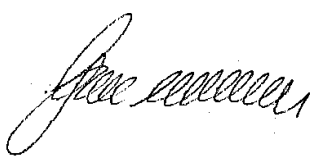


## LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	<b>Cabinet</b> <b>22 September 2022</b>	
Report Title	<b>FINANCIAL MONITORING: MONTH 4 (July)</b>	
Cabinet Portfolio	Councillor Grace Williams Leader of the Council	
Report Author/ Contact details	Ursula Gamble, Corporate Director of Financial Services Finance & Governance Directorate 020 8496 4636 <a href="mailto:ursula.gamble@walthamforest.gov.uk">ursula.gamble@walthamforest.gov.uk</a>	
Wards affected	None specifically	
Public Access	OPEN	
Appendices	Appendix 1 – Capital Monitor	

### 1. SUMMARY

- 1.1 This report presents the forecast year-end position in respect of the Council's revenue expenditure. The month 4 monitor currently identifies net pressures of £10.258 million and is due to a combination of pressures in Adult Social Care, Children's Social Care, School Support, and SEND Services.
- 1.2 There are currently a number of unknowns around the impacts of inflation, the increasing cost of energy and the cost of living crisis for residents that could lead to Additional pressures for the Council. These will all have an impact on the demand for services, as well as potentially impact on the Council 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 **Agree** that Strategic / Executive / Service Directors continue to identify management actions to mitigate any reported pressures and report those mitigations to the Director of Financial Services, which is in line with financial ground rules reaffirmed by Cabinet in May 2022 budget monitoring report.
- 2.1.2 **Agree** the purchase of 4 Beehives with an initial outlay of £10,344 and an annual cost of £4,200 to be funded as part of the Fair Deal programme.
- 2.1.3 **Agree** funding of £25,000 from contingency to support the delivery of Homes for Ukraine regulation based on 100 properties.
- 2.1.4 **Note** that the anticipated outturn at month 4 shows £10.258m million in-year pressure. This will be reviewed over the coming months and actions taken to achieve a balance position for the year end, following service mitigation / plans provided (agreed in 2.1.1), and the potential use of corporate resources to maintain a balanced position at year-end.
- 2.1.5 **Note** that from month 3, the format for reporting of services is revised to reflect the new senior management restructure.

## 3. REPORT

- 3.1 At the end of period 4, the projected outturn is an overspend of £10.258m, an adverse movement of £789k from month 3 (which contrasts with a positive variance reported for services last month of £942k). The Council is monitoring and reviewing how the pressure can be managed to achieve a balance position by the year end and the People directorate are identifying plans to mitigate, in line with the financial ground rules.

Directorate	Net Year End Forecast Var Month 4	Previous Month Net Amount	Movement on Previous Month
	£'000	£'000	£'000
Chief Executive	0	0	0
Deputy Chief Executive	(154)	(287)	133
People	11,066	10,193	873
Place	(654)	(437)	(217)
Finance & Governance	0	0	0
Corporate Expenditure	0	0	0
<b>TOTAL</b>	10,258	9,469	789
HRA	0	0	0

- 3.2 The forecast overspend of £10.258m does not include the increased anticipated cost for the SEND Transport Service, following the novation of the contract, as the supplier has withdrawn the service. This additional pressure could be £1.2m.

- 3.3 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**

- 3.4 Deputy Chief Executive, part of the revised structure being reported from month 3, is forecasting a net underspend of £154k in month 4, £51k reduction from month 3.

Deputy Chief Executive	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement on Previous Month
	£000's	£000's	£000's	£000's	£000's
Deputy Chief Executive	7	7	0	0	0
Communications & Strategy	1,150	1,189	39	39	0
Technology	(1,812)	(1,687)	125	125	0
People, Organisation Dev & Business Support	2,562	2,409	(153)	(204)	51
Change, Customer Strategy & Digital	3,888	3,701	(187)	(187)	0
Strategy, Insight & Communities	1,359	1,292	(67)	(67)	0
Bad Debt Provision	0	89	89	7	82
<b>Total</b>	<b>7,154</b>	<b>7,000</b>	<b>(154)</b>	<b>(287)</b>	<b>133</b>

Technology is forecasting an overspend of £125k relating to increased costs in licences and support costs. This is offset by an underspend in People, Organisation Dev & Business Support and Change of £153k and Customer Strategy & Digital forecasting an underspend of £187k.

The underspend within People, Organisation Dev & Business Support (£153k) and Customer Strategy & Digital (£187k) relates to savings in salary costs.

