

Analysis of Service Variances 2023/24

1. Deputy Chief Executive

- 1.1 The Deputy Chief Executives Directorate has overspent by £0.501 million; this is in contrast to the £0.844 million overspend reported at month 10. The movement since month 10 is predominantly in the Families Business Hub and Customer Strategy and Digital Channels, explained in detail below. The table below shows a breakdown for each Division within the Directorate.

	Latest Budget	Actual Spend	Variance	Month 10 Variance	Change since month 10
	2023/24	2023/24	2023/24	2023/24	2023/24
	£'000	£'000	£'000	£'000	£'000
Deputy Chief Executive Division	86	20	(66)	0	(66)
Communications and Strategy	1,372	1,358	(14)	(55)	41
Technology	2,319	2,103	(216)	(191)	(25)
People Organisation Development and Business Support	1,128	1,534	407	545	(138)
Customer Strategy and Digital Channels	6,347	6,829	482	591	(109)
Change, Strategy Insight and Communities	3,153	3,058	(95)	(46)	(49)
Climate and Behaviour Change	1,334	1,337	3	(0)	3
Total Deputy Chief Executive	15,739	16,240	501	844	(343)

Technology

- 1.2 The Technology service has a final underspend of £0.216 million, with a small movement from what was reported in Month 10. The overall underspend was driven by part-year vacancies within IT Operations Service, small underspends against ICT contracts, and in-year savings from the migration from SAP to Oracle.

People, Organisation Development & Business Support

- 1.3 Overall, the service is reporting a net overspend of £0.407 million, which is an improvement of £0.138 million since month 10.
- 1.4 Human Resources, Organisational Development and Health and Safety have a net underspend of £0.094 million due to part year vacancies in the Health and Safety team, and postponement of management training.
- 1.5 Families and Corporate Business Hubs (jointly known as Business Support) have an overspend of £0.501 million, predominantly due to salary overspends. There was a significant improvement in the Families Business Hub's financial position, with a favourable movement of £0.195 million from the projected £0.367 million overspend at month 10. This was achieved through cost reductions and additional income from rechargeable works.

Customer Strategy & Digital Change

- 1.6 The service is reporting an overall overspend of £0.482 million. Libraries, Registrars and Ceremonies Service have an overspend of £0.540 million primarily attributed to premises costs, specifically reactive repairs, security services, and refuse collection totalling £0.336 million. Additionally, there is a

staffing overspend of £0.084. This is offset by an underspend of £0.096 million in Digital Change, Customer Resolution and Quality Assurance, due to part year vacancies in Quality Assurance and CRC teams.

Deputy Chief Executives Reserves

- 1.7 The Directorate drew down a total of £0.159 million from its directorate reserves, as shown in the table below, reducing the available reserves down to £0.382 million. Further details are provided below.

Deputy Chief Executive Directorate	Actual 1.4.2023 £'000	New funds £'000	Use of funds £'000	Balance 31.3.2024 £'000
Ward Forums	345	0	(100)	245
Climate Change	16	0	0	16
Volunteer Programme	94	0	(59)	35
ICT Public WiFi	40	0	0	40
HR Health Related Expenditure	37	0	0	37
Leytonstone Library Donations	10	0	0	10
Deputy Chief Executive total	541	0	(159)	382

- 1.8 The Ward Forum Reserve holds yearly unclaimed payments set aside for successful applicants of the Community Ward Forum Funding for residents and community groups. £0.100m from the previous years' allocation was claimed in 2023/24. The Volunteer Programme Reserve holds funding to support The Waltham Forest Voluntary and Community Sector (VCS). The 2023/24 drawdown was used to fund the Community Action Manager role.

2. Place Directorate

- 2.1 The Place Directorate has an overall overspend of £1.169 million, which is £0.849 million higher than at month 10. The change is mostly in Property and Delivery and is explained in more detail below.

Place Directorate	Latest Budget	Actual Spend	Variance	Month 10 Variance	Change since month 10
	2023/24	2023/24	2023/24	2023/24	2023/24
	£	£	£	£	£
Culture and Destination	4,441	4,394	(47)	55	(102)
Property and Delivery	459	2,153	1,694	883	811
Regeneration, Planning and Delivery	6,826	6,833	7	0	7
Strategic Director of Place	173	269	96	0	96
Housing General Fund	15,029	14,448	(581)	(89)	(492)
Total Place Directorate	26,928	28,097	1,169	849	320

Culture and Destinations

- 2.2 The £0.047 million underspend is net of a £0.210 million drawn down from reserves to fund one-off in-year pressures.

