued funding arrangements from health.

3.14 Net Packages/Services (including Community Equipment) are forecasting an overspend of £10.322m, an increase from month 5 of £0.553m. The increase is a combination of further increases in the net placements forecasts of £0.559m mainly reflecting high-cost placements. There continues to be significant and increased pressure on Adult's placement's numbers and costs. There is evidence of inflationary pressures on unit prices and increasing pressure from 18-64 cohort. This area is very volatile so a detailed review each month is carried out to refresh the forecast. In addition to last year's pressure the forecast also includes;

- The full year impact of the net increase in client numbers during 2021/22 of 221 to 3,171 (i.e 156 net increase for working age and 65 net reduction in 65+) It should be noted that Residential / Nursing placements have only increased by 4 last year, the remaining numbers are in community/home-based care. This illustrates the services intention to keep people at home and independent for as long as possible. Also included in this increase are a number of high-cost placements (around 30) as a result of Continuing Health Care reviews that went against the authority. The estimated impact of this, on the forecasts for 2022-23 plus some assumptions on inflation is around £2.5m
- Assumptions of increased demand for the full year 2022/23 were built into Month 2, this has now all been fully utilised. This demand is reinforced from performance dashboards which show a further net increase in client numbers of 87 up to August (i.e.38 net increase for working age and 49 net increase in 65+) since April 2022. The service is urgently reviewing the increases and the sources. In addition, the increased costs that will arise from the retender of Home Care, including the impact of applying the London Living Wage have been incorporated in the forecast (i.e., current estimate of around £0.9m).
- The service continues to review the ongoing impact from the pandemic, the continuation of the discharge to assess protocol and reviewing the use of re-ablement plus its impact of reducing the ongoing costs.
- The loss of one-off benefits including Covid Grant Funding in 2021-22 are also contributing to the current pressure in 2022-23.

3.15 The following graph illustrates the overall External Placements care packages and spend in Adults Social Care.

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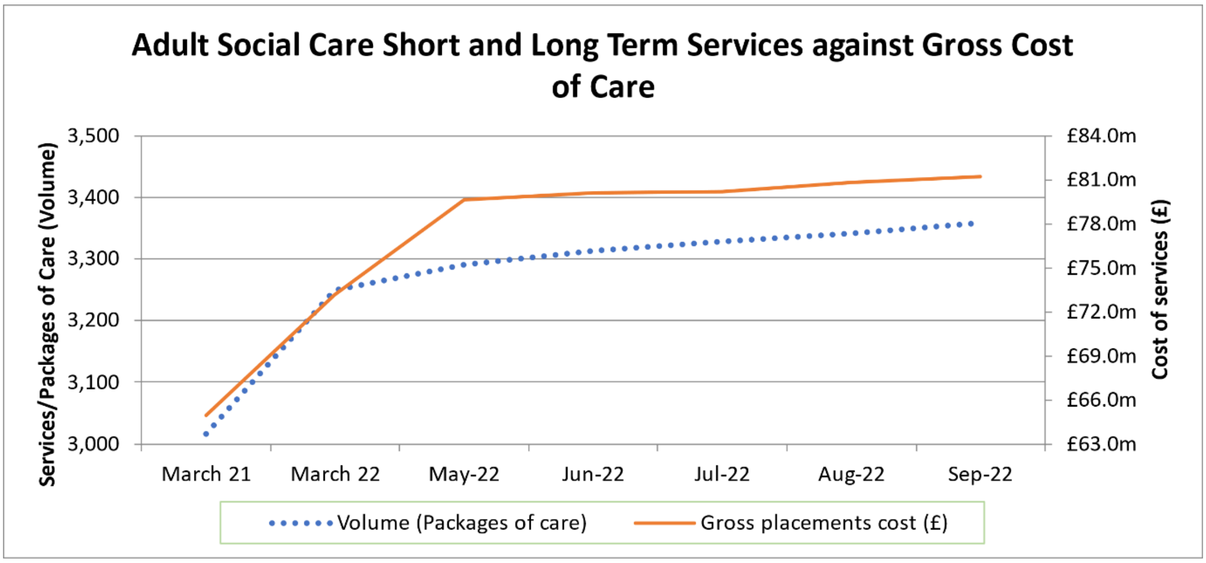


IDH S75 Agreement – NHS/CCG Funding – Included in Forecast

3.16 As part of the continuing funding arrangements for Hospital Discharges an IDH agreement has been put in place for 2022-23 with North East London CCG/ICB based on the 2021-22 spend. The agreement is approximately £2.5m.

