

General Purposes & Audit Committee Supplementary Agenda



7. Financial Performance Report (Pages 3 - 58)

An update on the financial performance and in-year projections for the Council's General Fund and HRA revenue and capital budgets.

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Agenda Item 7

REPORT TO:	General Purposes and Audit Committee 20th October 2021
SUBJECT:	August (Period 5) Financial Performance Report
LEAD OFFICER:	Richard Ennis, Corporate Director of Resources (S151 Officer)

SUMMARY OF REPORT:

This report provides the General Purposes and Audit Committee with an update on the financial performance and in-year projections for the Council's General Fund and HRA revenue and capital budgets. This information as contained in the appendices to this report was considered and noted by Cabinet at its meeting on the 18th of October.

Full details are provided in the attached report considered by Cabinet. In summary, the General Fund revenue position is forecast to underspend by £86k by the year end, but with identified risks of £7.9m, offset by potential further opportunities of £11.4m.

The Housing Revenue Account is forecast to overspend by £742k whilst the General Fund and HRA capital programmes are forecasting an underspend of £36.9m

FINANCIAL IMPACT

The General Fund revenue forecast position has remained generally constant throughout the first five months of monitoring as had the Housing Revenue Account. Whilst risks and opportunities remain beyond the forecast numbers, a broadly neutral position allows the Council to live within its budgeted means and to maintain levels of necessary reserves.

Further details relating to the financial impact are set out in the main report attached as an appendix as was considered by Cabinet.

1. RECOMMENDATIONS

- 1.1 The Committee is requested to:
- 1.2 Note the contents of the Period 5 Financial Monitoring report as set out in the appendices.

2. EXECUTIVE SUMMARY

- 2.1. This report sets out the financial monitoring position of the Council as at the end of Period 5 (August 2021). Full details including executive summary are set out in that report.

3 LEGAL CONSIDERATIONS

3.1 As contained in the attached report to Cabinet.

4 HUMAN RESOURCES IMPACT

4.1 As contained in the attached report to Cabinet

5 EQUALITIES IMPACT

5.1 As contained in the attached report to Cabinet

6 ENVIRONMENTAL IMPACT

6.1 As contained in the attached report to Cabinet

7 CRIME AND DISORDER REDUCTION IMPACT

7.1 As contained in the attached report to Cabinet

8 DATA PROTECTION IMPLICATIONS

8.1 As contained in the attached report to Cabinet

Attachments:

Appendix – Period 5 Financial Report and appendices as presented and considered by Cabinet on 18th October 2021

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REPORT TO:	Cabinet 18 October 2021
SUBJECT:	Financial Performance Report – Month 5 (August 2021)
LEAD OFFICER:	Richard Ennis, Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive

SUMMARY OF REPORT:

This report provides the Council's annual forecast as at Month 5 (August 2021) for the Council's General Fund (GF), Housing Revenue Account (HRA) and the capital programme. The report forms part of the Council's financial management process of publically reporting financial performance against its budgets on a monthly basis.

FINANCIAL IMPACT

The Month 5 position is currently indicating a net underspend of £0.086m against budget – this represents a £0.378m favourable movement against the Period 4 forecast. This is before taking into account further risks and risk mitigations. In total, £7.900m (Month 4 £11.353m) of further risks (of which £1.408m relates to approved savings risks) are identified against which £11.435m (Month 4 £10.639m) of potential opportunities are identified and set out in the body of the report. Section 3 details these risks and risk mitigations and further discusses the impact on the General Fund if these were to materialise.

The HRA is indicating an overspend of £0.742m (Month 4 £0.696m) against budget. This overspend is further detailed within Section 5 of the report.

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

- 1.1 Cabinet are asked to note the General Fund is projecting a net favourable movement of £0.378m from Period 4. Service departments are indicating a £3.365m overspend (Month 4 £3.742m) with this being netted of as in the past four months against release of a one off Covid Grant (£3.451m) confirmed to Croydon Council for 21/22 by MHCLG as part of the Local Government Finance Settlement;
- 1.2 Note that a further number of risks and compensating opportunities may materialise which would see the forecast year-end variance change and these are reported within Section 3 of this report. Should these risks materialise or the mitigations not be effective the Council could overspend by £7.814m (Month 4 £11.664m);
- 1.3 Note the Housing Revenue Account (HRA) is projecting a £0.742m (Month 4 £0.696m) overspend for 2021/22. If no further mitigations are found to reduce this

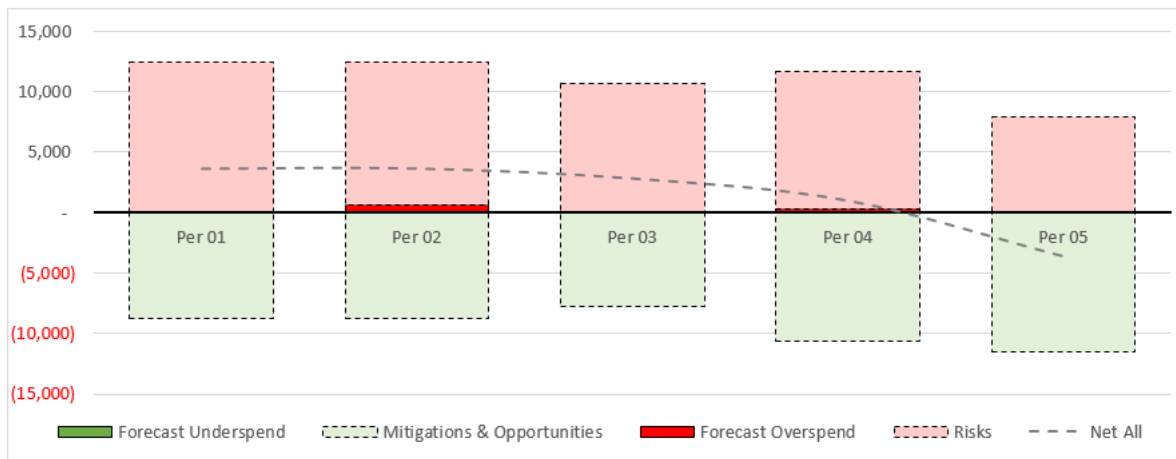
overspend the HRA will need to drawdown reserves from HRA balances which at the moment there are sufficient balances to cover this;

- 1.4 Note the capital spend to date for the General Fund of £8.235m (against a budget of £138.688m) and for the HRA of £5.713m (against a budget of £183.209m), with a projected forecast variance of £36.899m on the general fund against budget and nil forecast variance against budget for the general fund;
- 1.5 Note, the above figures are predicated on forecasts from Month 5 to the year end and therefore could be subject to change as forecasts are refined and new and updated information is provided on a monthly basis. Forecasts are made based on the best available information at this time; and
- 1.6 Note that whilst the Section 114 notice has formally been lifted, the internal controls established as part of the S114, such as the Spend Control Panel remain. However, restrictions have been lifted for ring-fenced accounts such as the Pensions Fund, Housing Revenue Account and Coroner's Costs as these do not directly impact on the financial position of the General Fund. The Spending Control Panel which was set up at the beginning of November 2020 continues to meet on a twice daily basis.
- 1.7 Note that due to no Cabinet Meeting in September 2021 Period 4 has not been presented to Cabinet. Period 4 position has been provided for as Appendix 3 to ensure there is a clear audit trail for Members between Period 5 and Period 4.
- 1.8 Note that the Council has received a one off financial support of £2.3m from Government to help cover the pressures within Unaccompanied Asylum seeking Children (UASC), which means the Council still funds £2.20m of pressures.