Property and Delivery

- 2.3 The variance includes £0.700 million relating to income from commercial property, which is impacted by the current market conditions and more specifically the collapse of Empire Cinema.
- 2.4 Due to the number of new properties added to the commercial portfolio there has been additional staff (£0.183 million) required for new lease negotiations. Whilst this has resulted in an in year overspend, there is a significant increase in rental income that will now be achieved in future years.
- 2.5 As part of the operational property maintenance and compliance, properties are regularly inspected. During the year there was an increase in urgent works to make buildings compliant (£0.300 million). This was not reflected in the month 10 position and should not continue in 2024/25 but will be monitored during the year.
- 2.6 There was additional cost (£0.300 million) to secure vacant properties, including the Empire Cinema which was not included in the Month 10 monitor. There were also additional staff costs due to overlaps in roles and non-capitalisation of project staff cost (£0.150 million).
- 2.7 The final outturn figure includes a £0.125 million reserve drawdown in 2023/24 for an additional post included in a previous restructure. The reserves have been exhausted and so the service will mitigate this cost with additional income from backdated rent reviews.

Regeneration, Planning and Delivery (RPD)

- 2.8 RPD outturn was to budget, however the service was supported with over £2 million of reserves and ROI contributions as planning income was insufficient to fund costs. These reserves and contributions have ended and so there are significant savings required to be delivered in 2024/25 to maintain a balanced budget position and on-going monitoring of planning income.

Housing General Fund

- 2.9 The Housing General Fund underspent by £0.581 million in 2023/24. The main area of underspend was additional income received in relation to solar panels. However, this was partly offset by an overspend in Housing strategy and ICT.
- 2.10 The Homelessness service was overspent by £2.2 million, which was funded using the rough sleepers grant of £1 million and a drawdown from the homeless prevention reserve of £1.2 million. The homelessness service remains the most challenging area within the housing general fund, with demand and the supply of accommodation continuing to increase cost. The 2023/24 drawdown from the homeless prevention reserve has reduced the balance to £4.4 million.

Housing Revenue Account (HRA)

- 2.11 The HRA overspent by £0.484 million in 2023/24 which was offset by a drawdown from the general HRA reserve.
- 2.12 The main areas of overspend related to repairs and maintenance due to an increase in the legal disrepair costs and the repairs expenditure (£1.9 million) and

an overspend on caretaking and grounds maintenance costs (£0.905 million). There were also overspends on staff costs within supervision and management (£0.517 million) and council tax relating to void properties within rents, rates, taxes and other charges.

- 2.13 The overspends were offset by additional income collected from leasehold services and dwelling rents (£2.4 million). This was due to an extensive exercise to ensure expenditure on leasehold properties was recharged to leaseholders and the additional rents collected from shared ownership properties.
- 2.14 A contribution from reserves was assumed within the 2023/24. The total use of reserves was £0.956 million which consisted of the release of the digital reserve and a drawdown from the general reserve.

Place Reserves & Provisions

Place Directorate	Balance 1.4.2023 £'000	New funds £'000	Use of funds £'000	Balance 31.3.2024 £'000
Boc Regeneration & Growth Legacy Reserves	371		(210)	161
Regeneration Reserve	16		(16)	0
Planning Delivery	63		(63)	0
Land Charges	(28)	28		0
HEAT Networks Delivery Unit	30		(20)	10
Local Community Infrastructure Levy	653		(243)	410
Growth Fund (Central Reserve)	790		(790)	0
Place Total	1,895	28	(1,513)	420
Housing Reserves				
Homelessness Reserve	5,583		(1,190)	4,393
Rough Sleeping Grant	622	512	(1,010)	124
Housing General Fund Total	6,205	512	(2,200)	4,517
HRA General Reserve	6,000	0	(484)	5,516

3. People Directorate

- 3.1 Overall the People’s directorate overspent by £16.802 million, this was £2.527 million more than forecast at month 10. The main services reporting overspends are Adults Social Care, Children’s Social Care and SEND services. The table shows a breakdown by Service area and detailed explanations are provided in the paragraphs below;

