

LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	<b>Cabinet</b> <b>23 February 2023</b>	
Report Title	<b>FINANCIAL MONITORING: MONTH 9 (December)</b>	
Cabinet Portfolio	Councillor Grace Williams Leader of the Council	
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Wards affected	None specifically	
Public Access	OPEN	
Appendices	None	

## 1. SUMMARY

- 1.1.1 This report presents the forecast year-end position in respect of the Council's revenue expenditure. The Month 9 monitor currently identifies net pressures of £11.377m 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 9 shows £11.377m in-year pressure. This will be reviewed over the next two 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** £0.205m for the Safer Streets Pilot (a new neighbourhood driven approach to community safety) across 2022/23 and 2023/24, of this, £0.06m relates to HRA. The general fund element of £145k will be funded from Fair Deal. The scheme is expected to deliver reduced levels of anti-social behaviour and crime, reduced fear of crime and increased satisfaction, measured by surveys, interviews and other activity-based measures.
- 2.1.5 **Approve** £100k funding from Fair Deal to address the volume of potholes/patching reported in January.
- 2.1.6 **Approve** £4m capital investment to install 1,333 LED lamp columns and the financing costs to be part funded by the energy saving.
- 2.1.7 **Approve** £46k to fund additional resource capacity to work with the waste collection provider to improve performance issues. This is to be funded from the Fair Deal programme.
- 2.1.8 **Approve** £300k to fund the one-off costs associated with obtaining a further Selective Licensing Scheme from April 2023. These costs to be funded from Fair Deal but reimbursed as part of a new scheme.
- 2.1.9 **Note** the continued Membership to the Eight Authority Business Pool for 2023/24.
- 2.1.10 **Approve** The London Councils Grant Scheme contribution for 2023/24 of £0.205m (paragraphs 3.61 and 3.62).

### 3. BACKGROUND

- 3.1 At the end of Period 9, the projected General Fund outturn is an overspend of £11.377m, a favourable movement of £0.67m from Month 8 and is 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 9	Previous Month Net Amount	Adverse / (Favourable) change in Net Forecast
	£'000	£'000	£'000
Chief Executive	0	0	0
Deputy Chief Executive	1,276	636	640
People	9,602	10,504	(902)
Place	499	304	195
Finance & Governance	0	0	0
Corporate Expenditure	0	0	0
<b>TOTAL</b>	<b>11,377</b>	<b>11,444</b>	<b>(67)</b>

- 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 £1.276m in Month 9, an adverse movement of £0.640m from Month 8, the change is mostly due to an increase in the Families Business Hub. The forecast also includes a pressure in Libraries, Registrars & Ceremonies. The table below shows the forecast for each area.

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	998	(134)	(138)	4
Technology	(1,243)	(1,447)	(204)	(203)	(1)
People, Organisation Dev & Business Support	2,856	3,479	623	0	623
Change	160	150	(10)	(10)	0
Customer Strategy & Digital	4,489	5,437	948	936	12
Strategy, Insight & Communities	1,567	1,508	(59)	(59)	0
Climate and Behaviour Change	138	138	0	0	0
Bad Debt Provision	0	112	112	110	2
<b>Total</b>	<b>9,240</b>	<b>10,516</b>	<b>1,276</b>	<b>636</b>	<b>640</b>

### **Communications & Strategy**

- 3.2.1 As at Month 9, the forecast underspend within this area is £0.134m, a small change since month 8.
- 3.2.2 Business Support went through a restructure early this year, as a result, 'Leadership Office; Mayors and Members Services; Community Ward Forums' were transferred from 'Place Directorate' to 'DCE-Communications and Strategy'. The Head of Strategic Delivery and Leadership is currently carrying out a detailed review of all the spends

and income under the Leadership Office Portfolio to better understand the service.

### **Technology**

- 3.2.3 The forecasted underspend within this area is £0.204m in Month 9, this is broadly in line with previous months.