There are a number of risks identified that may create budget pressures, but these will be monitored throughout the year in anticipation of mitigating as much as possible within the directorate.

The bad debt provision relates to a range of different debtors and is being investigated further.

#### **PEOPLE – Heather Flinders**

- 3.5 The month 4 position is an adverse net variance of £11.066, £873k adverse movement from period 3. Adult Social Care is forecasting an overspend of £9.266m, and a further £2.348m relates to Children Services. Schools Support is forecasting an overspend of £225k and SEND Services is forecast to overspend by £1.411m.

Traded Services and Central Retained Family budgets is showing a favourable position of £309k and £1.875m respectively, which reduce the net overspend.

People	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement on Previous Month
	£'000	£'000	£'000	£'000	£'000
Adult Social Care	71,541	80,807	9,266	9,266	0
Children's Social Care	42,422	44,770	2,348	1,666	682
Early Help	2,900	2,900	0	0	0
Learning	1,669	1,669	0	0	0
School Support	17,369	17,594	225	225	0
Public Health Ring Fenced	29	29	0	0	0
Public Health Ring Other	329	329	0	0	0
Traded Services	3,183	2,874	(309)	(309)	0
SEND Services (General Fund)	7,836	9,247	1,411	1,220	191
Families Centrally Retained	(701)	(2,576)	(1,875)	(1,875)	0
<b>Total</b>	<b>146,577</b>	<b>157,643</b>	<b>11,066</b>	<b>10,193</b>	<b>873</b>

**Adults Social Care –Darren McAughtrie – forecast £9.266m pressure.**

Adults Social Care	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement on Previous Month
	£'000	£'000	£'000	£'000	£'000
Home First	9,005	9,296	291	246	45
Care & Quality Standards	62,536	71,511	8,975	9,020	(45)
<b>Total</b>	<b>71,541</b>	<b>80,807</b>	<b>9,266</b>	<b>9,266</b>	<b>0</b>

3.6 The total in-year, pressure in adults as at month 4 is £9.266 million.

3.6..1 Staffing £0.026m – There has been a slight increase of £136k this month due to covering long term sickness issues. This position is reviewed regularly and assumes some continued funding arrangements from health.

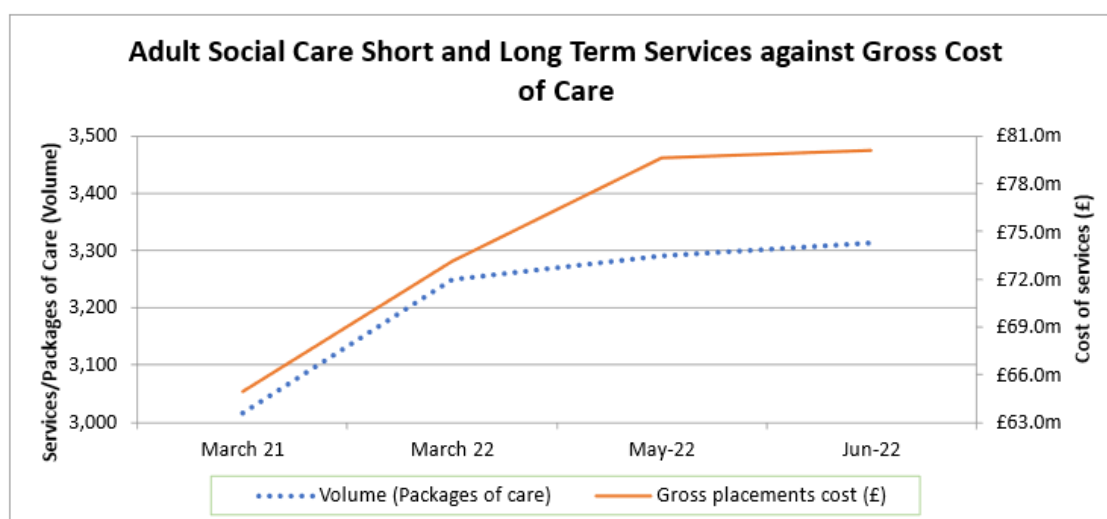
3.6..2 Net Placements/Packages/Services (including Community Equipment) £9.240m, an improvement from month 3 of £136k. This is a combination of increases in the net placements forecasts of £255k, reflecting increased client numbers and costs. The increase in placements is netted off by the inflation now applied to the 22-23 Better Care Fund minimum contribution funding of (£358k). There are small improvements of (£33k) across the remaining Adult's forecasts. This area of spend is very volatile so a detailed review each month is carried out to refresh the placement forecast. In addition to last year's pressure the forecast also includes:

- The full year impact of the net increase in client numbers during 2021/22 of 221 to 3,171 (i.e. 156 net increase for working age and 65 net reduction in 65+). It should be noted that Residential / Nursing placements only increased by 4 last year, the remaining increases are

in community/home based care. This illustrates the services intention to keep people at home and independent for as long as possible. Also, included in this increase, are several high-cost placements (around 30) due to Continuing Health Care reviews, where the decision went against the authority. The estimated impact of this, on the forecasts for 2022-23 plus some assumptions on inflation is around £2.5 million.

- Assumptions of increased demand for the full year 2022/23 were built into Month 2, this has now all been fully realised by the actual demand in the system as at Month 4. This demand is reinforced from performance dashboards which show a further net increase in client numbers of 80 (i.e. 30 net increase for working age and 50 net increase in 65+) since April 2022. The service is urgently reviewing the increases and the sources. In addition, the increased costs that will arise from the retender of Home Care have been incorporated, including the impact of applying the London Living Wage – current estimate of around £1.2 million.
- The loss of one-off benefits in 2022-23 compared to last year is also contributing to the pressure. This include Covid Grant funding (i.e. Infection Control/Workforce Capacity) that was allocated to spend in 2021-22.

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



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

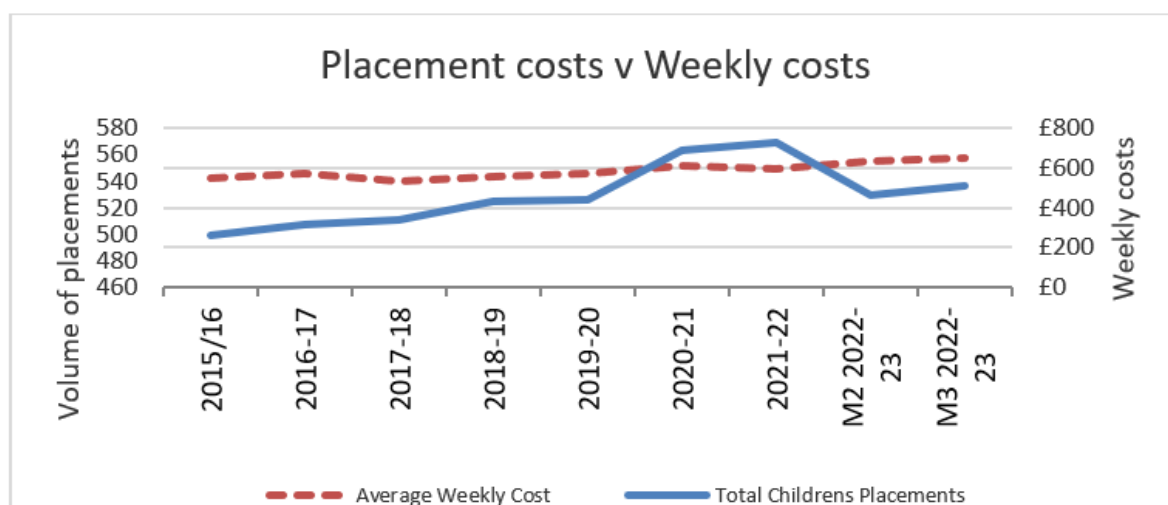
3.8 As part of the continuing funding arrangements for Hospital Discharges an IDH agreement has been put in place for 2022-23 with North East London CCG based on the 2021-22 spend. The agreement is approximately £2.3 million.