Children's Social Care - Daniel Phelps forecast pressure £2.496m.

3.17 Children's Social Care is forecasting an overspend of £2.496m against budget including mitigations of £0.730m. This is an increase from Month 5 of £0.122m of which £0.095m relates to additional support costs within Safeguarding and Family Support.

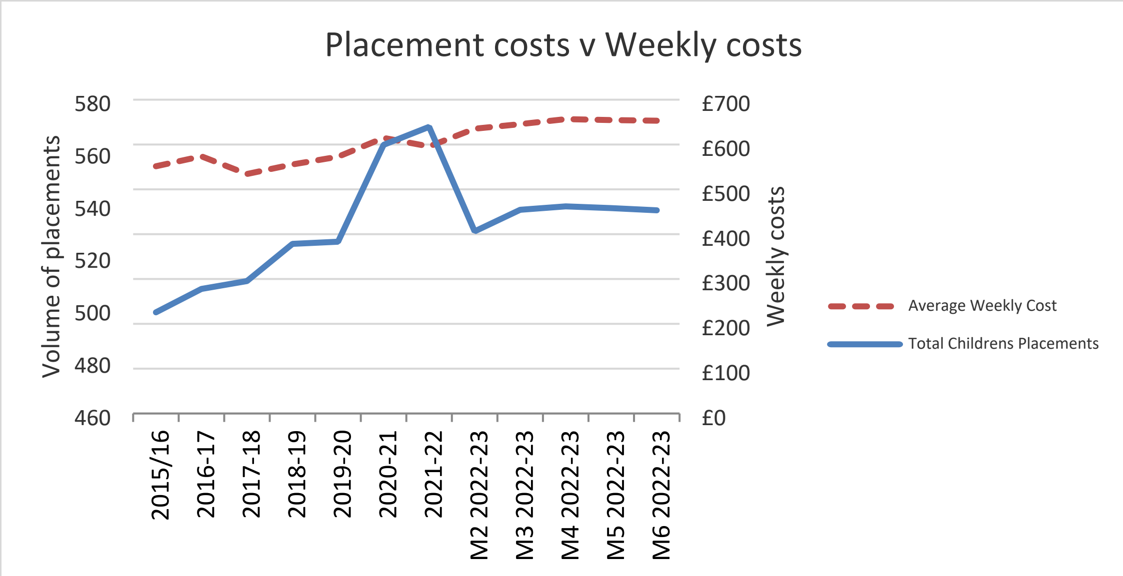
3.18 The Youth and Family Resilience Service is expected to underspend by £0.119m due to an increase in grant income. This is unchanged from Month 5.

3.19 Staff costs are currently expected to overspend by £0.533m, a small increase on Month 5. The overspend includes agency costs of £0.35m for additional social work posts.

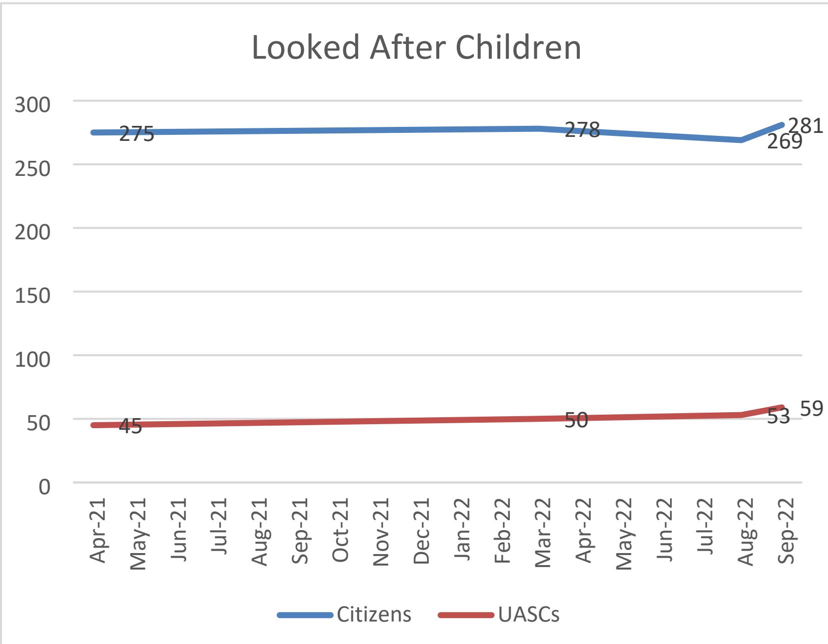
3.20 Placement costs are forecast to overspend by £1.276m, a small decrease on the prior month. Looked After Children alternative homes costs increased by £0.330m mainly driven by increases in the number of children in Foster Care, however this was offset by a decrease in Leaving Care provision of £0.397m mainly as a result of young people moving on to their own tenancies.