People Directorate	Latest Budget	Actual Spend	Variance	Month 10 Variance	Change since month 10
	2023/24	2023/24	2023/24	2023/24	2023/24
	£'000	£'000	£'000	£'000	£'000
Adult Social Care	72,691	81,243	8,553	7,467	1,086

Children's Social Care	44,232	49,025	4,793	3,739	1,054
Dedicated Schools Budget	0	0	0	0	0
Early Help	1,637	1,596	(41)	0	(41)
Education	1,977	1,800	(177)	(80)	(97)
Public Health Other	673	623	(49)	0	(49)
Public Health Ringfenced	817	817	0	0	0
School Support	7,849	7,861	12	0	12
Schools REFFCUS Division	3,152	3,152	0	0	0
SEND Services Division	7,483	11,465	3,982	3,569	413
Strategic Director of People Division	(602)	(509)	93	0	93
Waltham Forest Traded Services	3,419	3,056	(363)	(420)	57
Total People Directorate	143,329	160,131	16,802	14,275	2,527

Adult Social Care (ASC)

3.2 The table below provides an overall summary of ASC for 2023-24.

	Latest Budget	Actual Spend	Variance	Month 10 Variance	Change since month 10
	£'000	£'000	£'000	£'000	£'000
Home First	9,919	10,877	958	984	-26
Care and Quality Standards	62,772	70,366	7,595	6,483	1,112
Total ASC	72,691	81,243	8,553	7,467	1,086

3.3 The final outturn position for Adults Social Care is an adverse variance of £8.553 million, an increase of £1.086 million from Month 10. Predominantly the overspend is related to Adults Social Care Placements / Packages and this is consistent with the monthly monitoring reports from 2023-24.

3.4 ANALYSIS OF MOVEMENT MONTH 10 TO FINAL OUTTURN

3.5 There has been a favorable movement of £0.142 million since month 10 in relation to Staffing and Other Budgets (Non-Placements). This is due to a combination of increased income in provided services, some smaller benefits from prior year accruals and reallocated grant income.

3.6 ASC Net External Placements has seen an adverse movement of £1.228 million since month 10, The table below shows the net placements movement from Month 10 to final outturn.

	Forecast Month 10	Year-End	Movement
	£'000	£'000	£'000
Expenditure	94,937	97,065	2,128
Income	(43,580)	(44,480)	(900)
Net Placements	51,357	52,585	1,228

3.7 There have been several movements in the net placements position since Month 10 monitoring, which detailed below;

- New placements starting in this period, including some of which are backdated.
- A shift of existing placements into higher weekly costs (for example Home Care to Residential).
- Some of these costs are mitigated by placements that have ended in this period.
- In addition, the outturn position has also increased by accruals requested for cases not on the Mosaic system to cover potential commitments.
- The additional costs in Month 10 to outturn have in part been mitigated by an increase in Income.

Detail Analysis of Placements Movement

3.8 The table below show the gross expenditure movements and cost implications from Month 10 to final outturn.

	New purchases	Ended Services	Net (new and ceased)	Other *	TOTAL
Residential Care	£567,600	£-92,000	£475,600	£126,100	£601,700
Nursing Homes	£135,300	£-51,900	£83,400	£351,100	£434,500
Short Term Residential/ Nursing	£170,100	£-74,900	£95,200	£-31,900	£63,300
Supported Accommodation	£155,000	£-73,100	£81,900	£404,400	£486,300
Day Care			£0	£228,500	£228,500
Direct Payments	£23,500		£23,500	£13,100	£36,600
Home Care			£0	£193,300	£193,300
Respite			£0	£9,200	£9,200
Reablement			£0	£74,600	£74,600
TOTAL	£1,051,500	£-291,900	£759,600	£1,368,400	£2,128,000

* Increases, Decreases, Changes to existing placements, SEND transfers

Analysis of movement in new & ceased placements

3.9 The net movement in new and ceased services between month 10 and year-end is £0.760 million. Generally, overall, the volume of cases between month 10 and year-end have stayed stable. However, the cost differential of the new and ceased cases has created a bigger pressure due to two main factors:

- Many of the new cases purchased since month 10 are backdated to earlier in the year. These cases were not recorded on Mosaic prior to month 10.
- The weekly fees of new cases are generally higher than existing cases.

