

1. Analysis of Service Variances 2022/23

The final position on each Directorate is shown after budgeted transfers to earmarked reserves and provisions have been made together with reasons for any over and underspend.

2. Deputy Chief Executive

Deputy Chief Executive directorate's outturn position is an overspend of £0.622 million this is £0.425 million less than the amount forecasted at month 10. The key variances that have led to the overall overspend are explained in more detail below:

| Deputy Chief Executive Directorate | Latest Budget | Actual | Variance to Latest Budget | Month 10 Variance | Variance from month 10 |
|--|---------------|---------------|---------------------------|-------------------|------------------------|
| | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Customer Strategy and Digital Channels | 6,135 | 7,114 | 979 | 802 | 177 |
| Climate and Behaviour Change | 613 | 613 | (0) | 0 | (0) |
| Communications and Strategy | 1,419 | 1,102 | (317) | (175) | (142) |
| Deputy Chief Executive | 381 | 363 | (18) | 122 | (140) |
| People Organisation Development and Business Support | 2,963 | 3,447 | 484 | 592 | (108) |
| Change, Strategy Insight and Communities | 3,349 | 3,015 | (334) | (91) | (243) |
| Technology | (914) | (1,086) | (172) | (203) | 31 |
| Total DCE | 13,946 | 14,568 | 622 | 1,047 | (425) |

**month 10 figure includes bad debt provision for directorate*

Customer Strategy & Digital Change

The service is reporting an overspend of £0.979 million, this is an adverse movement of £0.177 million since Month 10, due to a mixture of a shortfall in income and staff advertising costs.

- 2.1. The majority of the overspend within the service is within Libraries, Registrars and Ceremonies Service (£0.964m). The Libraries and Registrars service budgets are combined and have a number of significant budget pressures, the majority of which are within the library service and includes a shortfall in income against budget (£0.284m).

Communications & Strategy

- 2.2. The 22/23 outturn position within this area is an underspend of £0.317 million, a change of £0.142 million since Month 10. The favourable movement is a result of lower than forecasted spend against Waltham Forest News and reduced spend against the Leadership office, Mayor and Members expenses.

People, Organisation Development & Business Support

- 2.3. The final position shows an overspend of £0.484 million which is due to a combination of increases in staffing resource within Family Business Hub due to demand, regrading of posts and the migration of the team supporting Neighbourhoods for which no budget was transferred over.

Change, Strategy, Insight & Communities

- 2.4. The final outturn is an underspend of £0.334 million, this is a favourable movement of £0.243 million since month 10 which is predominantly due to staffing underspends against Strategy and Design in the latter part of the year and the ability to recharge costs relating to the DICT and Families Change teams.

Technology

- 2.5. The final outturn of £0.172 million underspend, this is a small movement what was reported in Month 10. The overall underspend largely relates to vacant posts within IT Operations which have been used to offset some contract pressures within the service.

Deputy Chief Executives Reserves

- 2.6. The table below provides a summary of the reserves held by the Deputy Chief Executives Directorate. Overall reserves have increased by £0.077 million.

| Deputy Chief Executive Directorate | Actual 1.4.22 £'000 | New funds £'000 | Use of funds £'000 | Balance 31.3.23 £'000 |
|---|------------------------------------|--------------------------------|-----------------------------------|--------------------------------------|
| Ward Forums | 268 | 77 | 0 | 345 |
| Climate Change | 16 | 0 | 0 | 16 |
| Volunteer Programme | 94 | 0 | 0 | 94 |
| ICT Public WiFi | 40 | 0 | 0 | 40 |
| HR Health Related Expenditure | 37 | 15 | (15) | 37 |
| Leytonstone Library Donations | 10 | 0 | 0 | 10 |
| Deputy Chief Executive total | 464 | 92 | (15) | 541 |

- 2.7. The Ward Forum Reserve holds payments set aside for successful applicants (i.e. residents and community groups) of the Community Ward Forum Funding.

The new funds of £0.077million are, commitments for the Cost-of-Living funding for local projects helping the most impacted and £0.066m of funding yet to be claimed by residents and community groups.

- 2.8. The HR Health Related Expenditure reserve holds HSE income received for the Chief Executive's role as a non-executive director, set aside to fund new initiatives.