2. EXECUTIVE SUMMARY

- 2.1. This reports sets out the Council's current General Fund revenue budget projected outturn for the full year as at Month 5, August 2021.
- 2.2. The forecast General Fund revenue forecast has improved by £0.378m from an overspend of £0.020m in Month 4. It is expected and required that services formulate plans to address these overspends over the coming month. Appendix 3 gives details of the financial performance report as at month 4 with a month 3 comparator, month 3 being the last financial performance report that was submitted to cabinet due to no Cabinet meeting in September.
- 2.3. Further risks and opportunities not yet sufficiently developed to be included in the forecast itself net to (£4.943m) have been identified (risks £6.492m and opportunities of £11.435m).
- 2.4. The chart below illustrates the trend in monthly monitoring reports and shows both the forecast as well as quantum of risks and opportunities together with the impact should all risks and opportunities fully materialise (dashed line)

Monthly Forecast, Risk & Opportunity Tracker



- 2.5. The Housing Revenue Account is forecasting an overspend of £0.742m (an increase of £0.046m on the Month 4 forecast of £0.696m). This projected variance impacts on HRA balances rather than GF reserves.
- 2.6. The capital programme for both the General Fund and HRA is reporting a spend to date of £13.948m against overall budget of £321.897m, with a forecast underspend of £36.899m.
- 2.7. The Financial Performance Report (FPR) which will continue to be presented to each Cabinet meeting provides a detailed breakdown of the Council's financial position and the challenges it faces. It covers the GF, HRA and capital programme and ensures there is transparency in our financial position, enables scrutiny by both members and the public, and offers reassurance as regards the commitment by chief officers to more effective financial management and disciplines.
- 2.8. The 2020/21 financial year was a very difficult year for the Council. The former Director for Finance, Risk and Insurance (Section 151 Officer) had to issue the Council's very first S114 notice in November 2020. A further S114 notice was issued on the 2 December 2020 as the Council continued to have an unbalance budget. Since 8th March 2021 the S114 notice has been lifted as the Council received confirmation of a Capitalisation Direction from MHCLG of up to £70m for 2020/21 and potential of £50m for 2021/22.
- 2.9. The Council has had the benefit of a number of recommendations from various stakeholders and scrutiny panels such as the external auditor's Report in the Public Interest. These recommendations have been taken on board and the Croydon Renewal Plan has been developed which will over the medium term financial strategy period restore the Council's finances to balance and develop a more effective system of internal control.
- 2.10. This report forms part of the reporting framework on the delivery of the Croydon Renewal Plan by ensuring the delivery of the council's budget is reported monthly and transparently.

- 2.11. The Council is still working with the external auditors on finalising the 2019/20 audit of accounts however the 20/21 Outturn has now been presented to Cabinet on 12th July 2021 based around their findings and the accounts have also been published for 20/21.

3. FINANCIAL POSITION

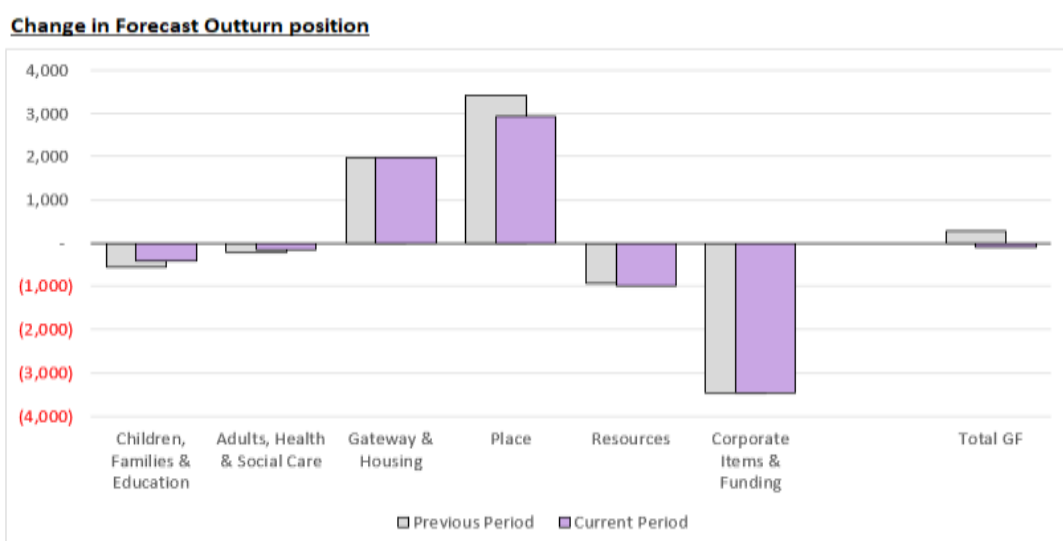
- 3.1. The FPR shows that the Council is forecast to have a General Fund net underspend variance of £0.086m (after drawing down on £3.451m of covid-related grant reserves) – an improvement of £0.378m on the net forecast reported at Month 4 (before additional risks and mitigations), whilst the HRA is projecting a £0.742m overspend before risks mitigations. The current financial forecast is based on the known position at the time of writing this report. It is important that cabinet is aware of the much higher profile that the process has within the Council with iterations of the report going through a range of formal officer meetings including directorate meetings, Executive Leadership team and informal meetings with lead members.
- 3.2. Work is ongoing in departments to review the forecast position for each area and MTFs savings and risks to reduce any overspends and identify further options to mitigate these. Further details and options identified will form part of the monthly Finance Performance Reports.
- 3.3. In 2020/21 the monitoring forecasts presented details of Covid funding that the Council had received from Central Government, however the Government has not provided any further indication that it seeks to continue to fund Local Government in relation to Covid pressures and thus this section has been removed from 2021/22.
- 3.4. A detailed review of the Corporate Budgets is also being carried out that will feed into the MTFs and also inform any opportunities that may arise as a result of the review. This will be further detailed within the period 6 report.
- 3.5. The position of the General Fund is shown below in Table 1.