3.21 As shown in the graph below the number of young people supported with alternative homes (including those over 18s) for the year reduced by one and the average weekly costs reduced slightly from £655 per week to £653 per week.

3.22 Net of the grant, remand costs are forecast to overspend by £0.332m an increase of £0.058m following the reassignment of financial responsibility for one young person and delays to expected trial and sentencing dates. There are currently 4 young people in Youth Justice Secure provision.



3.23 Overall, as shown in the second graph below, the number of Looked after Children at the end of September 2022 increased by 18 to 340 compared to 322 at the end of August 2022. Six of the additional children were Unaccompanied Asylum-Seeking Children (UASC).



Special Educational Needs and Disability Service

3.24 The SEND service projections are stable, showing an overspend by £2.417m, (including £1.1 million related to the novated bus contract) which is a small decrease since Month 5.

School Support: Lauren Ovenden

3.25 School Support is projected to overspend by £0.225m due to the continued suspension of contributions from schools towards Early Help and Community Safety services. A decision is required to resolve future funding.

Traded Services: Lauren Ovenden

3.26 Traded Services are projected to be in surplus by £0.589m, a favourable change of £0.280m from Month 5. A fundamental review of the service was undertaken and has confirmed that the take-up of services at the start of the academic year 2022-23 has returned to pre-Covid levels.

Public Health: Joe McDonnell

3.27 Public Health (ring-fenced) division continue to forecast a break-even position as at month 6. The grant for 2022/23 is £17.002m. Any changes to the forecast that results in an under or overspend will be transferred to the ringfenced Public Health reserve. The reserve currently is £3.467m.

Public Health (Non Ring-Fenced)

3.28 There is an underspend of £0.410m, due to a benefit from previous years liabilities relating to CAMHS, being released, a further potential benefit is currently being reviewed.

Families Centrally Retained

3.29 Centrally Retained has a current surplus of £1.875m comprising £1.242m unallocated social care grant; £0.130m from the part-year effect of the s.75 (SALT) agreement and Children and Families contracts starting after April; and £0.500m one-off COMF Funding to fund related pressures.

PLACE – Stewart Murray

3.30 Place is forecasting a net underspend of £0.123m in month 6, a favourable movement of £0.068m from month 5.

Place	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement
	£000's	£000's	£000's	£000's	£000's
Strategic Director of Place	5	5	0	0	0
Property & Delivery	4,237	4,328	91	143	(52)
Regeneration Planning & Delivery	5,450	5,450	0	0	0
Culture & Destinations	2,616	2,740	124	140	(16)
Housing Delivery	0	0	0	0	0
Neighbourhood Services	26,197	25,793	(404)	(404)	0
Regulatory Services	2,392	2,858	466	466	0
Housing General Fund	7,876	7,476	(400)	(400)	0
Total	**48,773**	**48,650**	**(123)**	**(55)**	**(68)**

Culture and Destinations (James Leay)

3.31 At month 6, Culture and Destinations is forecasting an overspend of £0.124m from additional staff cost from Fellowship Square staff transferred to Culture and Destination service. The service is reviewing venues within the service with a view to generating more income.

