


LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	Cabinet 12 January 2023	
Report Title	FINANCIAL MONITORING: MONTH 8 (November)	
Cabinet Portfolio	Councillor Grace Williams Leader of the Council	 Councillor Grace Williams Leader of Waltham Forest 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	Appendix 1	

1. SUMMARY

- 1.1.1 This report presents the forecast year-end position in respect of the Council's revenue expenditure. The Month 8 monitor currently identifies net pressures of £11.444m and is mainly due to a combination of pressures in Adult Social Care, Children's Social Care, SEND Services, Libraries, Registrars & Ceremonies and the ASB (Anti-Social Behaviour) Team.
- 1.1.2 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 could all have an impact on the demand for services, as well as potential 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 as a result of the current financial uncertainties, 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 deliver in order that any urgent decisions can be taken to ensure that the financial stability of the Council is maintained.

- 2.1.2 **Approve** 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** the anticipated outturn at Month 8 shows £11.444m 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.
- 2.1.4 **Approve** Up to £0.631m working capital loan facility to be made available to Soho Theatre Walthamstow as per the terms set out in section 4 (the offer) of Appendix 1.

3. BACKGROUND

- 3.1 At the end of Period 8, the projected General Fund outturn is an overspend of £11.444m, an adverse movement of £0.101m from Month 7 due to various factors explained in more detail below. The Council is monitoring and reviewing how the pressure can be managed to achieve a balanced position by the year end. Directorates are identifying plans to mitigate these pressures, in line with the financial ground rules.

Directorate	Net Year End Forecast Var Month 8	Previous Month Net Amount	Adverse / (Favourable) change in Net Forecast
	£'000	£'000	£'000
Chief Executive	0	0	0
Deputy Chief Executive	636	702	(66)
People	10,504	10,751	(247)
Place	304	(110)	414
Finance & Governance	0	0	0
Corporate Expenditure	0	0	0
TOTAL	11,444	11,343	101

- 3.1.1 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

- 3.2 Deputy Chief Executive is forecasting a net overspend of £0.636m in Month 8, a favourable movement of £0.066m from Month 7, mostly due to a reduction in the bad debt provision. The forecast includes a pressure in Libraries, Registrars & Ceremonies but there is a risk that

further pressures within Customer Services & Business Support will become evident in Month 9.

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	141	141	0	0	0
Communications & Strategy	1,132	994	(138)	(138)	0
Technology	(1,243)	(1,446)	(203)	(203)	0
People, Organisation Dev & Business Support	2,856	2,856	0	0	0
Change	160	150	(10)	(10)	0
Customer Strategy & Digital	4,489	5,425	936	936	0
Strategy, Insight & Communities	1,567	1,508	(59)	(54)	(5)
Climate and Behaviour Change	138	138	0	0	0
Bad Debt Provision	0	110	110	171	(61)
Total	9,240	9,876	636	702	(66)

Customer Strategy & Digital Change

1.1.1 There is a forecasted overspend within this area of £0.936m in Month 8, no change from Month 7.

1.1.2 The breakdown is highlighted below:

- **Head of Business Support (Overspend of £0.091m)** - Due to a combination of additional staff costs required for handover and redundancy costs.
- **Libraries Registrars Ceremonies (Overspend of £0.824m)** - Libraries has a large number of unfunded staff, creating a staffing budget pressure of £0.242m. Additionally, the service has unfunded expenditure such as Repairs (£0.144m forecast) and Education (£0.100m forecast). The service has an income forecast of £0.309m for 2022-23 compared to a target of £0.645m. Wedding and civil partnership ceremony bookings were reduced by the lack of marketing of FSQ as the new venue. The service has developed a new marketing website, a communications plan, and is developing an uplift proposal to fees to bring them closer to those charged by similar council venues within easy reach for Waltham Forest residents.

1.1.3 Proposals to reduce £0.641m of expenditure in Customer Strategy & Digital Channels have been proposed to the DCE and are currently under review.