Table 1 – Month 5 Projection per Directorate

	Month 5	Month 4			
	Forecast Variance	Forecast variance from previous month	Change from previous month	Savings Non-Delivery	Other Pressures
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Children, Families and Education	(2,608)	(558)	(2,050)	-	(2,608)
Unaccompanied Asylum seeking Children (UASC)	2,200	0	2,200	0	2,200
Adults, Health and Social Care	(160)	(195)	35	-	(160)
Gateway & Housing	1,988	1,978	10	-	1,988
Place	2,930	3,437	(507)	-	2,930
Resources	(985)	(920)	(66)	-	(985)
Departmental Total	3,365	3,742	(378)	-	3,365
Corporate	(3,451)	(3,451)	-	-	(3,451)
Total General Fund	(86)	291	(378)	-	(86)

3.6. Net overspends and underspends within the services budgets are presented as forecast variance (as per Table 1), and are additionally classified as either non-delivery of agreed savings or other pressures. Non-delivery of savings relates to non-achievement of the approved MTFs savings whilst other pressures are as a result of new and external pressures not previously provided for within the Council's 21/22 Budget. Further explanations of these overspends are provided within Section 4 of this report.

3.7. The chart below shows the forecast by service department for both the current and previous month:



3.8. The main areas of movement from Month 5 are as follows:

- Adults, Health and Social Care £0.035m **adverse** movement due to small increase in the mental health area for care packages;
- Place £0.507m **favourable** minor movement mainly due to reduced Library services expenditure and additional income received from British Library;
- Resources £0.066m **favourable** movement, principally related to staffing savings / vacancies not being filled.
- Housing and Gateway £0.0010m **adverse** movement, pressures on homelessness budgets due to increased cases and increases in bad debt provisions.
- Children's Families and Education £2.05m **favourable** movement due to further reductions within the placements spend.
- Unaccompanied Asylum seeking Children (UASC) – The Council will face £2.2m of UASC pressures due to significant demand within the Borough. The original pressure was £4.5m however the Council has been able to secure one off grant funding of £2.3m from Central Government.

Further details can be found in section 4 of this report.

Risks and Risk mitigations

- 3.9. As mentioned within paragraph 3.1 the forecast has been reported excluding further potential risks and risk mitigations. Risks and Risk mitigations are split into quantified and unquantified items.
- 3.10. As with the forecast set out in Table 1 risks are separately reported for those elements that relate to potential under-delivery of approved savings, and those that are new and not directly related to agreed savings plans.
- 3.11. Table 2a below provides for details of MTFS savings at risk with a brief commentary of the projects that are at risk of delivery and Table 2b provides a list of quantified and unquantified other risks. The savings are subject to a separate assurance process involving both the Chief executive and the Section 151 officer meeting with the directorates and the director of policy and programmes, the most recent of these was in early August. This identifies savings at risk and mitigations for both the current and future years. Where risks are quantified currently, these are based on high level information and departmental experiences of the service. At this stage, services are sufficiently confident in being able to manage or mitigate these risks that they are not included as part of the present forecast year-end position. However, the figure has been provided to indicate to Cabinet the likely financial impact on the budget and therefore the need to take action to deal with the risk should they materialise.

Table 2a – MTFS Savings Risk

MTFS Savings Ref	MTFS Savings Description	P5 Savings at risk (£,000's)	P4 Savings at risk (£,000's)	Change From Prior Month (£,000's)
CFE Sav 07	Improve Practice System Efficiency	534	1,065	(531)
CFE Sav 10	Additional Education Savings	0	15	(15)
Children, Families and Education Total		534	1,080	(546)
Adults, Health and Social Care Total		0	0	0
Gateway & Housing Total		0	0	0
PLA Sav 08	Public Protection and Licensing Highways & Parking Services merger	0	50	(50)
PLA Sav 13	Public Protection and Licensing - Discontinue providing a night time noise service.	0	13	(13)
PLA Sav 24	Parking charges increase 30p/30min	874	754	120
Place Total		874	817	57
Resources Total		0	0	0
Total Savings at Risk		1,408	1,897	(489)

Data above taken from Savings Tracker 20th September 2021

3.12. Table 2a indicates that there are potential £1.408m worth of savings (£1.897m in Month 4) that may not be achieved, however services are currently carrying out further work to ensure these can be delivered or otherwise mitigated. So far no specific mitigations have been fully identified. Directorates are working up proposals to bring these savings at risk back on track. This represents 3% of the total savings (£44.6m) that had been identified as part of the 2021/22 budget setting exercise.

3.13. These savings are reviewed on a monthly basis. If these savings are deemed to be definitely non-deliverable they will be factored into the monthly forecast and incorporated into the forecast outturn position provided in Table 1. The services have been instructed to find mitigations for all savings that cannot be delivered to meet their budgetary total per directorate.

3.14. Section 4 gives details of all the movements between month 5 and month 4 and identifies and movements in delivery of MTFS savings, risks and mitigating items that are factored into the forecast assumptions.

Table 2b – Other quantifiable and unquantifiable risks

Quantified Risks	P5 £'000	P4 £'000	Details of Risk
Children, Families and Education	2,062	4,963	<p>£1,670k Review of 20/21 placement costs and accruals.</p> <p>£232k - CSC Staffing Pressure due to increased need for agency and staff turnover</p> <p>£160k - Education service for schools due to Covid impact on income generation</p>
Adults, Health and Social Care	700	700	<p>£700k - Transitions - value of late prior year payments based on 20/21</p>
Gateway & Housing	430	533	<p>£130k - Demand for Emergency/Temporary Accommodation likely to increase due to economic pressures.</p> <p>£300k Bad debt costs - Current arrears are increasing in 2020/21 due to lower collection rates in the first part of the year (Covid related). When this debt becomes 'former' as tenants move on then recovery rates drop to between 5% and 30%. Potential additional debt costs of £300k-£800k beyond total presented based on current calculation methods.</p>
Place	2,900	2,130	<p>£2.5m - Additional risk to income due to compliance in high ticket yield areas has increased and so put more income at risk than previously stated. A new Parking Model has been devised which has highlighted this issue and the service is using this improved model to explore any mitigation factors that can be implemented to keep the financial risk to a minimum.</p> <p>£240k - Food Safety Team have an establishment gap budget, this has resulted in no recruitment to these roles and a pressure on the work they perform. This could result in action from the Food Standard Agency so needs to be carefully monitored maximum exposure if staff need to be recruited £240k.</p> <p>£160k - Potential payment to BoxPark for an additional 6th year of contract that was agreed last year. The 5yr contract ended in 20/21.</p>
Resources	400	1,130	<p>£400k - Insurance and Risk - forecast to budget on basis that schools income</p>

			pressure can be mitigated by reduction in premiums and claims - risk is currently up to £400k
Total Quantified Risks	6,492	9,456	

Un-Quantified Risks	P5 £'000	P4 £'000	Details of Risk
Children, Families and Education	-	-	TBC - Ongoing Children Social Care Placement cost pressures due to fluctuations in demand and demographics
Adults, Health and Social Care	-	-	TBC - Impact of long Covid on social care clients and the need for further support. not quantifiable at this stage
	-	-	TBC - Potential for further NHS funding for Covid depending on 3rd wave impact - not known at this stage
Housing	-	-	TBC - Potential DFG fees income pressure due to Covid as the service were unable to conduct adaptations 2020/21 - aiming to catch-up all outstanding work in 21/22
	-	-	TBC - NRPF service is demand led so projected underspend could change NRPF (No Recourse to Public Funds).
	-	-	TBC – Brexit/EU Nationals in Croydon need to confirm their status and apply for the correct legislation to continue to receive benefit payments, if this is not actioned they will revert to NRPF
	-	-	Mental Health/CCG - expensive care placements, due to some cases having a criminal element it takes longer for the HO to make a decision resulting in a longer placement
	-	-	TBC - Bad debt provision to cover risks of non-payment of outstanding rents is included within the current forecast for Temporary accommodation however COVID impact may increase the % levels of bad debt.
Place	-	-	TBC - SEN PRESSURE - Some routes split due to Covid social distancing role and reduced Travel Training occurring over the last 12 months, this potentially has an impact of around £1million/year. Further risks around changes to contractors providing services in year, due to performance issues.