3.10 Some of the increases in costs include;

- An accrual - ICB transfer to LA (backdated to Jan 2023) – weekly fee £5,000 per week, equating to around £0.350 million. This case was not on Mosaic in March 2024.
- A total of 38 new cases, some of which are significantly backdated to earlier in the year totaling £0.700 million, mitigated in part by the 41 ceased cases (£0.291m).

Analysis of movement in existing placements

3.11 Between month 10 and year-end the movement was £1.368 million. There were many changes to existing packages during this period. This is usual for Adults Social Care and is heightened as these changes are reflecting three months of movement on a baseline cohort of around 3500 service users. The following factors contribute to the movement:

- Changes in the complexity of support, leading to an increase in fee rates and other increases and, for example, services users moving from homecare to residential care. Average cost of Homecare is £250, Average cost in Residential Care £1,200 per week.
- Transfers from SEND
- Accruals raised for backdated commitments for increased client need not recorded on the Mosaic system.
- Some remaining fee uplifts on existing packages – Inflation
- Homecare/ Reablement actuals are 1% to 2% higher than month 10 forecast.
- Daycare actuals are higher than forecast due to higher attendance than assumed as at Month 10.

Analysis in Income Placements Month 10 to outturn

3.12 The gross expenditure increases since Month 10 have been mitigated by around 50% through increases in the Income final outturn of £0.900 million. The increases include:

- Increases in Client Contribution £0.458 million – this includes the work completed by the service relating to the MTFS proposals to improve the financial assessment, charging and billing processes.
- Fully utilize – Res Homes S106 contributions from developers £0.166 million
- Reallocation of Grants funding £0.110 million
- Health income for adjustments to s117 recharges with the ICB and various other adjustments £0.166 million

ANALYSIS AND BREAKDOWN OF THE OVERALL OVERSPEND 2023-24

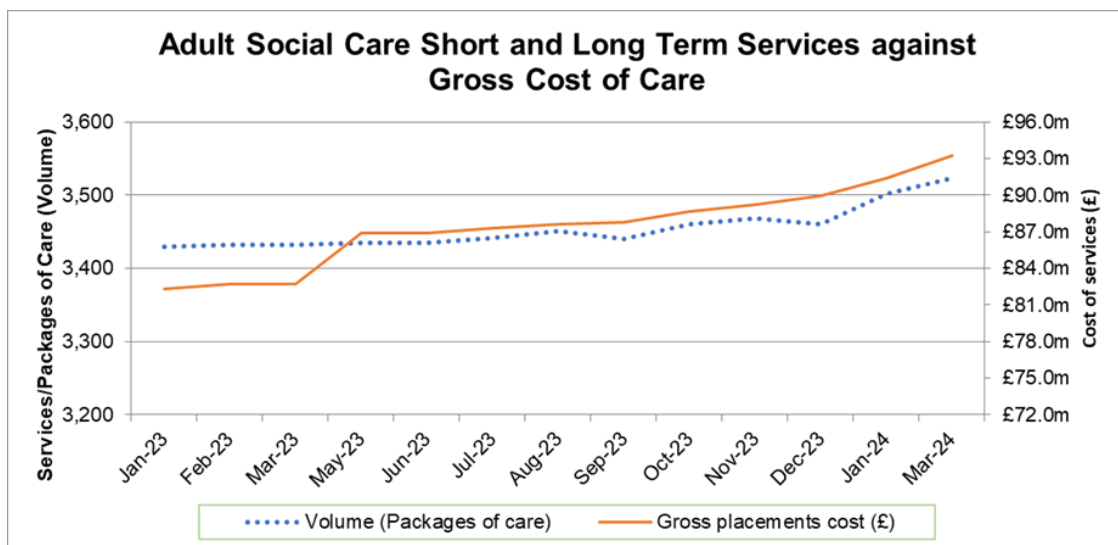
3.13 The overspend in Adults Social Care is £8.558 million and is related to care placements and packages across all adults' cohorts, both 18 to 64 and 65 plus.