Bad Debt

- 1.1.4 The debt position as at Month 8 is £0.259m. In line with the Council's policy, all debts over 181 days require a 100% bad debt provision to be set up.
- 1.1.5 The estimated bad debt provision that will be required to date is £0.110m. of this amount, £0.025m was provided for corporately in 2021/22 (Covid-19 Funding), leaving a balance of £0.085m to be provided for in 2022/23.

PEOPLE DIRECTORATE – Heather Flinders

- 1.2 The Month 8 position is an adverse net variance of £10.504m, a reduction of £0.247m from Month 7.

People	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement
	£'000	£'000	£'000	£'000	£'000
Adult Social Care	72,609	82,853	10,244	10,244	0
Children's Social Care	45,383	46,118	735	606	129
Early Help	2,987	2,987	0	0	0
Learning	1,772	1,722	(50)	(50)	0
School Support	17,369	17,594	225	225	0
Public Health Ring Fenced	97	97	0	0	0
Public Health Ring Other	275	(135)	(410)	(410)	0
Traded Services	3,686	3,297	(389)	(389)	0
SEND Services (General Fund)	8,033	10,057	2,024	2,400	(376)
Families Centrally Retained	(701)	(2,576)	(1,875)	(1,875)	0
Total	151,510	162,014	10,504	10,751	(247)

Adults Social Care – Darren McAughtrie

- 1.2.1 The total in-year, pressure in Adult's as at month 8 is £10.244 million, no change from Month 7. Additional funding has been allocated nationally for the additional cost of discharges from Hospital and this has now yet been reflected in the forecast.

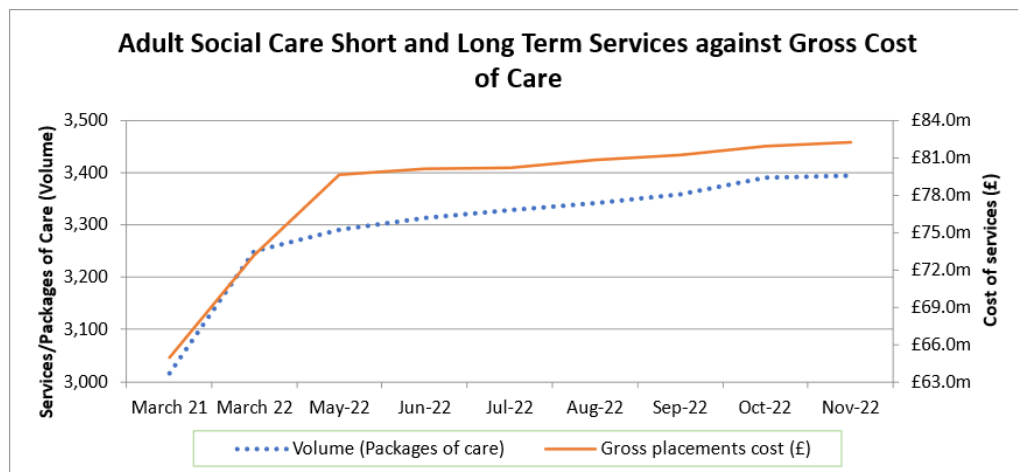
Adults Social Care	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement
	£'000	£'000	£'000	£'000	£'000
Home First	9,197	9,681	484	626	(142)
Care & Quality Standards	63,412	73,172	9,760	9,618	142
Total	72,609	82,853	10,244	10,244	0

- 1.2.2 Staffing (£0.378m) – As at month 8 we are reporting an underspend, an improvement of (£0.162m) from month 7. This position is reviewed regularly and assumes some continued funding arrangements from health.
- 1.2.3 Net Placements/Packages/Services (including Community Equipment) £10.622m, an increase from Month 7 of £0.162m. The overall increase

is a combination of further increases in the net placement's forecasts of £0.474m. This is offset in part by an increase in the forecast for income for our in house care homes of around £0.213m and further funding secured from health of around £0.2m. There are miscellaneous increases across Adults forecasts of £0.101m. 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 and 65 plus 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;

- Assumptions of increased demand for the full year 2022/23 were built into Month 2, this has now all been fully utilised. There is a further net increase in client numbers of 118 up to September (i.e. 52 net increase for working age and 66 net increase in 65+) since April 2022. The service is urgently reviewing the increases and the sources. In addition, the increased costs that have arisen from the retender of Home Care, including the impact of applying the London Living Wage.
- 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 and its impact of reducing the ongoing costs.