	-	-	<p>TBC - Waste Collection and Street Cleansing Contract – Further income Risk to Commercial Waste Income Collection in 20/21 due to COVID & 21/22 - under commercial dialogue with Veolia</p>
	-	-	<p>TBC - Further commercial tenants are not able to pay rental income and will need to be written off, or will give notice on leases</p>
	-	-	<p>TBC - CDS - There is the risk of increased contract cost when actual invoices are received - current forecast is based on two months of invoicing, there are also outstanding contractual queries around End user service volumes as they are not reducing as anticipated.</p>
	-	-	<p>TBC - Revs and Ben Income - There are streams of income budget across this service such as Land charges, Court cost and Bailiff - current forecast are based on the assumption that the trend of income received to date continues or in the case of Land charges that it's income which is mostly based on the number of new build registered with the council etc. continue as it is in the last 2 months. There is the possibility that these trends could change there by resulting in risk/ opportunities.</p>
	-	-	<p>TBC - Legal Recharges. Risk that legal internal recharges forecast is too high. This is currently being followed up and investigated. Risk that internal legal recharges income does not match the legal recharges expenditure forecast by services charged</p>
	-	-	<p>TBC - Unreconciled holding accounts for BIDS, HR Staff Loans and P-Cards. Risk that holding accounts will not be able to be reconciled and some balances transferred as pressures into forecast.</p>
Corporate	-	-	None
Total Un-Quantified Risks			

3.15. Table 3 provide a list of quantified and unquantified risk mitigations. These are potential risk mitigations that will require further assurance to be included within the forecast. Services managers have identified these as potential mitigations to the risks identified Tables 2a and 2b. Any additional risk mitigations also help the overall financial position of the Council as these would help generate a

larger underspend that can be put away into reserves to support future MTFS gaps.

Table 3 - Quantifiable and unquantifiable opportunities

Quantified Opportunities	P5 £'000	P4 £'000	Details of Opportunities
Children, Families and Education	(1,107)	-	Transformation funding approved for a number of MTFS savings programme projects which include: <ul style="list-style-type: none"> • Reconfiguration of Early Help Services • Review of Children with Disabilities Care Packages • Reduction in the Numbers of Children in Care • Improve Practice System Efficiency • Placement Costs - Review of Accrual brought forward • Staffing establishment Review
Adults, Health and Social Care	(1,519)	(1,830)	The impact of health funding / Scheme 3 funding on care packages: (Lower £207k, Upper £830k) . Currently NHSE is taking views on the impact of this funding ending. We have input with SWLCCG requesting that funding continue to the end of the financial year.
Gateway & Housing	(1,010)	(1,010)	Homelessness debt collection team currently protected from staff cuts – therefore costs to collect debt may be reduced for the current year. These are projected as £300k savings but could be at top end of scenario of £800k . Property acquisition coming into HRA portfolio will allow tenants in nightly paid accommodation to move onto Assured Shorthold Tenancies and reduce the impact of rising demand. This could provide a further benefit of £210k for homelessness service.
Place	-	-	
Resources	-	-	
Corporate	(7,799)	(7,799)	Potential reduced spend against the Covid Grant
Total Quantified Opportunities	(11,435)	(10,639)	

Un-Quantified Opportunities	P5 £'000	P4 £'000	Details of Opportunities
Children, Families and Education	-	-	TBC - Corporate distribution of contact inflation and staffing budget deficits for 0.75% 2020/21 pay award and pension employer contribution
	-	-	TBC - Placement costs – validation of growth approved currently being finalised

	-	-	TBC - CSC establishment review coming to a conclusion and is expected to realise sufficient savings to mitigate against savings at risk due to delay in completion of the respective MTFS delivery plans
	-	-	TBC - Transformation funding approved for a number of MTFS savings programme projects
Adults, Health and Social Care	-	-	None
Gateway & Housing	-	-	TBC - Property acquisition coming into HRA portfolio will allow tenants in nightly paid accommodation to move onto Assured Shorthold Tenancy TBC - Leases – renegotiate the lease. Need to confirm the numbers due to expire this financial year TBC - Review of under occupied tenancy
Place	-	-	None
Resources	-	-	None
Corporate	-	-	None
Total Un-Quantified Opportunities			

3.16. As at Month 5, if all risks and risk mitigations were to materialise, along with the forecast reported in Table 1 the General Fund would underspend by £6.15m (Table 4), however some of the risks and mitigations will need further refining and validating to confirm the likelihood of them materialising. The situation will be clarified as the year progresses and the monthly budget reports show more detail on the patterns of income and expenditure and the longer term impact of Covid on Council services becomes clearer. Service managers have been instructed to identify and implement mitigations to spend within their approved funding envelopes. As such compensating measures are developed the impact of the net risks is expected to decline. Successful examples of this are the reduced risks and increased opportunities.

3.17. A number of the projected variances or risks relate to the continued impact of the Covid pandemic and would not be expected to continue for the whole year or over future years. In particular parking and traffic income continues to be affected for which part grant compensation is only receivable for the first quarter of 2021/22. Other pressures such as SEN costs (with no grant funding) have been impacted in delays in delivering travel training impacting on transport cost pressures.

3.18. There are however areas where budgets will need to be reviewed with a view to being rebased as they were not adjusted as part of the right sizing of budgets in the 2021/22 budget setting. Two significant areas that will need to be reviewed before budget setting in 2022/23 are SEN transport costs, and costs

relating to Emergency and Temporary accommodation. Additional costs arising will need to be funded from within the existing Council wide budget envelope.