Culture and Destinations	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement
	£000's	£000's	£000's	£000's	£000's
Commercial Director of Culture and Destinations	144	144	0	0	0
Culture and Heritage	2,242	2,382	124	140	(16)
Total	**2,616**	**2,740**	**124**	**140**	**(16)**

Neighbourhood Services (Jarlath Griffin)

3.32 Neighbourhoods Services are forecasting an underspend of £0.404m at month 6, no change since month 5. The underspend includes £0.478m within highways and traffic management offset by an overspend of £0.074m within Leisure.

Neighbourhood Services	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement
	£000's	£000's	£000's	£000's	£000's
Strategic Director	291	291	0	0	0
Neighbourhood Management	1,313	1,313	0	0	0
Leisure	2,990	3,064	74	74	0
Waste Management	15,153	15,153	0	0	0
Highways & Traffic Management	4,532	4,054	(478)	(478)	0
Transport	101	101	0	0	0
Parks & Open Spaces	1,817	1,817	0	0	0
Total	**26,197**	**25,793**	**(404)**	**(404)**	**0**

Leisure

3.33 Sports and Leisure are forecast £0.074m overspend due to increases in utility costs. There is a risk of £0.300m utility cost as part of the leisure contract. This will be monitored and reviewed throughout the year as it is a high-risk cost.

Highways & Traffic Management

3.34 Highways & Traffic Management are forecast an underspend of £0.478m at month 6. This includes £0.200m for the forecast utility cost risk for street lighting.

Regulatory Services (David Beach)

3.35 Regulatory Services are forecast an £0.466m overspend at month 6.

Regulatory Services	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement
	£000's	£000's	£000's	£000's	£000's
Director Regulatory Services	108	108	0	0	0
Emergency Services	151	151	0	(25)	25

Premises Licensing	(13)	(44)	(31)	11	(42)
Food & Safety	385	335	(50)	(49)	(1)
Trading Standards	262	237	(25)	(11)	(14)
Air Quality	285	262	(23)	(7)	(16)
Planning Enforcement	256	419	163	90	73
Selective Licensing	764	764	0	0	0
ASB Team	100	532	432	457	(25)
Street Trading	117	117	0	0	0
Non Street Trading Market Activities	(23)	(23)	0	0	0
Total	**2,392**	**2,858**	**466**	**466**	**0**

Anti-Social Behaviour Team

3.36 At month 6 the ASB Team is forecast an overspend of £0.432m. This service was previously funded from reserves and other budgets, but it was identified these resources are not available to fund the service.

3.37 **Planning Enforcement**

Planning Enforcement are showing an overspend of £163k due to additional staff and legal service requirements for the service.

Housing General Fund - Darren Welsh

3.38 The latest Housing General Fund (HGF) position is shown in the table below and is currently forecasting an underspend of £0.400m, which is part of the corporate savings target for 2023/24 however, this can be achieved within 2022/23. The financial challenges within the HGF budget arise mainly from homelessness demand, although the number of households in temporary accommodation (TA) was on a downward trajectory throughout 2021/22 and has continued to reduce in each month of 2022/23, with the exception of July which saw an increase.

Housing General Fund	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement
	£000's	£000's	£000's	£000's	£000's
Housing Advice, Prevention & Supply	2,375	2,375	0	0	0
Nightly, B&B & PSL / Property Mngt	3,233	3,233	0	0	0
Private Lettings WF	1,390	1,390	0	0	0
Rough Sleepers	(12)	(12)	0	0	0
Other	932	532	(400)	(400)	0
Overheads & ICT	161	161	0	0	0
Total	**8,079**	**7,679**	**(400)**	**(400)**	**0**

3.39 It is expected that the cost of living crisis and the wider impact of Covid-19 will significantly increase demand on the Homelessness Service in 2022/23, with estimates between 10-25% (approx. £1m-£1.3m).

Housing HRA (Darren Welsh)

3.40 The Housing Revenue Account (HRA) position is detailed in the table below and is currently projecting to breakeven for 2022/23.