1.2.4 The below graph shows the overall External Placements care packages and spend in Adults Social Care.

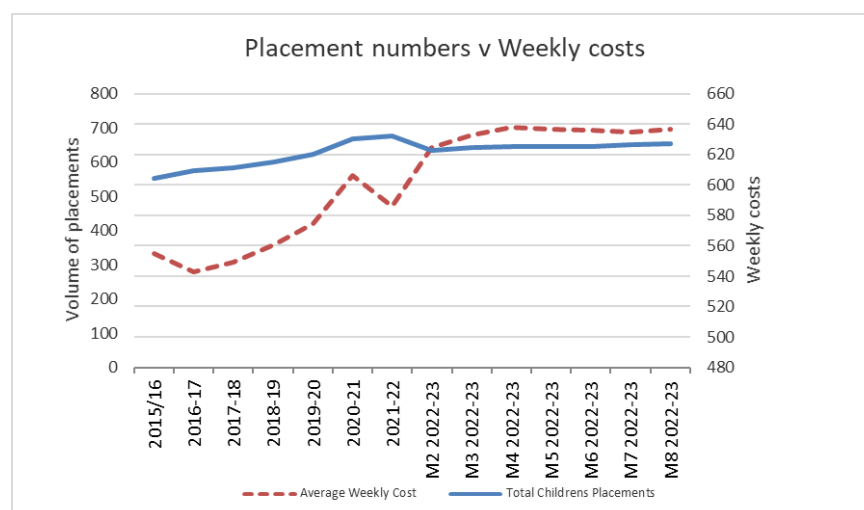


IDH S75 Agreement – NHS/CCG/ICB Funding – Included in Forecast

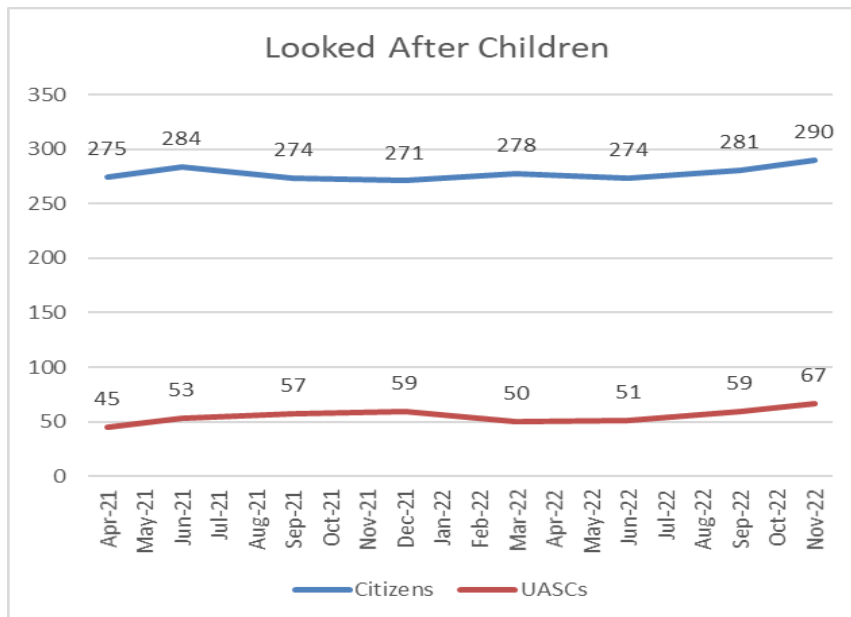
1.2.5 As part of the continuing funding arrangements for Hospital Discharges an IDH agreement has been put in place for 2022-23 with North East London CCG/ICB based on the 2021-22 spend. The agreement is approximately £2.5 million.