#### **Children's Social Care - Daniel Phelps forecast pressure £2.348m.**

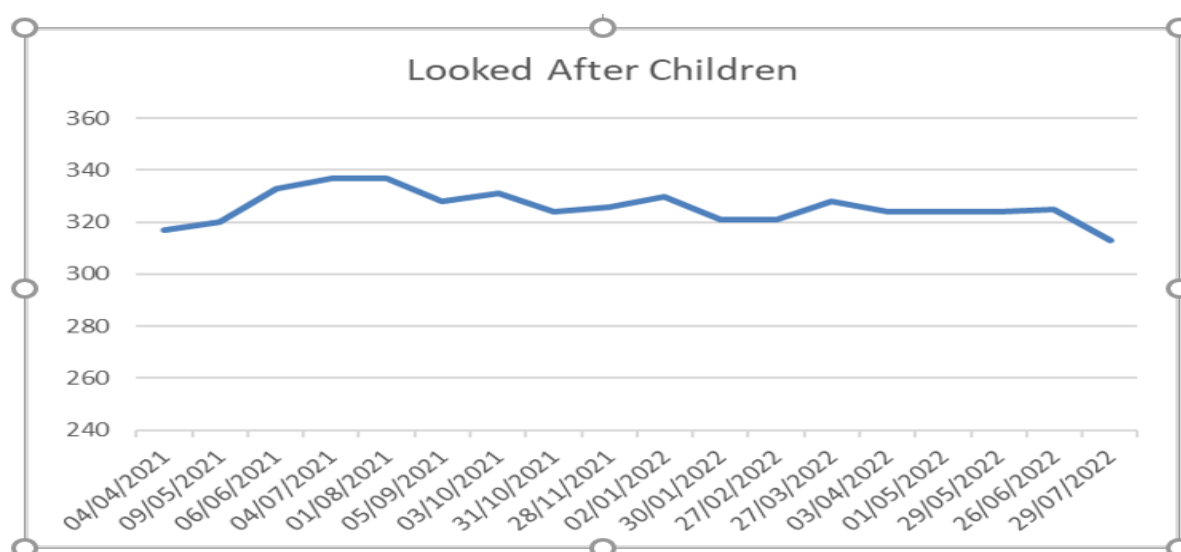
3.9 Children's Social Care is forecasting an overspend of £2.348m, an increase

from Month 3 of £681k; £500k relates to a revision of a funding assumption in respect of staffing made in the Month 3 monitor.

- 3.10 Staff costs are currently expected to overspend by £812k, an increase of £433k on Month 3. £304k of the overspend relates to the additional agency costs of the additional social work posts.
- 3.11 The Residential home in Leyton Green Road is forecasting £146k shortfall as one of the two young people from another London Borough is expected to transition to another home in August 22. However, as there is also a Waltham Forest young person in the home, this shortfall is offset by a cost avoidance of approximately £195k. A potential match for a further Waltham Forest young person is also currently being explored.
- 3.12 Total Placement costs are forecast to overspend by £1.425m, a net increase on the prior month of £357k and is as result of the increasing cost of placements. New placements in the month included two young people placed in Residential homes and five in under 18 Semi Independent provision. These are offset by a reduction of £164k relating to one young person transferring to SEND. In addition, it has been agreed to increase In House Fostering and Special Guardianship pay rates by 1.75%, back dated to 1st April 2022, in line with the staff pay increase agreed last year increasing the forecast by £104k.
- 3.13 Whilst the numbers of children in our care have reduced since month 3, (see chart below), total placements (including over 18s) have remained stable but the increase in average weekly cost continues to rise from £645 per week to £659 per week, driven by an increase in residential placements in the month and the complexity of cases.
- 3.14 Unmet Housing needs for citizens are forecast to spend £188k, which following the extensive work being carried out with these families and with Housing is a reduction from the 2021-22 outturn of £271.8k.
- 3.15 Net of the grant Remand costs are forecast to overspend by £316k. There are six young people in Youth Justice Secure provision. The forecast includes the expected trial and sentencing dates.



Overall, as shown in the second graph below, the number of Looked after Children at the end of July'22 was 313 compared to 325 at the end of May'22.



#### **Special Educational Needs and Disability Service: £1.411 forecast pressure**

- 4 The SEND service is expected to overspend by £1,411m which is an increase of £190k from Month 3.
- 4.2 Social Care Packages for young people preparing for adulthood are expected to overspend by £547k which is an increase of £211k from Month 3. £152k of which relates to a package transferred from Children's Social Care at a lower cost and £72k to 5 additional day care packages.
- 4.3 Travel assistance is forecast to overspend by £280k. Short breaks have increased by £30k to £522k and Educational Psychology forecast is unchanged and shows an overspend of £106k.
- 4.4 The forecast overspend does not include the increased anticipated cost for the SEND Transport Service following the novation of the contract.

#### **School Support: Lauren Ovenden**

- 4.5 School Support is projected to overspend by £225k due to the continued suspension of contributions from schools towards Early Help and Community Safety services. A decision is required to resolve future funding.

#### **Traded Services: Lauren Ovenden**

- 4.6 Traded Services are projected to be in surplus by £309k, comprising surpluses in Catering of £286k and Governor Services of £44k offsetting a deficit of £26k on Schools HR services.