3. Place Directorate

The Place Directorate outturn position is an overspend of £0.703 million (for General Fund services), the majority of the pressure comes from the Anti-Social Behaviour team (ASB) within Regulatory and Contingency Planning, which has an overspend of £1.2 million.

| Place Directorate | Latest Budget | Actual Spend | Variance to Latest Budget | Month 10 Variance | Variance from month 10 |
|-------------------------------------|---------------|---------------|---------------------------|-------------------|------------------------|
| | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 |
| | £ | £ | £ | £ | £ |
| Culture and Destination | 5,381 | 5,620 | 239 | 221 | 18 |
| Neighbourhoods | 30,351 | 29,838 | (513) | (553) | 40 |
| Property and Delivery | 281 | 878 | 597 | 140 | 457 |
| Regeneration, Planning and Delivery | 6,668 | 6,663 | (5) | 80 | (85) |
| Regulatory and Contingency Planning | 3,177 | 4,925 | 1,748 | 1,486 | 262 |
| Strategic Director of Place | 7 | 15 | 8 | 0 | 8 |
| Housing General Fund | 11,360 | 9,989 | (1,371) | (807) | (564) |
| Housing Revenue Account | 0 | 0 | 0 | 0 | 0 |
| Total Place Directorate | 57,225 | 57,928 | 703 | 567 | 136 |

Culture and Destinations

- 3.1. Culture and Destinations Division has an outturn position of £0.239 million overspend, which is slightly higher than the Month 10 forecast. The overspend is from additional staff and event costs for Fellowship Square transferred to the Culture and Destination service.

Neighbourhoods Services

- 3.2. Neighbourhoods Services has an underspend of £0.513 million, slightly less than the underspend reported at Month 10. The underspend is a result of additional income and reduced costs.

Property and Delivery

- 3.3. Property & Delivery has an overspend of £0.597 million mainly from a shortfall of commercial property income and additional pressure on property repairs

Regulatory Services & Contingency Planning

- 3.4. Regulatory Services are reporting a £1.748 million overspend, as a result of the pressures within the Anti-Social Behaviour Team (ASB), reduced income for Selective Licensing and additional legal costs for Planning Enforcement. The Anti-Social Behaviour team (ASB) is reporting an overspend of £1.2m. This service was previously funded from reserves and other budgets, but these resources are no longer available to fund the service.

Housing General Fund

- 3.5. The Housing General Fund (HGF) delivered an underspend of £1.371 million in 2022/23 (compared to a forecasted underspend of £0.807m at Month 10). The underspend was achieved through effective control of overall homelessness numbers during the year, primarily by reducing the volume of households in Temporary Accommodation (TA).
- 3.6. Within Private Lettings Waltham Forest, Capital Letters work in partnership with London councils and provide landlords to help families find a secure and settled home. There has been a large reduction in the use of Capital Letters during 2022/23 with only 24 properties being delivered as opposed to 135 in 2021/22 which has created the majority of the underspend within the service. There has also been budget savings within Housing Strategy due to underspends on general running costs and there was additional income received in relation to Solar Panels to contribute to the overall underspend.
- 3.7. The homelessness budget remains the most challenging area in terms of cost within the HGF, with demand and the increasing cost of accommodation continuing to represent a key financial risk. In 2022/23 the number of acceptances was 374 which was below the target of 480 and the number of households in TA on 31st March 2023 was down to 878 having been 999 in April 2022. The service continues to make good use of incentive schemes to discharge duty to housing supply coming from schemes such as More Homes Waltham Forest, Mears and Local Space.

Housing Revenue Account (HRA)

- 3.8. The Housing Revenue Account (HRA) performed strongly during 2022/23 and delivered a surplus of £1.311 million. This was primarily driven by lower than budgeted borrowing costs for the HRA due to slippage on the HRA capital programme that meant the programme didn't require any new borrowing to finance activity and also, no revenue contribution to capital was required in 2022/23.
- 3.9. The HRA managed to absorb significant in-year cost pressures in 2022/23 relating to outstanding council tax on void properties, increases in works carried

out by both contractors on backlogs due to Covid-19 and the continued increase in energy costs for both gas and electricity. The continued need to provide a “Waking Watch” service at all high-rise blocks across the estate in response to fire safety surveys with a budget of £4.8 million allocated in 2022/23 remains the single largest expenditure item.

- 3.10. The revenue savings, as a result of the capital slippage partly mitigated these cost pressures in-year. Other areas that mitigated the overspends were additional income from final account calculations on leaseholder service charges, additional income due to an increased number of leaseholders during the year and rental income from an increase in shared ownership properties due to the additional new builds coming into the HRA stock
- 3.11. Waking Watch is expected to be an on-going requirement for the HRA, and an allowance of £3.6 million was built into the HRA MTFS to fund provision in 2023/24.