4. SERVICE VARIANCE DETAIL

4.1. Children, Families and Education (CFE)

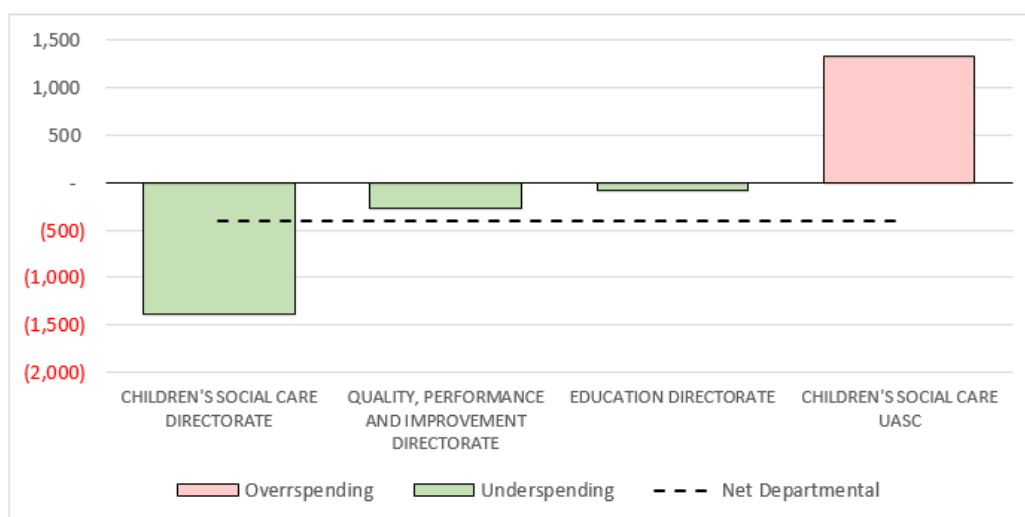
The CFE directorate is forecasting a £0.408m underspend for Month 5 (adverse movement of £0.150m from Month 4). This is a net position after factoring all budgeted income and expenditure within the directorate.

The main cause of this is due to the costs of unaccompanied asylum seekers that to date had all been identified as a risk which is materialising net off confirmation of grant funding of £2.35m that is being received as a result of the review of the UASC model and also discussions that have been held with the Government and the funding confirmed to support the USAC pressure. There has also been favourable movement in placement costs due to staff vacancies and a review of accruals.

Table 2a details MTFS savings, totaling £0.534m (£1.317m in Month 4), that are at risk of non-delivery. Furthermore, Table 2b indicates that there is a further £2.062m of other risks (£4.963m in Month 4) which could materialise through this financial year, this also continues to include a proportion of UASC risks. There are risk mitigations being projected of £1.107m.

The following chart illustrates the divisional forecast variances within Children's, Families and Education:

Divisional View of Children's, Families & Education Forecasts



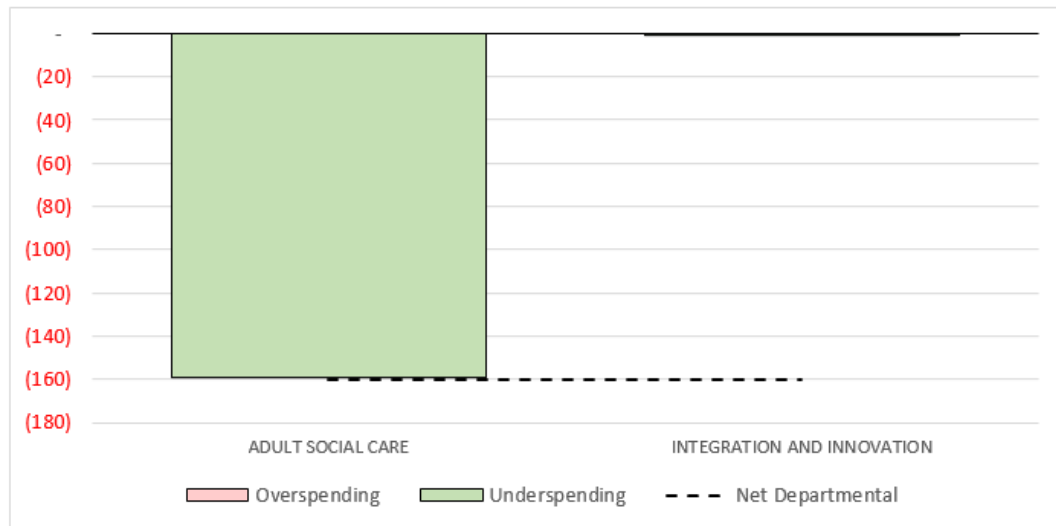
4.2 Adults, Health and Social Care

The HWA directorate are forecasting a small underspend of £0.160m (an adverse movement of £0.035m from Period 4). There are some risks and opportunities, mainly around the long and short term effects of Covid and additional Covid funding from NHSE.

Whilst the department is showing a slight underspend, table 2b identifies a further £0.700m of potential additional risks. The risks identified of £0.700m that relate to transitions of children social care clients to adult services have not moved since the last report and still remain the same.

The following chart illustrates the divisional service forecast variances within Health, Wellbeing and Adults:

Divisional View of Health, Wellbeing & Adults Forecasts



4.3 Gateway & Housing

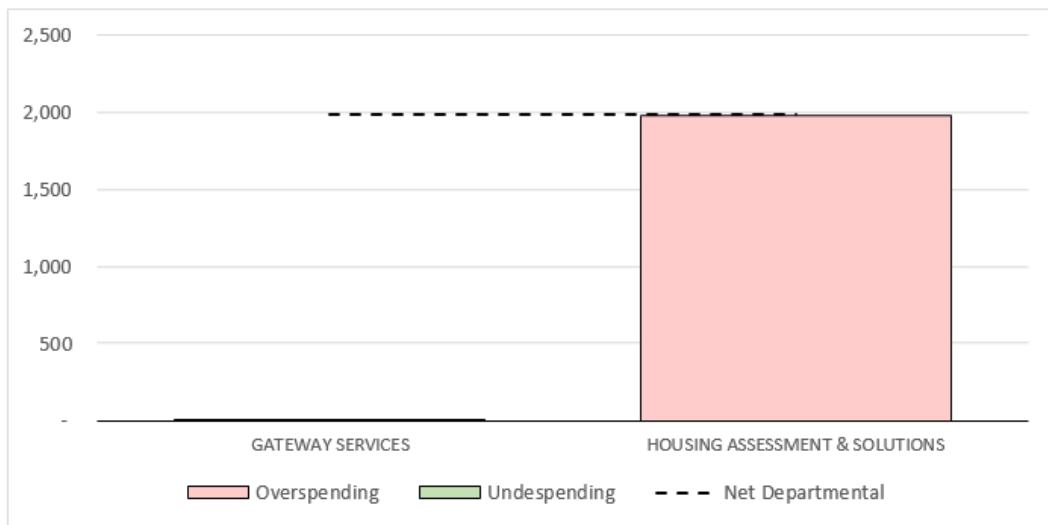
Housing Directorate is forecasting an overspend of £1.988m. This is an adverse movement of £0.010m to the projection reported at Month 4.

The main cause of this movement relates to cost and demand increases within the Emergency and Temporary Accommodation services. Demand for Emergency Accommodation is assumed to increase due to the negative economic after effects of Covid-19. Furthermore, this is also likely to impact the need to maintain a sufficient level of bad debt provision to cover risks of non-payment of outstanding rents.