Children's Social Care - Daniel Phelps forecast pressure £0.735m.

- 1.2.6 Following agreement to provide one off Corporate Support of £2m, Children's Social Care is forecasting an overspend of £0.735m against budget including Mitigations of £0.730m.
- 1.2.7 This is an increase from Month 7 of £0.129m, £0.107m of which relates to Alternative Homes for young citizens and £0.070m relates to Asylum seekers.
- 1.2.8 Following a review of agency staff, the Leyton Green Road Residential home pressure increased by £0.043m to £0.284m. However this is offset by £0.326m expected income for 2 young people from Barking and Dagenham. There is also one young LBWF young person now in the provision.
- 1.2.9 This forecast assumes the following mitigations: use of the unallocated Remand Grant: £0.085m, Adoption Reform Reserve: £0.110m, the Controlling Migration -UASC reserve: £0.030m and the Early Years funding reserve: £0.136m. In addition, it is assumed that £0.369m will be mitigated by three young people in high-cost accommodation homes being stepped-down to alternative, lower cost homes.
- 1.2.10 The Youth and Family Resilience Service is expected to underspend by £0.158m which is unchanged from Month 7.
- 1.2.11 Placement costs are forecast to overspend by £1.456m an increase on month 7 of £0.107m, £0.095m of which relates to P & V Fostering and includes 5 new alternative homes that commenced during the month.
- 1.2.12 As shown in the graph below the number of young people supported with alternative homes (including those over 18s) for the year increased by 4 and the average weekly costs increased slightly from £635 per week to £637 per week. (This relates to both Citizens and UASCs but excludes remands.)
- 1.2.13 Net of the grant, Remand costs are forecast to overspend by £0.303m an increase of £0.014m which reflects a revised trial and sentence date. There are currently 4 young people in Youth Justice Secure provision.



1.2.14 The number of Looked after Children at the end of November 2022 increased by 9 to 357 compared to 348 at the end of October 2022. 6 of the additional children were UASCs.



Special Educational Needs and Disability Service

1.2.15 The SEND service is showing an overspend of £2.024m, a decrease of £0.376m since Month 7. The Domiciliary Care, Short breaks and Direct Payments forecast reduced by £0.468m following an extensive service review of packages.

1.2.16 Travel assistance is forecast to overspend by £1.340m an increase of £0.134m, of which £0.126m relates to the taxi contract recalculated for September's cohort, which includes 16 new children.

School Support: Lauren Ovenden

1.2.17 School Support is projected to overspend by £0.225m, unchanged from Month 7.

Traded Services: Lauren Ovenden

1.2.18 Traded Services are projected to be in surplus by £0.389m, unchanged from Month 7. This includes an income deficit of £0.200m due to the inclusion of the Hive (previously Suntrap) which currently remains in the People Directorate

Public Health: Joe McDonnell

1.2.19 Public Health (ring-fenced) division continue to forecast a break-even position as at month 8. 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)

1.2.20 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

1.2.21 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.

PLACE – Stewart Murray

1.3 The Place Directorate is forecasting an overspend of £0.304m (for GF services) as shown in table below:

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	7	7	0	0	0
Property & Delivery	4,619	4,721	102	104	(2)
Regeneration Planning & Delivery	5,998	5,998	0	0	0
Culture & Destinations	2,708	2,990	282	124	158
Neighbourhood Services	26,421	26,000	(421)	(404)	(17)
Regulatory Services	2,738	3,542	804	466	338
Housing General Fund	10,045	9,582	(463)	(400)	(63)
Total	52,536	52,840	304	(110)	414

Property and Delivery (Aiden McManus)

1.3.1 Property & Delivery is currently projecting an overspend of £0.102m at Month 8 from a potential bad debt provision of £0.102m. There are budget pressures and income risks in some service areas, but expenditure will be managed within the agreed spending plans.