#### **Public Health: Joe McDonnell**

- 4.7 Public Health (ring-fenced) division continue to forecast a break-even position as at month 3. The grant for 2022/23 is £17.002 million. 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 £3.467 million.

### **Families Centrally Retained**

- 4.8 Centrally Retained has a current surplus of £1.875 million comprising £1.242 million unallocated social care grant; £130k from the part-year effect of the s.75 (SALT) agreement and Children and Families contracts starting after April; and £500k one-off COMF Funding for specific Covid-19 related activities.

### **PLACE – Stewart Murray**

- 4.9 Place is forecasting a net underspend of £654k in month 4 an improvement of £217k compared to month 3. Property & Delivery is forecasting an overspend of £166k, Neighbourhood Services and Housing General Fund showing an underspend of £420k and £400k respectively. There are a number of risks identified that may create budget pressures, but these will be monitored throughout the year in anticipation of mitigating as much as possible within the directorate.

Place	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement on Previous Month
	£000's	£000's	£000's	£000's	£000's
Strategic Director of Place	5	5	0	0	0
Property & Delivery	4,467	4,633	166	0	166
Regeneration Planning & Delivery	5,441	5,441	0	0	0
Culture & Destinations	2,385	2,385	0	0	0
Housing Delivery	4	4	0	0	0
Neighbourhood Services	26,655	26,235	(420)	(437)	17
Regulatory Services	2,392	2,392	0	0	0
Housing General Fund	8,079	7,679	(400)	0	(400)
<b>Total</b>	<b>49,428</b>	<b>48,774</b>	<b>(654)</b>	<b>(437)</b>	<b>(217)</b>
<b>Housing Revenue Account</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### **Property and Delivery (Aiden McManus)**

- 4.10 Property & Delivery is currently projecting a £166k overspend at Month 4. There is a £50k budget pressure from Norse Evolve profit share which won't be received and a potential bad debt provision of £116k.

Property and Delivery	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement on Previous Month
	£000's	£000's	£000's	£000's	£000's
Commercial Director of Property	1,458	1,508	50	0	50
Commercial Property Investment	2,234	2,234	0	0	0
Capital Strategy	379	379	0	0	0
Capital Delivery	350	350	0	0	0



Major Projects	46	46	0	0	0
Bad Debt Provision	0	116	116	0	116
<b>Total</b>	<b>4,467</b>	<b>4,633</b>	<b>166</b>	<b>0</b>	<b>50</b>

### Regeneration, Planning & Delivery (Ian Rae)

- 4.11 At month 4, the projected outturn position for 2022/23 is spend to budget. There are budget pressures in some service areas, but expenditure will be managed within the agreed spending plans.

Regeneration Planning and Delivery	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement on Previous Month
	£000's	£000's	£000's	£000's	£000's
Commercial Director of Regeneration, Planning & Delivery	537	537	0	0	0
Area, Regen & Delivery	1,773	1,773	0	0	0
Development Management & Building Control	278	278	0	0	0
Place & Design	804	804	0	0	0
Employment Business & Skills	1,791	1,791	0	0	0
Inward Investment	258	258	0	0	0
<b>Total</b>	<b>5,441</b>	<b>5,441</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Culture and Destinations (James Leay)

- 4.12 At month 4, Culture and Destinations is forecasting to spend to budget. Culture and Destination service was created recently due to the restructure in Economic Growth. The new service is reviewing the use of the assets within the area with a view to generating more income.

Culture and Destinations	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement on Previous Month
	£000's	£000's	£000's	£000's	£000's
Commercial Director of Culture and Destinations	144	144	0	0	0
Culture and Heritage	2,241	2,241	0	0	0
<b>Total</b>	<b>2,385</b>	<b>2,385</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Neighbourhood Services (Jarlath Griffin)

- 4.13 Neighbourhoods Services are forecasting an underspend of £420k at month 4, £17k adverse variance from month 3. The underspend includes £416k within highways and traffic management and £4k within allotments. Any risks identified that may lead to budget pressures are being monitored in anticipation of mitigating as much as possible within the directorate.

Neighbourhood Services	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement on Previous Month
	£000's	£000's	£000's	£000's	£000's
Strategic Director	495	495	0	0	0
Neighbourhood Management	1,313	1,313	0	0	0
Leisure	2,990	2,990	0	0	0
Waste Management	15,153	15,153	0	0	0
Highways & Traffic Management	4,786	4,370	(416)	(416)	(0)
Transport	101	101	0	0	0
Parks & Open Spaces	1,639	1,639	0	0	0
Allotments	178	174	(4)	(21)	17
<b>Total</b>	<b>26,655</b>	<b>26,235</b>	<b>(420)</b>	<b>(437)</b>	<b>17</b>

### Leisure

- 4.14 Sports and Leisure are forecast to spend to budget however there is a risk relating to utility costs from the Leisure Centres that the service is evaluating.