3.14 There has continued to be significant and increased pressure on adult's placement's needs, volume, and costs. There have been inflationary pressures on unit prices and increasing pressure from both 18-64 and 65 plus cohorts. This area is very volatile so a detailed review each month is conducted to refresh the forecast and year-end position. In addition to the rolled forward pressure from 2022-23, the overspend for 2023-24 also includes:

- The full year impact of the net increase in client numbers during 2022/23 of 209 (i.e., 180 net increases for working age and 29 net increases in 65+). The estimated impact of this on the spending for 2023/24 is around £1.7 million.

- The rate of growth in numbers of service users in year 2023-24 has slowed down from previous years numbers. Performance data shows an increase in net placements of 114, the approx. impact of the net new volume (difference between just new and ceased packages) is around £1.1 million.
- The impact of unit costs increases on existing placements. This includes the effect of inflationary uplifts on packages and the shift of placements across services (i.e. Home Care to Residential Care), this can be related to increased complexity of packages and pressures in the provider market, especially the impact of the cost-of-living crisis is seen in increasing rates in existing and newer care packages.
- Other pressures impacting on placements have been the continuation of the discharge to assess protocol and the loss of one-off benefits in 2023/24 compared to the previous year.
- Other mitigations - £1 million, include delivery of MTFs 23-24 cost avoidance proposals included in the final outturn.

3.15 Please see activity and gross costs graphs and charts showing the movement in the financial year 2023-24 below.



Assumptions in the graph

Externally purchased long term care including interim placements.

This graph includes Carers' expenditure and volume, excludes In House run services: The three older people's homes and the day care facility and shared lives.

Also not included in Gross costs are Health/ICB related costs.

Recovery and Progression

3.16 Excluding placement and package budgets, the service is spending just under budget. Across the area there are other variations, the main one are;

- Staffing - £0.386 million underspend. This position includes some continued funding arrangements from health. The service has been actively recruiting vacant posts.
- Other - £0.381 million overspend / pressure – the pressures include community equipment, telecare service and some other non-staffing.

Public Health

	Latest Budget	Actual Spend	Variance to Latest Budget	Month 10 Variance	Variance from month 10
	2023/24	2023/24	2023/24	2023/24	2023/24
	£'000	£'000	£'000	£'000	£'000
Public Health Other	817	817	0	0	0
Public Health Ringfenced	673	623	(49)	0	(49)
Total Public Health	1,490	1,440	(49)	0	(49)

Public Health – Ring Fenced Grant

3.17 The final outturn position for Public Health Ringfenced grant is on budget, after planned one off use of the Public Health reserve of £0.760 million and £0.265 million, as agreed contributions towards Public Health eligible expenditure to other directorates as part of 2023-24 MTFs savings proposals. The table below shows the fund movements for 2023/24.

	Balance	New Funds	Use of Funds	Balance
	1.4.23	£'000	£'000	31.3.24
	£'000			£'000
Public Health Reserve	1.4.23	£'000	£'000	31.3.24
AD - DH Public Health	4,058	136	1,161	3,033

Public Health (Non-Ring-Fenced)