Place Reserves & Provisions

3.12. The table below provides a summary of the movements relating to the reserves held by the Place Directorate.

| Place Directorate | Balance 1.4.22 £'000 | New funds £'000 | Use of funds £'000 | Balance 31.3.23 £'000 |
|---|-------------------------------------|--------------------------------|-----------------------------------|--------------------------------------|
| Street Trading | 251 | 115 | (225) | 140 |
| Arts Development | 33 | 0 | 0 | 33 |
| S38 & S278 Agreements | 1,348 | 675 | (404) | 1,619 |
| Leisure Contract | 838 | 17 | (26) | 829 |
| Parking | 374 | 0 | 0 | 374 |
| CPZ Programme | 398 | 0 | (337) | 61 |
| Selective Licensing | 205 | 0 | (205) | 0 |
| Boc Regeneration & Growth Legacy - Reserves | 371 | 0 | 0 | 371 |
| Highways Obligation to Borough of Culture Res | 77 | 0 | 0 | 77 |
| Borough of Culture Funding | 8 | 0 | 0 | 8 |
| Ching Culvert | 184 | 0 | 0 | 184 |
| Building Regulations * | 114 | 53 | 0 | 167 |
| Regeneration Reserve | 16 | 0 | 0 | 16 |
| UDP/Local Development | 67 | 0 | 0 | 67 |
| Blackhorse Lane | 133 | 0 | 0 | 133 |
| Planning Delivery | 269 | 0 | (206) | 63 |
| Land Charges | 148 | 0 | (176) | (28) |
| EN - Property - Reserves | 30 | 0 | 0 | 30 |
| HEAT Networks Delivery Unit | 30 | 0 | 0 | 30 |
| Local Community Infrastructure Levy | 285 | 367 | 0 | 653 |
| Salix Energy Financing Fund | 1,314 | 265 | (77) | 1,502 |
| Corporate Solar Panel FiT Income | 145 | 0 | 0 | 145 |
| Lawn Tennis Association | 0 | 175 | 0 | 175 |
| Lammas PFI | 2,672 | 2,075 | 0 | 4,746 |
| Grouped Schools PFI | (2,356) | 4,581 | 0 | 2,225 |
| Frederick Bremer PFI | 731 | 2,687 | 0 | 3,418 |
| Schools PFI** | 1,046 | 9,343 | 0 | 10,389 |
| Place Total | 7,684 | 11,010 | (1,658) | 17,035 |

* This reserve will balance over a three-year period

3.13. The reserve held for Street Trading relates to the trading account.

- 3.14. The reserve held in relation to S38 and S278 and receipts and payments relating to specific schemes.
- 3.15. The movement in the CPZ reserve is due to the rollout of the programme in 2022/23.
- 3.16. The Planning Delivery Reserve provided funding for the Local Plan.
- 3.17. Land Charges reserves holds accumulated surpluses on the Land Charges account. Some reserves were drawn down to support additional staff costs and for the implementation of the back-office system. The surplus will be used in the calculation of Fees and Charges, as any surplus/ deficit needs to be included in the determination of Fees and Charges
- 3.18. Local Community Infrastructure Levy (CIL) reserve holds any unspent balances from the 5% administrative charge levied on local CIL collected. In 2022/23 £0.285 was brought forward from the previous year with £0.367m collected during the year.
- 3.19. The Salix Reserve is held to repay the Salix Loan.
- 3.20. The Lawn Tennis Association (LTA) Reserve is held for the provision of new tennis courts as per the agreement with the LTA.

4. People Directorate

The final outturn position, prior to the provision for bad debt, is an adverse net variance of £10.130 million, an increase of £0.942 million since Month 10.