HRA Service	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement
	£000's	£000's	£000's	£000's	£000's
Rents	(60,344)	(60,157)	187	286	(99)
Right to Buy	(1,424)	(1,850)	(426)	(938)	512
Total Income	**(61,768)**	**(62,007)**	**(239)**	**(652)**	**413**
Asset Management	18,533	18,899	366	366	0
Housing Operations	8,645	8,549	(96)	62	(158)
Housing Strategy & Options	7,456	7,482	26	(116)	142
Housing Delivery	0	0	0	0	0
Corporate Items	27,134	27,077	(57)	240	(297)
Total Expenditure	**61,768**	**62,007**	**239**	**552**	**(313)**
Total	**0**	**0**	**0**	**(100)**	**100**

3.41 A key risk to have materialised on the HRA is the outcome of the appeal on the Thames Water test case involving the Royal Borough of Kingston (back in October 2020). The Council has reviewed its position and a team is in place to administer the agreed approach. Refunds have been made for current tenants and the team are currently in the process of issuing refunds for former tenants where applicable.

3.42 Some estimates in relation to energy costs and repairs and maintenance inflation have been revised versus the assumptions included in the business plan. In addition, there is increased income for Leaseholders service fees providing some mitigating cost savings which has helped to offset some increased costs in Voids and Asset Management.

3.43 The rent increase for the year equated to an average of 4.1%, which represents the third year of rent increases under the current rent regime. Covid-19 is expected to have an on-going impact on rental income. Collection figures will be closely monitored throughout 2022/23 to assess the impact on the need to make greater provision for bad debt on both HRA income and rent collection for TA however, at this stage an increased in rental income is projected to take into effect the new properties coming into the HRA stock during this financial year.

FINANCE AND GOVERNANCE – *John Turnbull*

3.44 Finance & Governance is forecasting a break even position at month 6.

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Finance and Governance	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement
	£000's	£000's	£000's	£000's	£000's
Director of Finance & Governance	17	17	0	0	0
Financial Management	88	88	0	0	0
Audit & Anti-Fraud	28	28	0	0	0
Revenues & Benefits	5,431	5,431	0	0	0
Treasury & Pensions	135	135	0	0	0
Return on Investment	744	744	0	0	0
Governance & Law	2,182	2,182	0	0	0
Total	**8,625**	**8,625**	**0**	**0**	**0**

Council Tax / Business Rates Collection

3.45 The modelled forecasts for 2022/23 have been impacted negatively by the Covid-19 and are unlikely to achieve the original targets, in year, but the expectation is that over time normal collection rates will be achieved. The situation remains fluid. This will continue to be monitored closely. Both Council Tax and Business Rates have shown improvements in recent weeks and recovery processes will seek to consolidate this.

Council Tax

The table below summarises the collection rate trend for Council Tax.

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
In year	%	%	%	%	%	%	%	%	%
14/15	95.5								
15/16	97.3	96.0							
16/17	98.1	97.4	96.1						
17/18	98.4	98.0	97.4	96.1					
18/19	98.6	98.3	97.9	97.3	96.0				
19/20	98.7	98.5	98.2	97.8	97.1	95.8			
20/21	98.9	98.7	98.0	98.0	97.5	96.5	93.8		
21/22	98.9	98.7	98.6	98.2	97.8	97.2	96.2	94.9	
22/23	99.0	98.7	98.6	98.3	97.9	97.3	96.5	95.5	46.5

Business Rates

The table below summarises the collection rate trend for Business Rates.

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
In year	%	%	%	%	%	%	%	%	%
13/14									
14/15	96.9								
15/16	98.4	97.2							
16/17	99.2	98.6	97.2						
17/18	99.4	99.0	98.4	97.5					
18/19	99.4	99.1	98.7	97.7	97.0				
19/20	99.5	99.3	98.8	98.4	97.6	96.0			
20/21	99.4	99.2	98.8	98.0	97.2	95.3	78.7		
21/22	99.5	99.3	99.1	98.5	98.0	96.8	91.0	91.5	
22/23	99.5	99.4	99.2	98.6	98.1	97.3	93.3	94.1	49.0

4. OPTIONS & ALTERNATIVES CONSIDERED

4.1 Much of this report is concerned with provision of information, for which alternative options is not a relevant consideration.