Property and Delivery	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement
	£000's	£000's	£000's	£000's	£000's
Commercial Director of Property	1,460	1,460	0	0	0
Commercial Property Investment	2,057	2,057	0	0	0
Capital Strategy	411	411	0	0	0
Capital Delivery	427	427	0	0	0
Major Projects	264	264	0	0	0
Bad Debt Provision	0	102	102	104	(2)
Total	4,619	4,721	102	104	(2)

Culture and Destinations (James Leay)

- 1.3.2 At Month 8, Culture and Destinations is forecasting £0.282m overspend 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	141	65	(76)	0	(76)
Culture and Heritage	2,567	2,925	358	124	234
Total	2,708	2,990	282	124	158

Neighbourhoods Services (Jarlath Griffin)

- 1.3.3 Neighbourhoods Services are forecast an underspend of £0.421m at Month 8. Any risks identified that may lead to budget pressures are being monitored in anticipation of mitigating as much as possible within the directorate.

Neighbourhood Services	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement
	£000's	£000's	£000's	£000's	£000's
Strategic Director	301	301	0	0	0
Neighbourhood Management	1,382	1,365	(17)	0	(17)
Leisure	3,025	3,110	85	74	11
Waste Management	15,183	15,171	(12)	0	(12)
Highways & Traffic Management	4,531	4,054	(477)	(478)	1
Transport	151	151	0	0	0
Parks & Open Spaces	1,848	1,848	0	0	0
Total	26,421	26,000	(421)	(404)	(17)

Leisure

- 1.3.4 Sports and Leisure are forecast £0.085m overspend due to increases in utility and repair costs on the sports pitches. 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 and Parking

- 1.3.5 Highways & Traffic Management are forecast an underspend of £0.477m at Month 8. This includes £0.200m for the forecast utility cost risk for street lighting.

Regulatory Services & Contingency Planning (David Beach)

- 1.3.6 Regulatory Services are forecast a £0.804m overspend at Month 8 – this is an increase of £0.338m from the previous month, as a result of increased ASB costs. Excluding the ASB team, which is due to move to the Deputy Chief Executive for month 9, the service has a small overspend of £0.035m.

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	125	175	50	0	50
Emergency Services	151	139	(12)	0	(12)
Premises Licensing	1	36	35	(31)	66
Food & Safety	406	339	(67)	(50)	(17)
Trading Standards	276	238	(38)	(25)	(13)
Air Quality	300	266	(34)	(23)	(11)
Planning Enforcement	272	373	101	163	(62)
Selective Licensing	1,233	1,233	0	0	0
ASB Team	(136)	633	769	432	337
Street Trading	133	133	0	0	0
Non Street Trading Market Activities	(23)	(23)	0	0	0
Total	2,738	3,542	804	466	338

ASB Team

- 1.3.7 At Month 8 the ASB Team is forecast an overspend of £0.769m. This service was previously funded from reserves and other budgets, but it was identified these resources are not available to fund the service. The service is due to move into the Deputy Chief Executive for month 9.

Housing General Fund (Joe Garrod)

- 1.3.8 The latest Housing General Fund (HGF) position is shown in the table below and is currently forecasting an underspend of £0.463m, which is part of the Corporate savings target for 2023/24 but 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	2,709	2,709	0	0	0
Nightly, B&B & PSL / Property Mngt	3,234	3,534	300	300	0
Private Lettings WF	1,383	1,253	(130)	(58)	(72)
Rough Sleepers	8	8	0	0	0
Other	1,829	1,212	(617)	(642)	25

Overheads & ICT	882	866	(16)	0	(16)
Total	10,045	9,582	(463)	(400)	(63)

1.3.9 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).