### **People, Organisation Development & Business Support**

- 3.2.4 As at Month 9, the service is forecasting an overspend of £0.623m. This overspend is due to overspends within the Business hub, which have come to light after a review of budgets and spend.
- 3.2.5 Business Support's operating model was designed to be cost neutral with all charges for service delivery charged to the relevant Directorates. However, several issues have come to light since the service transferred, including increased demand from other Directorates, re-grading of posts and unfunded posts.
- 3.2.6 The service has carried out a review to better understand the issues and are currently working to develop mitigations. This includes managing further growth by implementing an SLA with each directorate for increased demand and filling future posts on a on Fixed term contract basis rather than permanent.

### **Customer Strategy & Digital Change**

- 3.2.7 There is a forecasted overspend within this area of £0.948m in Month 9, this is a small increase on month 8.
- 3.2.8 The largest overspend is in the Libraries, Registrars and Ceremonies Service (£0.953m) - The Libraries and Registrars service budgets are combined and have a number of significant budget gaps, the majority of which are within the library service. This overspend is made up of a number of elements including a shortfall in income, and higher than budgeted costs for salary, repairs and security as well as resources for library users.
- 3.2.9 The service has developed a comprehensive cost reduction plan and is awaiting approval before it can be implemented. Work to increase income from ceremonies is also underway: a marketing campaign has been commissioned and a wedding fair was held in January to help promote the service. In addition the Library and Registrars service will have separate budgets from the next financial year to help improve financial control.

### **Corporate Business Hub – (Overspend of £0.162m)**

- 3.2.10 As at Month 9 the overspend is £0.162m, this is made up of a number of small items including salary overspends and income projections being lower than anticipated.

### **Bad Debt**

- 3.2.11 The estimated bad debt provision that will be required to date is £0.112m. of this amount, £0.25m was provided for corporately in

2021/22 (Covid-19 Funding), leaving a balance of £0.087m to be provided for in 2022/23.

### PEOPLE DIRECTORATE – Heather Flinders

- 3.3 The Month 9 position is an adverse net variance of £9.602m,(of which £0.962 m relates to legal costs), this is an overall a reduction of £0.902m from Month 8.

People	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement
	£'000	£'000	£'000	£'000	£'000
Adult Social Care	72,669	81,992	9,323	10,244	(921)
Children's Social Care	45,383	46,778	1,395	735	660
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	35	35	0	0	0
Public Health Ring Other	277	(501)	(778)	(410)	(368)
Traded Services	3,686	3,501	(185)	(389)	204
SEND Services (General Fund)	8,033	9,580	1,547	2,024	(477)
Families Centrally Retained	(699)	(2,574)	(1,875)	(1,875)	0
<b>Total</b>	<b>151,512</b>	<b>161,114</b>	<b>9,602</b>	<b>10,504</b>	<b>(902)</b>

### Adults Social Care – Darren McAughtrie

- 1.1.1 The total in-year, pressure in Adult's before mitigations as at month 9 is £9.323m, an improvement of £0.921m from Month 8. This is predominantly due to allocation of additional discharge funding from Department of Health & Social Care confirmed in December 2022.

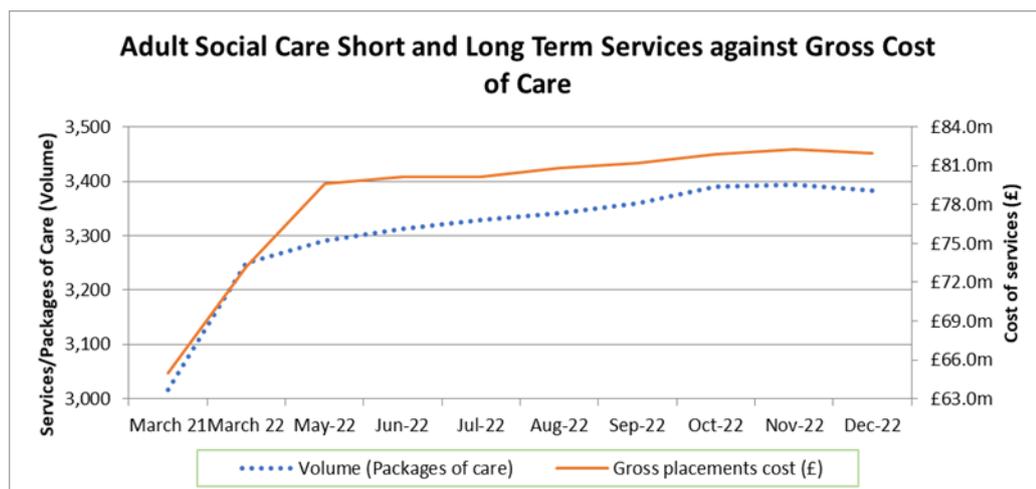
Adults Social Care	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement
	£'000	£'000	£'000	£'000	£'000
Home First	9,179	9,523	344	484	(140)
Care & Quality Standards	63,490	72,469	8,979	9,760	(781)
<b>Total</b>	<b>72,669</b>	<b>81,992</b>	<b>9,323</b>	<b>10,244</b>	<b>921</b>