### Waste Management

- 4.15 Waste Management have no major risks at present and are forecast to a balanced budget. However, this is on the assumption that the recent inflationary increase of £548,200 on the major contract will be funded corporately, from the pay and price contingency. This contract inflation is based on January'22 inflation at 3.75%.

### Highways & Traffic Management

- 4.16 Highways & Traffic Management are forecast an underspend of £416,000 and at month 4 there are no significant concerns for the outturn.

### Allotments – Ian Sheppard

- 4.17 There are no major risks existing in the service and the service is forecast to underspend by £4k mainly due to the Community Toilet Scheme.

### Regulatory Services (David Beach)

- 4.18 Regulatory Services are forecast to spend to budget at month 4 – no change from the previous month. There is a risk identified in containing the ASB Team budget pressure, the service will review how to mitigate this without impacting the forecast outturn.

Regulatory Services	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement on Previous Month
	£000's	£000's	£000's	£000's	£000's
Director Regulatory Services	108	(186)	(294)	(294)	0
Emergency Services	151	55	(96)	(96)	0
Premises Licensing	(13)	11	24	24	0
Food & Safety	385	327	(58)	(58)	0
Trading Standards	262	246	(16)	(16)	0
Air Quality	285	255	(30)	(30)	0
Planning Enforcement	256	269	13	13	0
Selective Licensing	764	764	0	0	0
ASB Team	100	557	457	457	0
Street Trading	117	117	0	0	0
Non Street Trading Market Activities	(23)	(23)	0	0	0
<b>Total</b>	<b>2,392</b>	<b>2,392</b>	<b>0</b>	<b>0</b>	<b>0</b>

### **Director Regulatory Services**

- 4.19 An underspend forecast of £294,000 for Neighbourhood Management which will be utilised to mitigate other budget pressures in the wider service.

### **Emergency Services**

- 4.20 The tri-borough arrangement for Emergency Services will come to cease from the end of August after which it will become an in-house service. At present there are no known major risks with the service as it is forecast an underspend of £96k.

### **ASB Team**

- 4.21 At month 3, the Parkguard contract is forecast an overspend of £457k mainly due to the demands of the contract to fulfil the service levels required.

### **Housing General Fund - Darren Welsh**

- 4.22 The latest Housing General Fund (HGF) position is shown in the table below and is currently forecasting an underspend of £400k, which is part of the corporate savings target for 2023/24. However, this is projected to be achieved within 2022/23. The financial challenges within the HGF budget arise mainly from homelessness demand, although the number of households in temporary accommodation (TA) was on a downward trajectory throughout 2021/22 and has continued to reduce in 2022/23.

Housing General Fund	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement on Previous Month
	£000's	£000's	£000's	£000's	£000's
Housing Advice, Prevention & Supply	3,832	3,862	30	147	(117)
Nightly, B&B & PSL / Property Mngt	1,692	1,662	(30)	(30)	0
Private Lettings WF	1,432	1,432	0	0	0
Rough Sleepers	132	132	0	0	0
Other	830	430	(400)	(117)	(283)
Overheads & ICT	161	161	0	0	0
<b>Total</b>	<b>8,079</b>	<b>7,679</b>	<b>(400)</b>	<b>0</b>	<b>(400)</b>

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

#### **Housing HRA (Darren Welsh)**

- 4.24 The Housing Revenue Account (HRA) position is detailed in the table below and is currently projecting to break even for 2022/23.

HRA Service	Annual Budget	Projected Outturn	Variance Total	Variance Previous Month	Movement on Previous Month
	£000's	£000's	£000's	£000's	£000's
Rents	(60,501)	(60,595)	(94)	(100)	6
Right to Buy	(901)	(1,292)	(391)	0	(391)
<b>Total Income</b>	<b>(61,402)</b>	<b>(61,887)</b>	<b>(485)</b>	<b>(100)</b>	<b>(385)</b>
Asset Management	18,533	18,886	353	322	31
Housing Operations	8,948	9,185	237	(3)	240
Housing Strategy & Options	8,130	7,785	(345)	(219)	(126)
Housing Delivery	4	4	0	0	0
Corporate Items	25,787	26,027	240	0	240
<b>Total Expenditure</b>	<b>61,402</b>	<b>61,887</b>	<b>485</b>	<b>100</b>	<b>385</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 4.25 The 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 (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.
- 4.26 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 are various underspends on Housing Strategy budgets

providing some mitigating cost savings which has helped to offset some increased costs in Asset Management.