3.18 There is a small underspend in Public Health non-ring-fenced area of £0.049 million in Strategic Boards.

Children’s Social Care

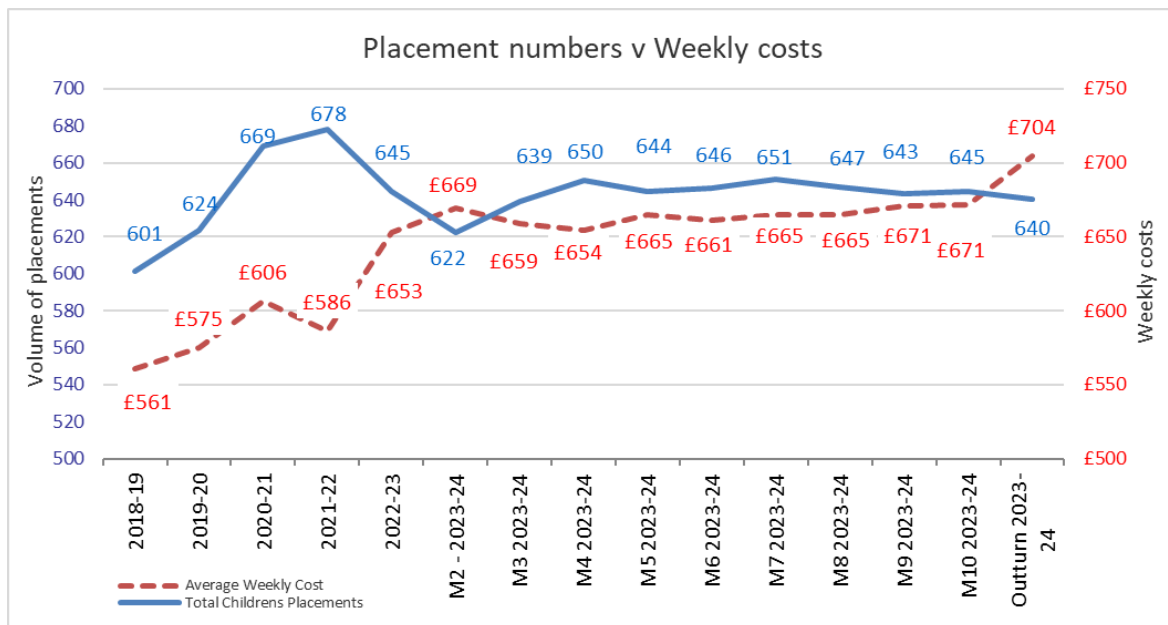
3.19 Children’s Social Care, inclusive of the Youth and Family Resilience Service and Early Help Delivery, overspent by £4.793 million. This was an increase of £1.054 million compared to month 10.

3.20 Alternative home costs are overspent by £2.592 million, an increase on month 10 of £0.434 million after netting off the additional asylum grant received since month 10 to fund some of these placements. The following changes are the main reasons for the increase since month 10;

- An increased pressure of £0.532 million in residential placements (mainly due to £0.190 million for the full year social care costs for 3 residential school placements that had not previously been included in the projections, £0.096 million for 2 young people moving into high cost residential placements, in February, a month earlier than had previously been forecast, £0.095 for 3 new packages starting in early February).
- An increased pressure due to previously unaccounted costs relating to UASC clients of which £0.291 million relates to the in-house provision and £0.077 million relates 18 plus provision.
- An increase in the overspend on remand of £0.101 million from the reported position at month 10.

- These pressures are offset by an asylum grant claim increase of £0.619m against month 10 forecast due to increased activity in asylum related costs within alternative homes.

3.21 The graph below shows that the numbers of young people in social care placements decreased year on year from an average of 678 in 2021-22 to 645 in 2022-23, however the average cost per placement increased from £586 per week in 2021-22 to £653 per week in 2022-23. By the end of 2023-24, the average weekly cost of a placement had increased to £704 (from £671 at month 10), which has offset the potential cost reductions from the recent fall in placements numbers (605 placements in March 2024 compared to 626 at month 10). It is also important to note that although the headcount had reduced to 605, the average number of placements across the entire year (FTE) only reduced to 640 at outturn (from 645 at in month 10) as the big drop in headcount only occurred in the last 2 months of the year, so the impact on the total and average costs for the year was limited. The graph relates to both Citizens and UASCs but excludes remands.



3.22 In addition to the £2.592 million overspend on Alternative Homes, the other significant variances in the Childrens Social Care division at 2023/24 outturn are as follows:

3.23 Section 17 costs overspent by £1.433 million, which is £0.590m more than the Month 10 forecast. £0.394 million of this increase relates to unmet housing needs and £0.196 million relates to family assessments and 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. A review of Section 17 expenditure has now been completed and this provides a set of recommendations to help ensure costs are recorded more accurately moving forward. This will not in itself reduce S17 costs but it will enable greater transparency of the various types of section 17 spend and this should assist in the implementation and tracking of any mitigations plans.

- 3.24 No Recourse to Public Funds costs underspent by £0.270 million, which is a reduction in underspend of £0.013 million from the Month 10 forecast.
- 3.25 Legal spend was £0.415 million over budget but £0.113 million less than forecast in Month 10.
- 3.26 Virtual School has a £0.200 million underspend for 2023/24 with no significant movement since month 10.

Special Educational Needs and Disability Services

- 3.27 The Special Educational Needs and Disability Service overspent by £3.982 million, an increase of £0.413 million from Month 10. The increase in overspend from Month 10 was mainly due to an adverse movement of £0.269 million in the Education Psychology service due to overestimated income forecasts at Month 10 and a £0.131 million increase in the Home to School travel assistance overspent, predominately due to a large, backdated invoice.
- 3.28 The total overspend includes £2 million for assistance to travel, £1.4 million for preparing for Adulthood and the balance relates to other costs including staffing.