- 1.1.2 Staffing – As at month 9 we are reporting an underspend of £0.728m . There has been an improvement of (£0.305m) from month 8. This position is reviewed regularly and assumes some continued funding arrangements from health. The service are actively recruiting to vacant posts to get back to full capacity, this will reduce the ongoing underspend into next year.
- 1.1.3 Net Placements/Packages/Services (including Community Equipment) has an overall overspend of £10.051m, an improvement from month 8 of £0.571m. The improvement is a combination of further increases in the net placement's forecasts of £0.394m, offset by the allocation of the

recently announced additional discharge funding of £0.907m. There are miscellaneous improvements across Adults forecasts of £0.58m. 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;

- The full year impact of the net increase in client numbers during 2021/22 of 221 (i.e. 156 net increase for working age and 65 net increase for 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.
- Assumptions of increased demand for the full year 2022/23 were built into Month 2, this has now all been fully utilized. This demand is reinforced from performance dashboards which show a further net increase in client numbers of 204 up to December 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.

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



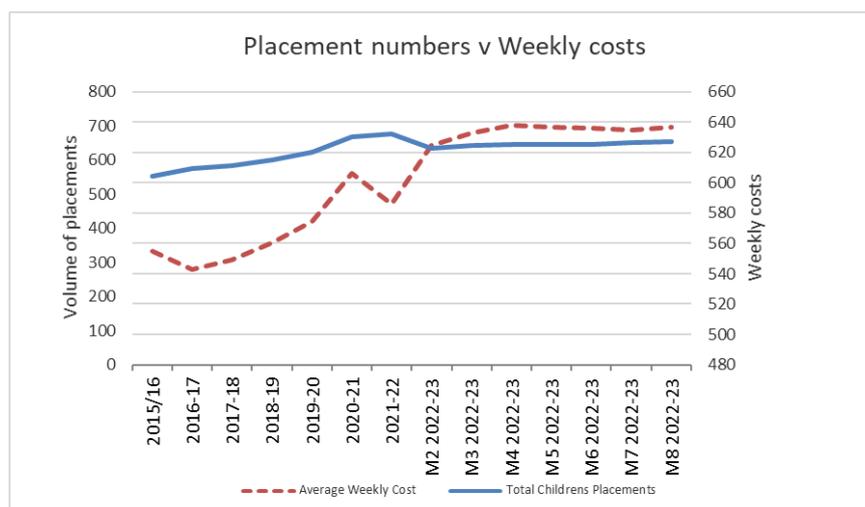
IDH S75 Agreement – NHS/CCG/ICB Funding – Included in Forecast

1.1.5 As part of the continuing funding arrangements for Hospital Discharges an IDH agreement has been put in place for 2022-23 with North East