Furthermore the service has identified £0.130m of other risk relating to potential further temporary accommodation pressures emerging. Further work will be done to ensure the bad debt risks are minimised and that risk does not materialise.

The following chart illustrates the divisional forecasts within the department:

Divisional View of Gateway and Housing Forecasts



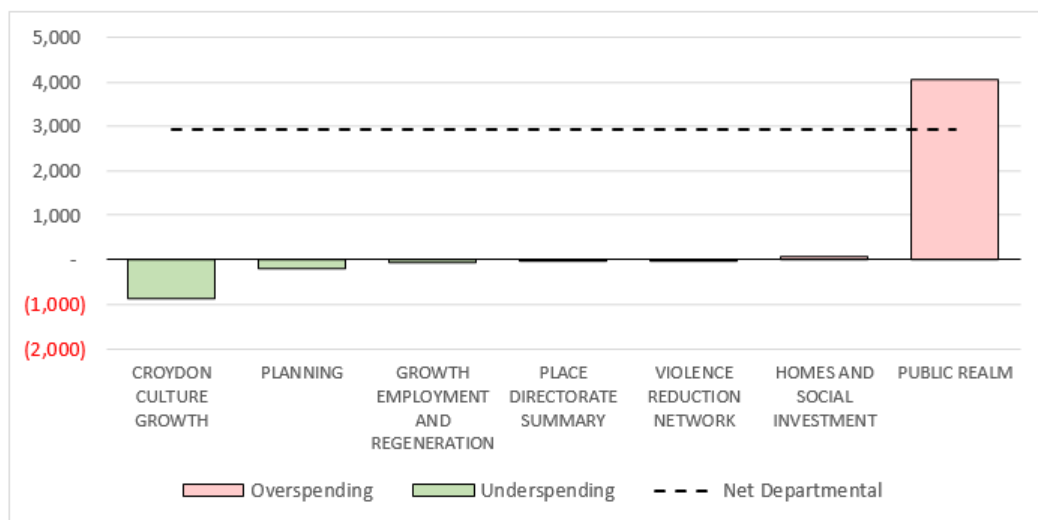
4.4 Place

The Place directorate is forecasting a net overspend of £2.930m (£3.437m at Month 4) – a reduction of £0.507m. The pressures continue to be around Highways, SEN Transport and Environmental services.

In addition to the forecasted overspend the Place directorate, as indicated in Table 2a and 2b, have provided for additional risks due to non-delivery of MTFS savings of £0.874m and £2.900m for other risks. Non delivery of MTFS savings relate to the fall in P&D parking income, and risks have been identified mainly around the level of penalty charge notices.

The following chart illustrates the nature of the overall Place Department forecast position by Division:

Divisional View of Place Forecasts



4.5 Resources

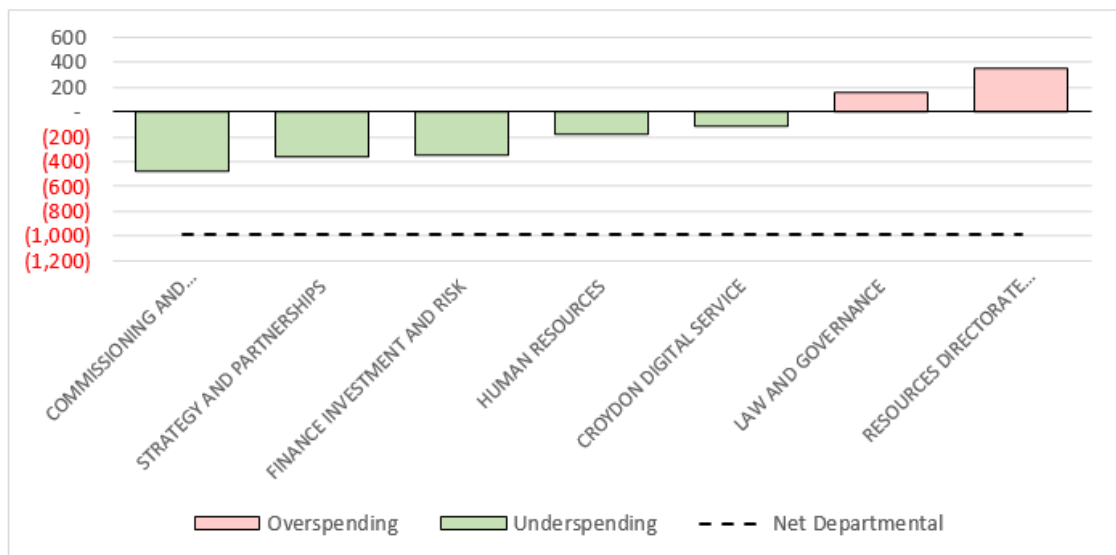
The Resources directorate is forecasting a slightly improved underspend position of £0.985m (overspend £0.066m in Month 4). This is a net position after factoring all budgeted income and expenditure within the directorate.

The main reasons for this underspend relate to better than projected collection of court cost income in relation to Revenue & Benefits activities and various staffing related underspends. Main causes of staff related underspends are for vacancies not being filled.

Further work on unquantified risks that had been identified is ongoing and whilst they may still materialize work is ongoing to try and work to mitigate these as we progress through the financial year.

The following illustrates the split of the overall departmental forecast at a divisional level:

Divisional View of Resources Forecasts



4.6 Corporate

The Council received a non-fenced grant of £11.250m from Central Government in relation to additional costs that may be incurred in the current financial year as a result of Covid 19 and was announced in the December Local Government Finance Settlement. Any costs incurred by departments are expected to be met from existing service budgets and the grant is available to meet any additional service costs over expenditure. Where practicable additional costs including lost income arising from Covid will be identified and reported separately in future reports. The forecast General Fund variance of £3.365m is currently offset by utilizing £3.451m of this grant.

4.7 The cost of financing the capital programme is retained corporately, this is still being reviewed and an updated position will be provided in Month 6, however we do not anticipate any pressures to arise from these budgets.

4.8 Table 4 below summaries the overall positions

Table 4 – Summary – Month 5 with Month 4 Comparator

	Month 5	Month 4	Variance
	(£,000's)	(£,000's)	(£,000's)
Table 1 - Forecast	(86)	291	(378)
Table 2a - MTFs Savings Risk	1,408	1,897	(489)
Table 2b - Quantifiable Risks	6,492	9,456	(2,964)
Table 3 - Quantifiable Opportunities	(11,435)	(10,639)	(796)
Total	(3,622)	1,005	(4,627)

5 Housing Revenue Account (HRA)

- 5.1 Table 4 provides a summary of the HRA Month 5 monitor, which is currently indicating a £0.742m overspend (Month 4 £0.696m). The HRA is a self-financing ring-fenced account and will need to ensure it remains within the resources available, taking into account levels of HRA reserves. The improvement from the month 3 forecast is due to the fact that there are a number of service that have identified further underspends in the main due to staff costs and legal fees.
- 5.2 The Service Finance team are currently working on the HRA business plan that takes a 30 year forward look and this will be presented to Cabinet in October 2021.
- 5.3 The forecast overspend reported in Table 5 can be contained within HRA reserves provisionally forecast at £27.6m as at 31st March 2021.