5. SUSTAINABLE COMMUNITY STRATEGY PRIORITIES (AND OTHER NATIONAL OR LOCAL POLICIES OR STRATEGIES)

5.1 The entire content of this report contributes to the corporate priority to Achieve Excellence and Ensure Value for Money.

6. CONSULTATION

6.1 Executive Directors and Portfolio Holders have been consulted.

7. FAIR DEAL

7.1 In July 2021 the Council approved Strategic Reset priorities and delivery programme (now called Fair Deal) to recover from the pandemic and build a bright future for all in Waltham Forest.

7.2 The financial monitoring referred to in this report, in mitigating any financial pressures the Council faces, is key to allowing the investment in the various Fair Deal projects across its seven Delivery Areas.

7.3 The Fair Deal programme reports total spend of £4.148m, with £0.600m movement since Month 5. This represents 43% spend compared to 2022/23 cumulative profiled forecast. Project delivery timescales reported, reflect position.

Fair Deal Summary	Total Approved Budget (All Years)	22-23 Spend to Date	Cumulative Spend to Date	Forecast Spend	% Spend vs 2022/23 Forecast
	£000's	£000's	£000's	£000's	£000's
Fair Deal	6,219	948	2,771	5,538	50%
Capital CSAMG	1,000	126	160	735	22%
Climate Emergency	1,552	158	639	1,552	41%
GLA Fund (MAP estimate)	250	0	0	250	0%
Public Health Reserve	200	43	86	200	43%
COMF	751	184	399	751	53%
DFE Regional Recovery Fund	196	0	0	196	0%
Home Office Domestic Violence Fund	600	0	93	400	23%
Total	**10,768**	**1,459**	**4,148**	**9,622**	**43%**

8.1 Finance, Value for Money and Risk

8.1.1 The whole report is of a financial nature. The key purpose of the report is to monitor the Council's overall financial performance against the assumptions contained in the MTFS. To maintain the robustness of the Council's finances and budget plans, effective budgetary control by services will continue to be essential and will help the Council to maximise the resources available to meet its priorities.

8.1.2 Given the nature of the Cost of Living emergency and the estimated financial exposure, the Council must have due regard to Section 114 of the Local Government Act 1988. The Section 114 powers of the chief finance officer (CFO) under the Local Government Finance Act 1988 require the CFO, in consultation with the Council's monitoring officer, to report to all the authority's members if there is, or is likely to be, an unbalanced budget.

8.1.3 It remains a priority that the Council achieves a balanced budget that is sustainable for each financial year over the medium-term financial strategy period. Where there are significant pressures, it is expected to be mitigated by directorates in line with the ground rules for financial control. The current MTFS including reserves – means that Section 114 is unlikely to be needed in the current year. If the pressures are established to be on-going they will need to be picked up in the MTFS refresh and potentially could result in a budget gap that would need to be resolved through the use of reserves or savings. Therefore, it is important that all services tightly control their budgets and bring forward surpluses or efficiencies if possible.

8.1.4 Many of the pressures relate to demand led services. There is a risk for years that these costs become on-going and put pressure on the MTFS. Therefore, it is essential that Strategic Director manage this risk by exploring changes to service delivery that will reduce demand pressures in future and efficiently manage the pressures that we are experiencing (both cost and volume) to protect the provision of services generally.

8.1.5 In relation to Sanctions against Russian companies and individuals, the council have taken a high-level approach but have identified no direct link between Russia and the supply chain. The council have also looked at the pension fund and have not identified direct investments in Russia other than a small amount invested through the London Collective Investment Vehicle which is being managed.

8.2 Legal

8.2.1 There are no direct legal implications.

8.3 **Equalities and Diversity**

8.3.1 An initial equality analysis was undertaken, and it determined there was no negative impact arising from the information or changes proposed in this report on the advancement of equality. The support of No Recourse to Public Funds clients are areas that continue to contribute to the Council's commitment to protecting the most vulnerable and help meet the equality duty.

8.4 Sustainability (including climate change, health, crime and disorder)

8.4.1 A stable financial position means that the Council is more able to fund urgent health priorities as they arise. Services to older people experienced pressures and needed careful management.

8.5 Council Infrastructure (e.g. Human Resources, Accommodation or IT issues)

8.5.1 There are no direct council infrastructure implications.

BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)

None