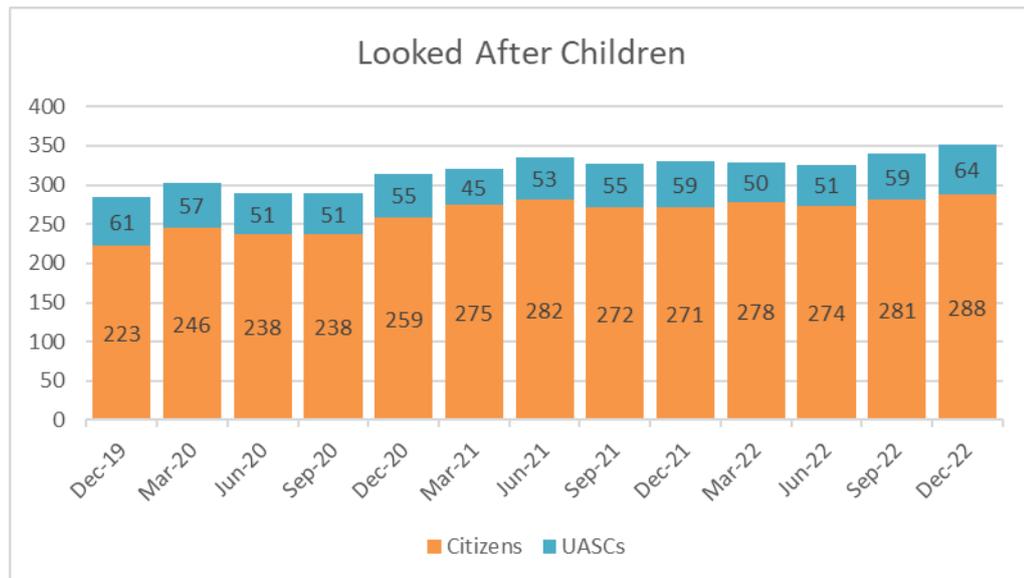
London CCG/ICB based on the 2021-22 spend. The agreement is approximately £2.5m.

**Children’s Social Care - Daniel Phelps forecast pressure £1.395m.**

- 1.1.6 Following agreement to provide one off Corporate Support of £2m, Children’s Social Care is forecasting an overspend of £1.395m against budget including Mitigations of £0.469m.
- 1.1.7 This is an increase from Month 8 of £0.660m, £0.261m relates to a reduction in mitigations relating to High-Cost Alternative Homes and £0.317m to an increase in the Alternative Homes forecast.
- 1.1.8 Following a review, it was agreed to reduce the alternative homes mitigation by £0.261m to £108m as much of the previous mitigation of £0.369m had been realised.
- 1.1.9 Alternative home costs are forecast to overspend by £1.773m, an increase on the prior month of £0.317m. £0.196m relates to two new Residential placements, one was a move from the In House Residential Home. The forecast for under 18 Semi Independent provision increased by £0.72m relating to two new young people being accommodated and increases to support packages.
- 1.1.10 As reflected in the graph and table below the increase in forecast is driven by an increase in the average costs rather than the number of young people being accommodated. The number of young people supported with alternative homes (including those over 18s) for the year decreased by 4 and the average weekly costs increased from £637 per week to £649 per week. (This relates to both Citizens and UASCs but excludes remands.)
- 1.1.11 Net of the grant, Remand costs are unchanged and forecast to overspend by £0.303m. There are currently 4 young people in Youth Justice Secure provision.



- 1.1.12 The number of Looked after Children at the end of December’22 decreased by 5 to 352 compared to 357 at the end of November 2022. 3 of whom are UASCs.



### Special Educational Needs and Disability Service

1.1.13 The SEND service is showing an overspend of £1.547m, a decrease of £0.477m, from Month 8. The Domiciliary Care, Short breaks and Direct Payments forecast reduced by £0.66m, following reduced capacity due to providers recruitment difficulties.

1.1.14 Travel assistance is forecast to overspend by £0.940m, a net decrease of £0.400m to Month 8, comprising £0.090m from increases to Personal Budgets and £0.010m to call backs on the Bus Contract, offset by applying £0.500m social care grant previously ear-marked towards the costs of the new transport contract.

### School Support: Lauren Ovenden

1.1.15 School Support is projected to overspend by £0.225m, unchanged from Month 8.

### Education Division: Lauren Ovenden

1.1.16 The Education Division is projecting an underspend of £0.50m unchanged from Month 8.

### Traded Services: Lauren Ovenden

1.1.17 Traded Services are projected to be in surplus by £0.185m, a reduction of £0.204m from Month 8. This includes an income deficit of £0.184m due to the inclusion of the Hive (previously Suntrap) which currently remains in the People Directorate but is due to transfer to Assistant Chief Executives Directorate. The main movements comprise: £0.108m from a detailed review of casual staff salary projections; £0.030m reduction in Music Service income due to an unavoidable lack of capacity; and £0.025m on kitchen equipment and staff uniforms that the service has now been advised are not eligible for funding from the Catering Equipment reserve.