Education

- 3.29 This service underspent by £0.177 million, a favourable movement of £0.097 million compared to month 10, largely as a result of maximisation of external grant income to a level than had been forecast at Month 10

Traded Services

- 3.30 The service underspent by £0.363 million, an adverse movement from month 10 largely due to an increase in actual salary costs compared to the Month 10 projections.

Dedicated Schools Grant

- 3.31 During 2023/24 there was a net contribution to DSG reserve of £1.414m, which reduced the cumulative DSG reserve deficit from £2.339m to £0.925m. The main movements were a contribution to the DSG reserve of £1.885m due to an underspend on the Early Years Block, offset by a £0.530 million drawdown from the reserve due to an in year overspend on the High Needs Block.

DSG RESERVES 2023 to 2024 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 2023	(0.893)	(0.062)	(1.224)	4.518	2.339
Movement	(0.059)	0	(1.885)	0.530	(1.414)
DSG Reserves as at 31 March 2024	(0.952)	(0.062)	(3.109)	5.048	0.925

- 3.32 In line with latest regulations, the net DSG 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.
- 3.33 A sum of £7.12 million was received for Pupil Premium including £0.55 million for Looked After Children AC, which was fully committed in 2023/24.

Children’s Services – Reserves and Provisions

3.34 The table below, shows a summary of the reserve movements for Children’s Services during 2023/24. Reserves have been drawn down to support appropriate service expenditure

Resources	Balance	New	Use of	Balance
	1.4.23	funds	funds	31.3.24
	£'000	£'000	£'000	£'000
<u>Earmarked Reserves</u>				
School Kitchen Reserve	365	0	-100	265
Community Safety Issues - Reserves	9	0	0	9
<u>Grant Related Reserves</u>				
DCSF - Music Education Grant	40	0	-40	0
London Childcare	79	0	0	79
MOPAC Reserve	249	0	0	249
NAAS early adopters reserve	22	0	0	22
Social Workforce Development Reserve	156	0	-71	85
Supporting Families grant reserve	343	125	0	468
DFE Innovation grant reserve	7	0	0	7
DFE School Improvement Brokering grant reserve	274	0	-81	193
DFE Extension of Virtual Head role grant reserve	207	0	0	207
Controlling Migration Fund	178	0	-178	0
GLA-Young Londoners	64	200	0	264
Home Office-Syrian R	796	568	0	1,364
Home for Ukrainian	2,424	0	-341	2,083
Early Help 0-18	808	0	0	808
	6,021	893	-811	6,103

4. Resources Directorate

4.1 The Resources Directorate has underspend by £0.485 million, which is a slightly higher underspend than reported at month 10. The table below provides a breakdown for each division and reasons for the variance are explained in the following paragraphs.

Resources Directorate	Latest Budget	Actual	Variance to Latest Budget	Month 10 Variance	Variance from month 10
	2023/24	2023/24	2023/24	2023/24	2023/24
	£'000	£'000	£'000	£'000	£'000
Financial Services	907	942	36	0	36
Governance and Law	1,917	2,009	92	96	(4)
Internal Audit and Anti-Fraud	163	81	(81)	0	(81)

Return on Investment	730	165	(565)	(666)	101
Revenues and Benefits	5,589	5,589	0	0	0
Strategic Director of Resources	73	129	56	45	11
Treasury and Pensions	168	145	(23)	0	(23)
Commissioning	1,745	1,746	1	50	(49)
Total Resources	11,291	10,806	(485)	(475)	(10)

Governance and Law

4.2 Governance and Law overspent by £0.092 million, which is broadly in line with the month 10 forecast and was due to overspends in the Coroner's Service due to higher than budgeted pathology and toxicology costs. This has been an ongoing issue that is likely to continue into future years. A review of the Coroner's service budgets will be undertaken during 2024/25 as well as regular monitoring.

Return on Investment

4.3 The Return on Investment underspend was mainly due to staffing vacancies across the service area (£0.462 million), increased rebate income (£0.095 million) and the staffing recharge to Waltham Forest Services Ltd was increased to 100% creating a further £0.090 million underspend. This was offset by £0.082 million shortfall on investment properties income related to GP surgeries that had not come on board during 2023/24. The variance from month 10 was due to the forecast for procurement rebate income reducing by £0.100 million. The 2023/24 outturn varies from 2022/23 due to the many vacant posts in 23/24.