The final outturn position, including the £3.523 million provision for bad debt, is an adverse variance of £13.653 million. A summary of the final position is shown on the table below.

| People Directorate | Latest Budget | Actual Spend | Variance to Latest Budget | Month 10 Variance | Variance from month 10 |
|---------------------------------------|----------------|----------------|---------------------------|-------------------|------------------------|
| | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 |
| | £ | £ | £ | £ | £ |
| Adult Social Care | 72,245 | 83,535 | 11,290 | 8,773 | 2,517 |
| Children's Social Care | 45,201 | 47,063 | 1,862 | 1,349 | 513 |
| Dedicated Schools Budget | 0 | (0) | (0) | 0 | (0) |
| Early Help | (356) | (485) | (129) | 0 | (129) |
| Education | 2,277 | 2,289 | 12 | (50) | 62 |
| Public Health Other | 4,494 | 3,874 | (620) | (620) | 0 |
| Public Health Ringfenced | (586) | (585) | (1) | 0 | (1) |
| School Support | 6,335 | 6,451 | 116 | 225 | (109) |
| Schools REFFCUS Division | 2,446 | 2,446 | (0) | 0 | (0) |
| SEND Services Division | 8,069 | 10,319 | 2,250 | 1,639 | 611 |
| Strategic Director of People Division | 566 | (906) | (1,472) | (1,875) | 403 |
| Waltham Forest Traded Services | 3,763 | 4,107 | 344 | (253) | 597 |
| Total People Directorate | 144,454 | 158,107 | 13,653 | 9,188 | 4,463 |

4.1. Adult Social Care (ASC)

- 4.2. Adult Social Care Services overspent in total by £11.290 million. The overspend is split between business as usual of £8.615 million which represents 12% of the total net budget. The remaining £2.675 million is related to a one-off increase in provision for bad debt.

4.3. ASC – Business as Usual – Overspend £8.615 million

- 4.4. The total final business as usual outturn position for Adults Social Care is £8.616m. A breakdown of the outturn variance is shown below;

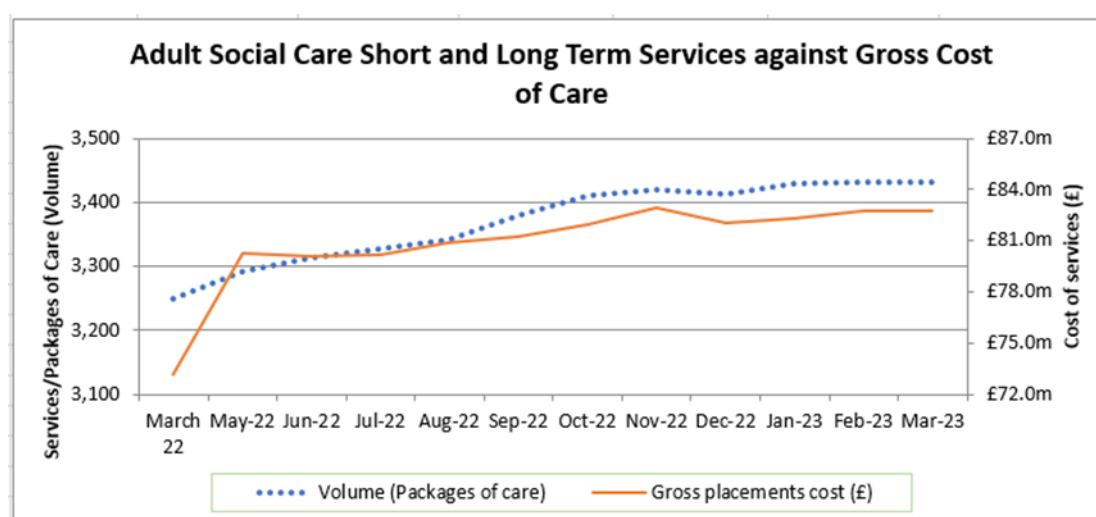
| High level breakdown of Overspend 22-23 | |
|---|-----------------|
| Description | £000's |
| Staffing | (£1.075) |
| | |
| Placements | £10.336 |
| Provider Services Income | (£0.500) |
| Miscellaneous underspends across ASC | (£0.146) |
| Net Placements / Packages | £9.690 |
| | |
| TOTAL ASC BAU | £8.615 |
| Addition to Bad Debt Provision | £2.675 |
| TOTAL ASC | £11.290 |

- 4.5. **Staffing** –The final outturn position on staffing is a £1.075 million underspend, an improvement of £0.163 million from Month 10. This position is reviewed regularly and assumes some continued funding arrangements from health. The service is actively recruiting to vacant posts to get back to full capacity, this will reduce the ongoing underspend into next year.
- 4.6. Net placements/Packages/Services overspend (including Community Equipment) is £9.690m, a small increase from Month 10. The overall overspend in this area is predominantly related to Care placements and packages across all Adults Cohorts, both 18 to 64 and 65 plus of £10.336 million. This is netted off by miscellaneous underspends across Adult Social Care of (£0.146m).
- 4.7. There has been significant demand and increased need on Adult Social Care placements in 2022/23. The total gross spend is approximately £9m or 13% higher, than the previous year and is driven by increases in terms of pricing, complexity of cases and increased volume, including all expenditure relating to hospital discharges, as required by Central Government discharge arrangements.
- 4.8. There are several factors contributing to the increasing pressure on placements, including:

- The full year impact of the net increase in client numbers during 2021/22 of 221. The estimated impact of this, on the spend for 2022-23 plus inflation is around £2.5m.
- In addition, there has also been a further net increase in client numbers in 2022/23 of around 209.
- The increased costs following the retender of Home Care, including the impact of applying the London Living Wage.
- Increased complexity of packages and pressures in the provider market has seen an increase in rates for newer care packages

4.9. The overall impact of this increased expenditure has been mitigated in part due to the allocation of the additional ASC Precept, Social Care Grant, and recovery of un-used Direct Payments, also funding from ICB through the local Hospital Discharge (IDH) arrangements.

4.10. Please see activity and gross costs graph showing the movement in the financial year below.



Public Health

| | Latest Budget | Actual Spend | Variance to Latest Budget | Month 10 Variance | Variance from month 10 |
|----------------------------|----------------------|---------------------|----------------------------------|--------------------------|-------------------------------|
| | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 |
| | £ | £ | £ | £ | £ |
| Public Health Other | 4,494 | 3,874 | (620) | (620) | 0 |
| Public Health Ringfenced | (585) | (585) | (0) | 0 | (0) |
| Total Public Health | 3,909 | 3,289 | (620) | (620) | (0) |

Public Health – Ring Fenced Grant

4.11. Public Health (ring-fenced) final outturn is on budget. The grant for 2022/23 was £17.002 million. There was an underspend of approximately £0.630 million. Of this, about £0.243 million was underspend on core public health services, primarily due to a temporary reduction in sexual health activity, as a result of the Monkeypox outbreak of Summer 2022. Also included in the underspend was:

- £0.158 million relating to the benefit in the CAMHS area from previous years liabilities not required. It was requested for this to be carried into the PH reserve to mitigate in year, 2023-24 Savings Targets relating to payments to ICB for CAMHS Triage etc.
- Primary Mental Health workers charge to the CAMHS service was lower than expected due to vacancies resulting in a surplus from prior year liabilities not required, therefore £0.099 million of un-utilised funds were reversed back to Public Health (PH).
- In Strategic Partnerships, due to a favourable variance in staffing, the requirement from the PH grant was lower than planned, hence £0.059 million was reversed back to Public Health.
- £0.071million – Miscellaneous underspends and other external funding carried forward across the division

4.12. As per the grant conditions, this overall underspend has been transferred to the Public Health reserve, which now stands at £4.058 million, with a significant proportion of this allocated towards future spend commitments. The in year movements are shown below;

| | Balance 1.4.22 £'000 | New Funds £'000 | Use of Funds £'000 | Balance 31.3.23 £'000 |
|------------------------------|---|--------------------------------------|---|--|
| AD - DH Public Health | (3,467) | (630) | 39 | (4,058) |