1.3.10 The over-arching strategy to mitigate future demand increases is to accelerate the Council's acquisition programmes and provide a ready supply of housing to support households to exit TA (and reduce the net cost to the HGF budget). The More Homes Waltham Forest joint venture completed its programme of acquisitions last financial year and a second joint venture is also being pursued to follow on from the first and ensure a stream of properties continue to be made available throughout the year.

Housing Revenue Account (HRA)

1.3.11 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	(60,094)	(59,602)	492	464	28
Right to Buy	(1,424)	(1,881)	(457)	(426)	(31)
Total Income	(61,518)	(61,483)	35	38	(3)
Asset Management	18,533	18,928	395	366	29
Housing Operations	11,248	11,238	(10)	(55)	45
Housing Strategy & Options	4,203	2,379	(1,824)	(1,848)	24
Housing Delivery	651	646	(5)	0	(5)
Corporate Items	26,883	28,292	1,409	1,499	(90)
Total Expenditure	61,518	61,483	(35)	(38)	3
Total	0	0	0	0	0

1.3.12 A key risk which materialised in 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.

- 1.3.13 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 Leaseholder's service fees providing some mitigating cost savings which has helped to offset some increased costs in Voids and within Asset Management.
- 1.3.14 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 and at this stage a decrease in rental income is projected.

FINANCE AND GOVERNANCE – John Turnbull

- 1.4 Finance & Governance is forecasting a break even position at Month 8.

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

- 1.5 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	97.4	96.5	95.8	62.9

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	99.6	99.4	99.2	98.7	98.3	97.5	94.3	95.2	66.2

2. OPTIONS & ALTERNATIVES CONSIDERED

- 2.1 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.

5.2. Fair Deal

- 5.2.1. 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.

- 5.2.2. 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.
- 5.2.3. The Fair Deal programme reports total spend of £2.9m, with £0.1m movement from M7. This represents 47% spend compared to 22/23 cumulative profiled forecast. Project delivery timescales reported, reflect position.
- 5.2.4. A breakeven position is forecast at M8, with £0.639m spend to date in relation to Climate Emergency funding. The run rate of 53% is in line with the project delivery, with the remaining budget programmed for Q3 and Q4, 22/23.
- 5.2.5. Capital funded projects, including CCTV Infrastructure and Critical Incident Management System which target community safety and ASB, forecast a breakeven position at M8. The £0.160m spend to date is 22% of the profiled 22/23 forecast. The remaining budget is programmed for 23/24 and 24/25.
- 5.2.6. Financial reporting now includes the latest position, including external funding across the programme.
- 5.2.7. The Programme team are carrying out a review of each of the projects over December and early January to understand the drivers behind the underspend compared to forecast, with the aim to reprioritise and clawback any funding on projects which have not make significant progress towards their objectives.

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	6,289	1,152	2,975	5,538	54%
Capital CSAMG	1,000	126	160	735	22%
Climate Emergency	1,552	337	817	1,552	53%
GLA Fund (MAP estimate)	250	0	0	250	0%
Public Health Reserve	200	43	86	200	43%
COMF	751	184	696	751	93%
DFE Regional Recovery Fund	196	0	0	196	0%
Home Office Domestic Violence Fund	600	0	93	400	23%
Total	10,838	1,841	4,827	9,622	50%

6. CONSULTATION

- 6.2 Executive Directors and Portfolio Holders have been consulted.

7. IMPLICATIONS

7.2 Finance, Value for Money and Risk

- 7.2.1 The whole report is of a financial nature. The key purpose of the report is to monitor the Council's overall financial performance against 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.
- 7.2.2 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. 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.
- 7.2.3 Many of these 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.
- 7.2.4 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.

7.3 Legal

- 7.3.1 There are no direct legal implications.

7.4 Equalities and Diversity

- 7.4.1 An initial equality analysis was undertaken, and if 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.

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

7.5.1 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.

7.6 Council Infrastructure

7.6.1 There are no direct council infrastructure implications.

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

None