Revenues and Benefits

4.4 Revenues and Benefits have come in on budget after drawing down reserves of £0.533 million from the hardship fund to cover the cost of the discretionary Council Tax support scheme for foster carers and care leavers as well as discretionary S13a awards.

4.5 There was a shortfall of housing benefit overpayment income of £2.5 million, this was offset by lower than budgeted Housing benefit payments (£2 million) and one off Government grants (£0.5 million). A review of housing benefit budgets will take place in 2024/25 to align budgets closer to current actual spend. Careful monitoring will also be required for overpayment income which is likely to reduce over time with the introduction of universal credit.

Resources – Reserves

4.6 The table below, shows a summary of the reserve movements for the Resources directorate during 2023/24.

Resources	Balance 1.4.23 £'000	New funds £'000	Use of funds £'000	Balance 31.3.24 £'000
30601 Audit & Investigations	176	64	0	240
30602 Discretionary Housing Payments	865	0	-600	265
30603 Risk Management	35	0	-35	0

30604 FIDAS/Procurement	64	0	0	64
30605 Financial Exercise	2,811	113	-2,317	607
30606 Legal and Governance	150	0	-150	0
30607 Finance & ROI	534	0	-461	73
	4,635	176	-3,563	0

4.7 The following were transferred from the individual reserves above to the Budget Strategy Reserve;

Reserve Name	Transfer to BSR
	£'000
Discretionary Housing Payments	-600
Risk Management	-35
Financial Exercise	-1,800
OVERALL TOTAL RESERVES	-2,435

- 4.8 The movement on the Audit & Investigations reserve is a payment received from the home office for proceeds of crime award. This will fund future anti-fraud work.
- 4.9 The Financial Exercise reserve reduced overall by £2.204 million. The reserve was used to fund agreed audit costs of £0.287 million, support financial improvements £0.230 million and the transfer of £1.800m to the Budget strategy reserve. The reserve received recoveries of £0.113m during 2023/24.
- 4.10 The balance on the Legal and Governance reserve was drawdown to cover staffing overspends in Legal Services. This is in part due to the reliance on agency staff. Plans have now been put in place to reduce the need for agency staff and increase recruitment and retention of permanent staff however careful monitoring will be required in the coming months.
- 4.11 The movement on the Finance & ROI reserve was to support the work being undertaken in improving financial processes and controls within the Council, as well as the additional costs incurred to due to the backlog of audits to the statutory accounts.

Neighbourhood and Environment Directorate

4.12 The Neighbourhood and Environment Directorate has a net overspend of £0.377 million. This is a positive movement of 0.373 million since month 10, the change since month 10 is in Neighbourhood services.

Neighbourhood & Environment Directorate	Latest Budget	Actual Spend	Variance to Latest Budget	Month 10 Variance	Variance from month 10
	2023/24	2023/24	2023/24	2023/24	2023/24
	£	£	£	£	£
Regulatory and Contingency Planning	2,891	3,739	848	800	48
Strategic Dir. of Neighbourhoods & Environment	-58	3	61	0	61
Neighbourhood Services	31,681	31,304	-377	0	-377
Community Safety and Resilience	3,351	3,257	-94	-50	-44
Total Neighbourhood and Environment	37,923	38,300	377	750	-373

Regulatory and Contingency Planning

Selective Licensing outturn was £1.1m overspent, an increase of £0.300 million on month 10. However, this additional cost was mitigated from additional income (recharges) from CCTV installations, monitoring and projects.

Neighbourhood Services

4.13 Neighbourhood Services is showing a £0.377 million underspend, mainly from £0.300 million insurance budget and a further £0.133 million underspend from managing cost, additional income and grant funding.

Neighbourhood Reserves

Neighbourhood and Environment Reserves	Balance	New	Use of	Balance
	1.4.23	funds	funds	31.3.24
	£'000	£'000	£'000	£'000
Street Trading	140		(90)	50
S38 & S278 Agreements	1,618	122		1,740
Neighbourhood and Environment total	1,758	122	(90)	1,790