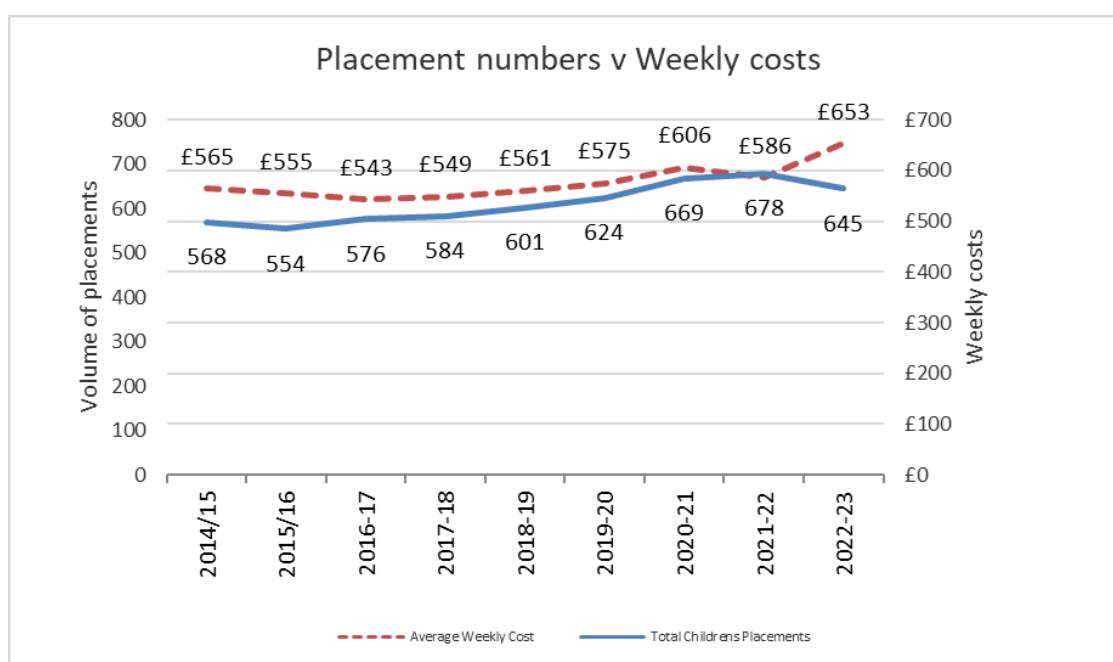
4.13. **Public Health (Non-Ring-Fenced)** The final outturn on the non-ringfenced Public Health area is an underspend of £0.620 million, due to a benefit from previous years liabilities relating to CAMHS, being released. A further portion of the benefit is to be held in Public Health Reserve to contribute to People's directorate Savings Targets for 2023-24.

Children's Social Care

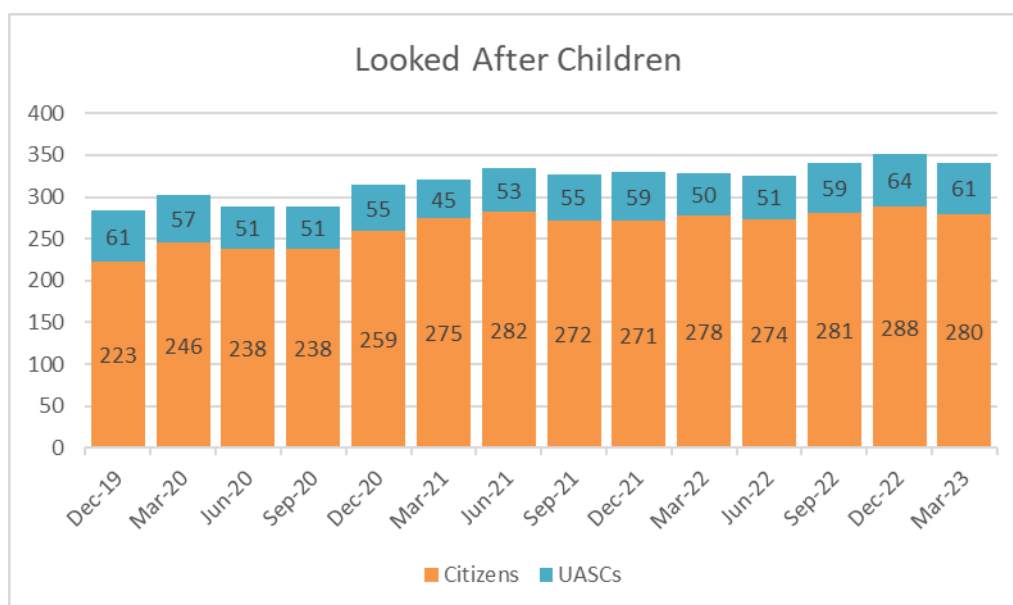
4.14. Including one-off Corporate Support of £2m, Children's Social Care, inclusive of the Youth and Family Resilience Service and Early Help Delivery, overspent by £1.822 million (£1.862 million including £0.040 million provision for bad debt).

This was an increase of £0.473 million (£0.513 million including provision for bad debt) compared to month10.

- 4.15. Alternative home costs are overspent by £1.770 million, an increase on month 10 of £0.318 million. £0.141 million of which relates to 6 new young people in Residential homes, one of whom moved from P&V Fostering and a £0.035 million increase in Support costs for one young person. A further £0.117 million relates to eight young people previously unreported in Connected Persons fostering.
- 4.16. As shown in the graph below the numbers of young people decreased year on year from an average of 678 in 2021-22 to 645 in 2022-23, however the average costs increased from £586 per week in 2021-22 to £653 per week in 2022-23.



- 4.17. The number of Looked after Children at the end of March 2023 decreased by 11 to 341 compared to 352 at the end of December 2022, 8 of whom are UASCs.