Table 5 – Housing Revenue Account (HRA) at Month 5

SERVICES	Projected Variance For Month 5	Variance For Previous Month 4	Change From Previous Month	Explanation of Variations
	£'000	£'000	£'000	
Responsive Repairs	772	778	(6)	Increase in average costs due to state of repair when vacated & the delayed prior years repairs
Asset Management & Involvement	(382)	(375)	(7)	Vacancies within the service
Homes & Schools Improvement	(262)	(295)	33	Vacancies within the service
Regeneration Growth	(233)	(273)	40	Vacancies within the service
Neighbourhood Operations	(122)	(122)	0	Vacancies within the service
Housing Renewal	(19)	(19)	0	Lower demand in home safety equipment
Housing Solutions	209	209	0	Overspend on costs combined with a high level of voids based on 20/21 outturn
Service Development	(100)	(123)	23	Legal commitments increase is offset by other departmental underspend
Income & Lettings	119	137	(18)	Charges that are incurred when tenants make payment using debit/credit cards & at local points. £50k - Income budget no longer achievable
Neighbourhood & Tenancy Service	123	147	(24)	Commitments have been reviewed & released
Emergency Accommodation	0	7	(7)	0
Leaseholder Services	60	53	7	Increase in Leaseholder's premium for 2021-22
Garage and Commercial Properties	250	245	5	Loss of garage income due to voids & loss of court income
Directorate & Centralised costs	327	327	0	Unbudgeted Executive Director/Corporate Director posts plus support costs
Total HRA	742	696	46	

6 Capital Programme as Month 5

- 6.1 The General Fund and HRA capital programmes have currently spent a gross £13.948m to the end of the fifth month against approved budgets of £321.897m. Forecast spend is £284.998m resulting in a forecast variance of £36.89m, all in the General Fund. Actuals to date are still impacted by accruals brought forward from 2020/21 which have yet to be invoiced and do not take into account accruals for works so far completed.
- 6.2 The table below summarises the capital spend to date by department with further details of individual schemes provided in Appendix 2.

Table 6 – Capital Programme

Department	Revised Budget 2021/22 (incl. approved slippage from 2020/21)	Actuals 2021/22 as Month 5	Forecasts 2021/22 as Month 5	Variance
	£'000	£'000	£'000	£'000
Adult Social Care and Health	788	4	788	0
Housing	7,422	65	7,529	107
Children, Families and Education	26,078	5,505	16,594	(9,484)
Place	78,055	2,240	56,132	(21,923)
Resources	26,345	421	20,746	(5,599)
General Fund Total	138,688	8,235	101,789	(36,899)
Housing Revenue Account	183,209	5,713	183,209	0
LBC CAPITAL PROGRAMME TOTAL	321,897	13,948	284,998	(36,899)

- 6.3 Further work will be done over the coming months to review the budget provision for 21/22 and the review will focus on ensuring the capital budgets are properly profiled to reflect the actual delivery of various projects. This work will include the reflection of 20/21 slippage and will be reported to a future meeting of the cabinet for approval.

7 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 7.1 Finance comments have been provided throughout this report.

Approved by Richard Ennis, Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive)

8 LEGAL CONSIDERATIONS

- 8.1 The Council is under a statutory duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.

- 8.2 The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council's Chief Finance Officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets as set out in this report
- 8.3 The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report also complies with that legal duty.

Approved by Doutimi Aseh, Director of Law and Governance & Deputy Monitoring Officer (interim)

9 HUMAN RESOURCES IMPACT

- 9.1 There are no immediate workforce implications as a result of the recommendations in this report. Any mitigation on budget implications that may have effect on direct staffing will be managed in accordance with relevant human resources policies and where necessary consultation with recognised trade unions.

Approved by: Gillian Bevan, Head of Human Resources

10 EQUALITIES IMPACT

- 10.1 There are no specific equalities issues set out in this report.
- 10.2 In setting the Council's budget for 2021/22, all savings proposals were required to complete an Equality Impact Assessment. As Officers deliver against the approved budget, including the savings within it, they will continue to monitor for any unanticipated equality impacts.

Approved by: Gavin Handford, Director of Policy & Partnership

11 ENVIRONMENTAL IMPACT

- 11.1 There are no specific environmental impacts set out in this report

12 CRIME AND DISORDER REDUCTION IMPACT

- 12.1 There are no specific crime and disorder impacts set out in this report

13 DATA PROTECTION IMPLICATIONS

13.1 There are no specific data protection impacts set out in this report

CONTACT OFFICER: Nish Popat, Interim Head of Corporate Finance

APPENDICES: Appendix 1 – Service Budgets and Forecasts
Month 5
Appendix 2 – Capital Programme Month 5
Appendix 3 – Period 4 Financial Performance
Report
Appendix 4 – Service Budgets and Forecasts
Month 4
Appendix 5 – Capital Programme Month 4

BACKGROUND DOCUMENTS: None

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SERVICE BUDGETS AND FORECASTS MONTH 5

	Approved Budget (£,000's)	Current Actuals (£,000's)	(%age) (%age)	Full-Yr Forecast (£,000's)	Projected Variance (£,000's)
C1410P : ADULT SOCIAL CARE AND ALL-AGE DISABILITY	122,347	40,999	0	122,188	(159)
C1415P : INTEGRATION AND INNOVATION	1,803	(2,255)	(1)	1,802	(1)
C1662P : PUBLIC HEALTH	-	(1,647)	-	-	-
TOTAL HWA	124,150	37,097	0	123,990	(160)
C1250P : GATEWAY SERVICES	23,047	7,868	0	23,054	7
C1420P - Housing Assessment & Solutions	5,979	(3,236)	(1)	7,961	1,982
TOTAL GATEWAY AND HOUSING	29,026	4,632	(0)	31,014	1,988
C1120P : PLANNING	896	633	1	694	(202)
C1160P : GROWTH EMPLOYMENT AND REGENERATION	1,454	4,059	3	1,390	(64)
C1114P : CROYDON CULTURE GROWTH	11,213	1,143	0	10,355	(858)
C1110P : PUBLIC REALM	36,346	25,238	1	40,389	4,043
C1130P : VIOLENCE REDUCTION NETWORK	1,931	460	0	1,903	(28)
C1100P : PLACE DIRECTORATE SUMMARY	(167)	510	(3)	(207)	(40)
C1116P : CROYDON GROWTH FUND	40	156	4	40	-
C1150P : HOMES AND SOCIAL INVESTMENT	10,105	3,035	0	10,184	79
C1140P : PLACE HOLDING AND SUSPENSE ACCOUNTS	-	(143)	-	-	-
C1115P : DEVELOPMENT	-	18	-	-	-
C1135P : PLACE BALANCE SHEET SUMMARY	-	0	-	-	-
TOTAL PLACE	61,818	35,110	6	64,748	2,930
C1245P : CHILDREN, FAMILIES AND EDUCATION DIRECTORATE SUMMARY	10,732	364	0	10,732	-
C1205P : QUALITY, PERFORMANCE AND IMPROVEMENT	428	473	1	153	(275)
C1210P : CHILDREN'S SOCIAL CARE DIRECTORATE (exc UASC)	82,218	22,572	0	80,836	(1,382)
C1210P : CHILDREN'S SOCIAL CARE - UASC only	795	4,888	6	2,121	1,326
C1220P : EDUCATION CLOSED SCHOOL	12,087	19,302	2	12,010	(77)
TOTAL CHILDRENS, FAMILIES AND EDUCATION	106,260	47,599	9	105,852	(408)