### Public Health: Joe McDonnell

1.1.18 Public Health (ring-fenced) division continue to forecast a break-even position as at Month 9. 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)

1.1.19 There is an underspend of £0.778m, due to a benefit from previous years liabilities relating to CAMHS, being released. This is an increase of £0.368m on the month 8 forecast.

### Families Centrally Retained

1.1.20 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

1.2 The Place Directorate is forecasting an underspend of £0.710m, excluding the ASB team, which is transferring to Deputy Chief Executive Directorate, with an overspend of £1.2m. This is reflected in the 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	102	0
Regeneration Planning & Delivery	5,998	6,078	80	0	80
Culture & Destinations	2,702	2,923	221	282	(61)
Neighbourhood Services	26,772	26,234	(538)	(421)	(117)
Regulatory Services	2,772	3,017	245	35	210
Housing General Fund	10,045	9,225	(820)	(463)	(357)
<b>Total</b>	<b>52,915</b>	<b>52,205</b>	<b>(710)</b>	<b>(465)</b>	<b>(245)</b>
<b>ASB Team</b>	<b>(34)</b>	<b>1,175</b>	<b>1,209</b>	<b>769</b>	<b>440</b>
<b>Total</b>	<b>52,881</b>	<b>53,380</b>	<b>499</b>	<b>304</b>	<b>195</b>

### Property and Delivery (Aiden McManus)

1.2.1 Property & Delivery is currently projecting an overspend of £0.102m at Month 9 from a potential bad debt provision of £0.102m. This is line with the month 8 figure.

### Culture and Destinations (James Leay)

1.2.2 At Month 9, Culture and Destinations is forecasting £0.221m overspend, this is reduction of £0.061m on the figure reported at month

8. The overspend is due to additional staff costs transferred to the Culture and Destination service. The service is reviewing venues within the service with a view to generating more income.

### Neighbourhoods Services (Jarlath Griffin)

1.2.3 Neighbourhoods Services are forecast an underspend of £0.538m at Month 9. This an increase of £0.117m on the underspend reported at month 8.

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	1,351	(31)	(17)	(14)
Leisure	2,762	2,762	0	85	(85)
Waste Management	15,796	15,771	(25)	(12)	(13)
Highways & Traffic Management	4,532	4,050	(482)	(477)	(5)
Transport	151	151	0	0	0
Parks & Open Spaces	1,848	1,848	0	0	0
<b>Total</b>	<b>26,772</b>	<b>26,234</b>	<b>(538)</b>	<b>(421)</b>	<b>(117)</b>

1.2.4 The largest variance is in Highways & Traffic Management who are forecasting an underspend of £0.482m at Month 9, roughly in line with the month 8 figure.

### Regulatory Services & Contingency Planning (David Beach)

1.2.5 Regulatory Services are forecast a £245k overspend at Month 9, an increase of £210k mainly due to reduced income for Selective Licensing.

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	50	0
Emergency Services	151	143	-8	-12	4
Premises Licensing	1	60	59	35	24
Food & Safety	406	347	-59	-67	8
Trading Standards	276	228	-48	-38	-10
Air Quality	300	240	-60	-34	-26
Planning Enforcement	272	340	68	101	-33
Selective Licensing	1131	1374	243	0	243
Street Trading	133	133	0	0	0
Non Street Trading Market Activities	-23	-23	0	0	0
<b>Total</b>	<b>2,772</b>	<b>3,017</b>	<b>245</b>	<b>35</b>	<b>210</b>

1.2.6 The largest variance is in Selective Licensing which is a ring-fenced account with strict conditions. It is forecasting an overspend of £0.243m at Month 9 due to reduced income. Debt recovery and licensing income is being reviewed to improve the financial position.

### ASB Team (Transferring to DCE)

- 1.2.7 At Month 9 the ASB Team is forecasting an overspend of £1.2m. This service is in the process of being transferred to DCE and was previously funded from reserves and other budgets, however it has been identified these resources are no longer available to fund the service.
- 1.2.8 A new Safer Streets Pilot (a new neighbourhood driven approach to community safety) is to be introduced across 2022/23 and 2023/24. The scheme is expected to deliver reduced levels of anti-social behaviour and crime, reduced fear of crime and increased satisfaction, measured by surveys, interviews and other activity-based measures. The overall cost of the scheme is £0.205m, with £0.060m being funded by the HRA.