- 4.18. Staff costs overspent by £0.766 million, an increase of £0.131 million on Month 10. This principally relates to higher than anticipated agency spends due to forecast leave not being taken and £0.030 million, previously unreported recharge of a MASH post from Adults Social Care.
- 4.19. Section 17 costs overspent by £0.757million, which is £0.101m more than the Month 10 forecast. £0.44m of this relates to family assessments and £0.057m to an increase in family support costs. Section 17 of Children Act 1989 includes family assessments, temporary accommodation, and subsistence allowances, all of which ought to be short-term as well as funding family support workers.
- 4.20. No Recourse to Public Funds costs underspent by £0.176m which is a reduction in underspend of £0.144 million from the Month 10 forecast. This is due to six additional families being accommodated and a lack of alternative accommodation available via Housing for families who had been expected to move on.
- 4.21. Legal spend was £0.398 million over budget but £0.112 million less than forecast in Month 10.

School Support

- 4.22. School Support is reporting an overspend of £0.079 million (£0.116m overspend including £0.37m provision for bad debt). The overspend is predominantly due to the impact of the suspension of contributions from schools to Early Help and Community Safety services. The favourable variance from Month 10 arose from a lower year end recharge for premature retirement costs and additional attribution of grants.

Special Educational Needs and Disability Services

- 4.23. The Special Educational Needs and Disability Service overspent by £2.096m (£2.250m including £0.154m provision for bad debt) an increase of £0.457m from Month 10 (excluding the bad debt provision).

- 4.24. Preparing for Adulthood overspent by £0.838 million, an increase of £0.183 million relating Social Care Packages for alternative homes on Month 10's forecast. The increase includes £0.050 million following a successful negotiated settlement with Health but the final settlement was less than the original expected and £0.140m relating to a young person not previously forecast in SEND resulting from the end of year reconciliations with ASC.
- 4.25. Home to School travel assistance overspent by £0.947m predominately from the changes to the home to school transport contract due to the previous provider handing back their contract and the council having to complete a quick turnaround procurement exercise to continue the service for residents

Early Help

- 4.26. This area underspent by £0.129m following further one-off maximisation of grants.

Traded Services

- 4.27. Traded Services achieved a surplus of £0.178 million (reduced to a £0.344 million overspend once the £0.522m provision for bad debt is included). This is a decrease of £0.074 million from Month 10. £0.040 million of the decrease results from corporate agreement to transfer some of the surplus to the Catering Equipment reserve, while the remainder comprises the net movement of a smaller than expected loss from The Hive and the early achievement of savings in Governor Services off-setting a shortfall in income.

4.28. Families Centrally Retained

- 4.29. Centrally Retained has a surplus of £1.473 million representing the unallocated social care grant and one-off COMF Funding. The variance from Month 10 represents the absorption of cross-directorate costs

4.30. Dedicated Schools Grant

- 4.31. The spend from the Dedicated Schools Grant (DSG) for 2022/23 was £179.108 million, with a further £0.424m being added to reserves therefore the DSG deficit reduced by £0.424m to £2.339m. The main additions to reserves were £0.226m from the Early Years Block, comprising £0.282 million additional funding in arrears for 2021-22, offset by planned drawdowns to support services: and £0.172 million from the High Needs Block due to an underspend on Alternative Provision contracts.
- 4.32. Under new regulations, the net deficit has been transferred to an unusable reserve to ensure that any deficit does not affect the General Fund. A recovery plan is being prepared to achieve a balanced DSG over a reasonable timescale.

| DSG RESERVES 2022 to 2023 Surplus / Deficit + | Schools Block* | Central Block | Early Years Block | High Needs Block | Net Total DSG |
|--|---------------------------|--------------------------|----------------------------------|---------------------------------|------------------------------|
| | £m | £m | £m | £m | £m |
| DSG Reserves as at 31 March 2022 | (0.885) | (0.043) | (0.998) | £4.689 | £2.763 |
| Movement | (0.008) | (0.019) | (0.226) | (0.171) | (0.424) |
| DSG Reserves as at 31 March 2023 | (0.893) | (0.062) | (1.224) | £4.518 | £2.339 |

*includes Growth Fund

4.33. A sum of £6.9 million was received for Pupil Premium including £0.515m for Looked After Children AC, which was fully committed in 2022/23.