- 4.27 The dispute with the former repairs contractor has recently been settled, however there are increased consultant and legal costs to support this and is included in the projection.
- 4.28 The rent increase for the year equated to an average of 4.1%, which represents the third year of rent increases under the current rent regime. Covid-19 is expected to have an on-going impact on rental income. Collection figures will be closely monitored throughout 2022/23 to assess the impact on the need to make greater provision for bad debt on both HRA income and rent collection for TA however, at this stage an increased in rental income is projected to take into effect the new properties coming into the HRA stock during this financial year.

### **FINANCE AND GOVERNANCE – John Turnbull**

- 4.29 Finance & Governance is forecasting a break even position at month 4.

Finance and Governance	Annual Budget	Projected Outturn	Variance Total	Previous Month	Movement on Previous Month
	£000's	£000's	£000's	£000's	£000's
Director of Finance & Governance	17	17	0	0	0
Financial Management	88	88	0	0	0
Audit & Anti-Fraud	20	20	0	0	0
Revenues & Benefits	5,569	5,569	0	0	0
Treasury & Pensions	135	135	0	0	0
Return on Investment	767	767	0	0	0
Governance & Law	2,511	2,511	0	0	0
<b>Total</b>	<b>9,107</b>	<b>9,107</b>	<b>0</b>	<b>0</b>	<b>0</b>

### **Corporate Expenditure, Non-Service items and Contingency**

- 4.30 This heading includes interest costs, capital charges and other costs not directly attributable to services such as members' allowances and is projected to spend to budget. If there is any call on reserves for one-off items, then this must follow the financial ground rules.

### **Council Tax / Business Rates Collection**

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

## Council Tax

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

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
In year	%	%	%	%	%	%	%	%	%
14/15	95.5								
15/16	97.3	96.0							
16/17	98.1	97.4	96.1						
17/18	98.4	98.0	97.4	96.1					
18/19	98.6	98.3	97.9	97.3	96.0				
19/20	98.7	98.5	98.2	97.8	97.1	95.8			
20/21	98.9	98.7	98.0	98.0	97.5	96.5	93.8		
21/22	98.9	98.7	98.6	98.2	97.8	97.2	96.2	94.9	
22/23	99.0	98.7	98.6	98.3	97.8	97.3	96.4	95.2	28.0

## Business Rates

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

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
In year	%	%	%	%	%	%	%	%	%
13/14									
14/15	96.9								
15/16	98.4	97.2							
16/17	99.2	98.6	97.2						
17/18	99.4	99.0	98.4	97.5					
18/19	99.4	99.1	98.7	97.7	97.0				
19/20	99.5	99.3	98.8	98.4	97.6	96.0			
20/21	99.4	99.2	98.8	98.0	97.2	95.3	78.7		
21/22	99.5	99.3	99.1	98.5	98.0	96.8	91.0	91.5	
22/23	99.5	99.3	99.1	98.5	98.1	97.0	92.2	93.0	28.9