### Housing General Fund (Joe Garrod)

- 1.2.9 The latest Housing General Fund (HGF) position is shown in the table below and is currently forecasting an underspend of £0.820m, of which £0.400m is part of the corporate savings target for 2023/24 achieved early. 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	3,506	272	300	(28)
Private Lettings WF	1,383	873	(510)	(130)	(380)
Rough Sleepers	8	8	0	0	0
Other	1,829	1,253	(576)	(617)	41
Overheads & ICT	882	876	(6)	(16)	10
<b>Total</b>	<b>10,045</b>	<b>9,225</b>	<b>(820)</b>	<b>(463)</b>	<b>(357)</b>

- 1.2.10 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).
- 1.2.11 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)

1.2.12 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)	(58,280)	1,814	492	1,322
Right to Buy	(1,424)	(1,880)	(456)	(457)	1
<b>Total Income</b>	<b>(61,518)</b>	<b>(60,160)</b>	<b>1,358</b>	<b>35</b>	<b>1,323</b>
Asset Management	18,533	18,922	389	395	(6)
Housing Operations	11,248	11,150	(98)	(10)	(88)
Housing Strategy & Options	4,203	2,442	(1,761)	(1,824)	63
Housing Delivery	651	2,031	1,380	(5)	1,385
Corporate Items	26,883	25,615	(1,268)	1,409	(2,677)
<b>Total Expenditure</b>	<b>61,518</b>	<b>60,160</b>	<b>(1,358)</b>	<b>(35)</b>	<b>(1,323)</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

1.2.13 The other 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.

1.2.14 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.

1.2.15 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

1.3 Finance & Governance is forecasting a break-even position at Month 9.

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	14	14	0	0	0
Financial Management	247	247	0	0	0
Audit & Anti-Fraud	(67)	(67)	0	0	0
Revenues & Benefits	5,731	5,731	0	0	0
Treasury & Pensions	159	159	0	0	0
Return on Investment	1,019	1,019	0	0	0
Governance & Law	2,427	2,427	0	0	0
<b>Total</b>	<b>9,530</b>	<b>9,530</b>	<b>0</b>	<b>0</b>	<b>0</b>

### London Borough Grants Committee

- 1.3.1 The London Councils Leaders Committee agreed a budget for 2023/24 at its meeting on 13 December 2022. The overall level of borough contributions towards commissioned grant services has remained at last year's figure of £6.668 million. It is necessary for London Boroughs to indicate their assent to this budget by 30 January 2023.
- 1.3.2 The contribution for Waltham Forest has remained at £0.205m for 2023/24.

### Council Tax / Business Rates Collection

- 1.4 Oncome forecasts still remain volatile due the ongoing impact of Covid-19 and the current economic climate. Current forecasts suggest that collection rates have shown a small improvement on the 2021/22 rates however 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	98.4	97.9	97.4	96.6	96.1	79.3

## 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	98.4	97.5	94.6	95.2	80.5%

## 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 Fair Deal programme reports total spend of £3.1m, with £0.157m movement from M8. This represents 50% spend compared to 22/23 cumulative profiled forecast. Project delivery timescales reported, reflect position.

- 5.2.3. For Climate Emergency, £0.829m spend to date. The run rate of 53% is in line with the project delivery, with the remaining budget programmed for Q4, 22/23.
- 5.2.4. Capital funded projects, including CCTV Infrastructure and Critical Incident Management System which target community safety and ASB, forecast position of £0.735m at M9. The £0.160m spend to date is 16% of the profiled 22/23 forecast. The remaining budget is programmed for 23/24 and 24/25.
- 5.2.5. Financial reporting includes the latest position, including external funding across the programme.

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	1,309	3,132	5,627	56%
Capital CSAMG	1,000	126	160	735	22%
Climate Emergency	1,552	348	829	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%
<b>Total</b>	<b>10,838</b>	<b>2,009</b>	<b>4,996</b>	<b>9,710</b>	<b>51%</b>

## 6. CONSULTATION

- 6.1 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