4.34. Children's Services – Reserves and Provisions

Reserves have been drawn down to support appropriate service expenditure. The supporting families funding has been carried forward for planned expenditure in following financial years while the Music Service has applied a proportion of its trading surplus to enhance its musical equipment offer.

APPENDIX 1

| | Balance 1.4.22 £'000 | New Funds | Use of Funds | Balance 31.3.23 |
|--------------------------------------|-------------------------------------|----------------------|-------------------------|----------------------------|
| <u>Earmarked Reserves</u> | | | | |
| Remand Placements | 85 | 0 | (85) | 0 |
| Community Safety Issues | 9 | 0 | 0 | 9 |
| 2 Year Old Fund | 137 | 0 | (137) | 0 |
| School Kitchen Reserve | 425 | | (60) | 365 |
| Music Service Equipment Reserve | 0 | 40 | 0 | 40 |
| <u>Grant Related Reserves</u> | | | | |
| London Childcare | 79 | 0 | 0 | 79 |
| Adoption Reform | 128 | 0 | (128) | 0 |
| MOPAC Reserve | 249 | 0 | 0 | 249 |
| NAAS early adopters | 22 | 0 | 0 | 22 |
| Social Workforce Development | 198 | 0 | (42) | 156 |
| DCLG - CMF UASCs | 14 | 0 | (14) | 0 |
| MHCLG – Supporting Families | 230 | 113 | 0 | 343 |
| DFE Innovation | 7 | 0 | 0 | 7 |
| DFE School Improvement Brokering | 312 | 0 | (38) | 274 |
| DFE Extension of Virtual Head role | 207 | 0 | 0 | 207 |
| Total Reserves | 2,102 | 153 | (504) | 1,751 |

5. FINANCE & GOVERNANCE DIRECTORATE

Finance & Governance Directorate outturn position is an underspend of £0.421m, a favourable movement since the net nil position reported at month 10.

| Finance and Governance Directorate | Latest Budget | Actual | Variance to Latest Budget | Month 10 Variance | Variance from month 10 |
|--|---------------|---------------|---------------------------|-------------------|------------------------|
| | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Financial Services | 927 | 929 | 2 | 0 | 2 |
| Governance and Law | 4,819 | 4,697 | (121) | 0 | (121) |
| Internal Audit and Anti Fraud | 182 | 185 | 3 | 0 | 3 |
| Return on Investment | 960 | 730 | (231) | 0 | (231) |
| Revenues and Benefits | 3,660 | 3,587 | (72) | 0 | (72) |
| Strategic Director of Finance & Governance | 14 | 12 | (2) | 0 | (2) |
| Treasury and Pensions | 160 | 160 | (1) | 0 | (1) |
| Total Finance & Governance | 10,721 | 10,300 | (421) | 0 | (421) |

- 5.1. The net underspend of £0.121m for Governance and Law is largely due to staffing underspends within Information Governance and Committee Services.
- 5.2. The underspend of £0.231m within Return on Investment relates to staffing vacancies

Finance & Governance – Reserves

- 5.3. The table below, shows a summary of the reserve movements for the Finance and Governance directorate during 2022/23.

| Finance & Governance | Balance 1.4.22 £'000 | New funds £'000 | Use of funds £'000 | Balance 31.3.23 £'000 |
|---|-------------------------------------|--------------------------------|-----------------------------------|--------------------------------------|
| Audit & Investigations | 183 | 0 | (7) | 176 |
| Discretionary Housing Payments | 774 | 92 | 0 | 865 |
| Risk Management | 35 | 0 | 0 | 35 |
| FIDAS/Procurement | 64 | 0 | 0 | 64 |
| Financial Exercise - (Audit partnership recoveries) | 2,620 | 481 | (290) | 2,811 |
| FI - Legal and Governance - Reserves | 150 | 0 | 0 | 150 |
| FI - Finance & ROI - Reserves | 980 | 75 | (521) | 534 |
| Finance & Governance total | 4,805 | 648 | (818) | 4,635 |

- 5.4. Within Revenues and Benefits £0.092m was put into the reserve in 2022/23 due to unused budget to cover future Discretionary Housing fund payments.
- 5.5. The Financial Exercise reserve increased overall by £0.191m. The reserve was used to fund agreed audit costs of £0.050m and the Catalyst/Audit Partnership service fees of £0.047m.
- 5.6. The movement on the Finance & ROI was to support the work being undertaken in improving processes and controls within the Council, as well as the additional costs incurred to due to the backlog of audits to the statutory accounts.