## 4 CAPITAL PROGRAMME

4.1 The table below shows the capital budget monitoring summary as at month 4. Further detail is shown at Appendix 1.

	Actuals 2022/23 P4	Forecast 2022/23	Budget 2022/23	Variance 2022/23	Total Forecast to 2027/28	Available Budget to 2027/28	Forecast / Budget Variance
	£m	£m	£m	£m	£m	£m	£m
<b>Deputy Chief Exec's Directorate</b>							
Corporate Development - ERP Programme	0.9	6.6	7.8	(1.1)	9.6	11.0	(1.4)
Libraries & Registrars	0.0	0.3	1.3	(1.1)	0.3	1.3	(1.1)
Climate Emergency Funding	0.0	1.5	1.5	0.0	3.5	3.5	(0.0)
<b>People Directorate</b>							
Adult Social Care	0.0	0.2	0.2	(0.0)	0.2	0.2	(0.0)
<b>Place Directorate</b>							
Neighbourhoods	1.0	10.3	11.0	(0.7)	10.6	11.6	(1.0)
Regen, Planning and Delivery	0.5	4.2	6.7	(2.5)	9.4	10.4	(1.0)
Property and Delivery	11.6	56.2	66.6	(10.4)	86.4	85.9	0.5
Schools Programme	3.9	20.0	20.4	(0.4)	56.1	56.1	(0.0)
Housing Delivery/Operations (GF)	3.2	8.7	8.7	0.0	21.6	21.6	0.0
<b>TOTAL GENERAL FUND</b>	<b>21.1</b>	<b>108.1</b>	<b>124.3</b>	<b>(16.3)</b>	<b>197.6</b>	<b>201.6</b>	<b>(4.0)</b>
Housing Assets (HRA)	4.2	38.9	38.9	0.0	261.3	261.3	0.0
Housing Delivery/Other (HRA)	3.3	42.9	42.9	0.0	102.3	102.9	(0.6)
<b>TOTAL HRA</b>	<b>7.5</b>	<b>81.8</b>	<b>81.8</b>	<b>0.0</b>	<b>363.6</b>	<b>364.2</b>	<b>(0.6)</b>
Contingency				0.0	15.0	15.0	0.0
Adjustments:							
Juniper House Affordable Housing	0.0	(12.9)	(12.9)	0.0	(12.9)	(12.9)	0.0
Families & Homes Hub Affordable Housing	0.0	(4.2)	(4.2)	0.0	(8.3)	(8.3)	0.0
<b>TOTAL BUDGET</b>	<b>28.6</b>	<b>172.8</b>	<b>189.0</b>	<b>(16.3)</b>	<b>554.9</b>	<b>559.5</b>	<b>(4.6)</b>

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

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

## 6. CONSULTATION

6.1 Executive Directors and Portfolio Holders have been consulted.

## 7. FAIR DEAL

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

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

7.3 The Fair Deal programme reports a total spend of £3.34m, with £859k relating to 22-23. Project delivery timescales reported reflect the current position.

Fair Deal Summary	Total Approved Budget (All Years)	22-23 Spend to Date	Cumulative Spend to Date	Forecast Spend	% Spend vs 2022/23 Forecast
	£000's	£000's	£000's	£000's	£000's
Fair Deal	6,179	602	2,425	5,634	43%
Capital CSAMG	1,000	101	136	735	19%
Climate Emergency	1,552	72	553	1,552	36%
GLA Fund (MAP estimate)	250	0	0	250	0%
Public Health Reserve	200	43	86	200	43%
COMF	761	41	255	761	34%
DfE Regional Recovery Fund	196	0	0	196	0%
Home Office Domestic Violence Fund	600	0	93	400	23%
<b>Total</b>	<b>10,738</b>	<b>859</b>	<b>3,548</b>	<b>9,728</b>	<b>34%</b>

## 8.1 Finance, Value for Money and Risk

- 8.1.1 The whole report is of a financial nature. The key purpose of the report is to monitor the Council's overall financial performance against the assumptions contained in the MTFS. To maintain the robustness of the Council's finances and budget plans, effective budgetary control by services will continue to be essential and will help the Council to maximise the resources available to meet its priorities.
- 8.1.2 Given the nature of the Cost of Living emergency and the estimated financial exposure, the Council must have due regard to Section 114 of the Local Government Act 1988. The Section 114 powers of the chief finance officer (CFO) under the Local Government Finance Act 1988 require the CFO, in consultation with the Council's monitoring officer, to report to all the authority's members if there is, or is likely to be, an unbalanced budget.
- 8.1.3 It remains a priority that the Council achieves a balanced budget that is sustainable for each financial year over the medium-term financial strategy period. Where there are significant pressures, it is expected to be mitigated by directorates in line with the ground rules for financial control. The current MTFS including reserves – means that Section 114 is unlikely to be needed in the current year. If the pressures are established to be on-going they will need to be picked up in the MTFS refresh and potentially could result in a budget gap that would need to be resolved through the use of reserves or savings. Therefore, it is important that all services tightly control their budgets and bring forward surpluses or efficiencies if possible.
- 8.1.4 Many of the pressures relate to demand led services. There is a risk for years that these costs become on-going and put pressure on the MTFS. Therefore, it is essential that Strategic Director manage this risk by exploring changes to service delivery that will reduce demand pressures in future and efficiently manage the pressures that we are experiencing (both cost and volume) to protect the provision of services generally.



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

## **8.2 Legal**

8.2.1 There are no direct legal implications.

## **8.3 Equalities and Diversity**

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

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

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

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

8.5.1 There are no direct council infrastructure implications.

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

None