C1900P : STRATEGY AND PARTNERSHIPS	3,578	1,889	1	3,215	(363)
C1610P : DIRECTOR OF COMMISSIONING AND PROCUREMENT	8,082	(1,855)	(0)	7,608	(474)
C1620P : DIRECTOR OF HUMAN RESOURCES	191	2,699	14	10	(181)
C1655P : RESOURCES DIRECTORATE SUMMARY	(173)	(12,058)	70	181	354
C1665P : DIRECTOR OF FINANCE INVESTMENT AND RISK	10,885	73,046	7	10,531	(354)
C1670P : CROYDON DIGITAL SERVICE	406	6,696	16	286	(120)
C1675P : DIRECTOR OF LAW AND GOVERNANCE	7,147	2,558	0	7,300	153
C1605P : DIRECTOR OF FM AND SUPPORT SERVICES	258	-	-	258	-
C1650P : RESOURCES SUSPENSE AND HOLDING ACCOUNTS	-	1,155	-	-	-
TOTAL RESOURCES	30,374	74,132	108	29,389	(985)

Capital Programme Month 5

CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 5 Scheme Name	Approved Budget 2021/22 (£,000's)	Actual to Date 2021/22 (£,000's)	Forecast for Year 2021/22 (£,000's)	Variance for Year 2021/22 (£,000's)
Adults ICT	284		284	-
Adult Social Care Provision	4	4	4	-
Provider Services - Extra Care	500		500	-
Adults Health and Social Care Sub Total	788	4	788	0
Disabled Facilities Grant	4,373	338	4,373	-
Empty Homes Grants	400	297	400	-
Bereavement Services	1,711	24	1,818	107
Sheltered Housing	938		938	-
Gateway and Housing Sub Total	7,422	65	7,529	107
Education – Fire Safety Works	2,057		1,052	(1,005)
Education - Fixed Term Expansions	2,124	207	368	(1,756)
Education - Major Maintenance	7,523	1,006	2,945	(4,578)
Education - Miscellaneous	821	96	366	(455)
Education - Permanent Expansion	403	117	425	22
Education - Secondary Estate	134	36	88	(46)
Education - SEN	13,016	4,043	11,350	(1,666)
Children, Families and Education Sub Total	26,078	5,505	16,594	(9,484)
Allotments	309		309	-
Asset management ICT database	-		-	-
Brick by Brick programme	20,000		10,000	(10,000)
CALAT Transformtion	396	1	-	(396)
Community Ward Budgets	1,616		1,616	-
Devolution initiatives	-		-	-
Electric Vehicle Charging Points	1,700		-	(1,700)
Feasibility Fund	505	13	200	(305)
Fieldway Cluster (Timebridge Community Centre)	3,023	114	3,023	-
Growth Zone	8,210	265	4,000	(4,210)
Grounds Maintenance Insourced Equipment	1,200		1,200	-

Highways - maintenance programme	17,531	2,061	12,340	(5,191)
Highways - maintenance programme (staff recharges)	567		567	-
Highways – flood water management	286	85	1,076	790
Highways – bridges and highways structures	141	198	1,139	998
Highways - Tree works	-	7	-	-
Measures to mitigate travellers in parks and open spaces	73		73	-
Leisure centres equipment upgrade	628	7	596	- 32
Libraries Investment - General	1,914	14	1,914	-
Libraries investment – South Norwood library	512		512	-
Museum Archives	100		100	-
Neighbourhood Support Safety Measures	50		50	-
New Addington wellbeing centre	979		-	(979)
Parking	3,401		4,305	904
Park Life	381		-	(381)
Play Equipment	1,522		1,522	-
Safety - digital upgrade of CCTV	1,559		1,559	-
Section 106 Schemes	4,674	13	4,674	-
SEN Transport	1,289	-	1,289	-
Signage	137		137	-
South Norwood & Kenley Good Growth	5	29	502	497
Sustainability Programme	625		-	(625)
TFL - LIP	392	567	392	-
Unsuitable Housing Fund	14		14	-
Walking and cycling strategy	-		875	875
Waste and Recycling Investment	3,116		1,558	(1,558)
Waste and Recycling – Don't Mess with Croydon	1,358		590	(768)
Schemes with completion date prior to 2020/21	158		-	158
Place Sub Total	78,055	2,240	56,132	(21,923)
Asset Strategy - Stubbs Mead	3,298		700	(2,598)
Asset Strategy Programme	770		405	(365)

Asset Acquisition Fund	415		-	(415)
Clocktower Chillers	462		462	-
Corporate Property Programme	4,248	39	2,000	(2,248)
Crossfield (relocation of CES)	146	8	-	146
Emergency Generator (Data Centre)	-		-	-
Finance and HR system	598	111	433	(165)
ICT Refresh & Transformation	9,185	153	9,185	-
People ICT	7,515	108	7,421	(94)
Uniform ICT Upgrade	-	2	140	140
MHCLG Code Sharing Project	-	-	-	-
Resources Sub Total	26,345	421	20,746	(5,599)

NET GENERAL FUND TOTAL	138,688	8,235	101,789	(36,899)
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Asset management ICT database	155	65	155	-
Fire safety programme	5,555	200	5,555	-
Larger Homes	1,339		1,339	-
Major Repairs and Improvements Programme	35,306	5,391	35,306	-
Affordable Housing Programme	31,932	14	31,932	-
BBB Properties part funded by GLA and HRA RTB	108,120		108,120	-
Special Transfer Payments	802	43	802	-
HOUSING NET REVENUE ACCOUNT TOTAL	183,209	5,713	183,209	-

TOTAL CAPITAL PROGRAMME	321,897	13,948	284,998	(36,899)
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REPORT TO:	ELT 7 September 2021
SUBJECT:	Financial Performance Report – Month 4 (July 2021)
LEAD OFFICER:	Richard Ennis, Interim Director of Finance , Investment and Risk (S151 Officer)
SUMMARY OF REPORT:	
<p>This report provides the Council’s annual forecast as at Month 4 (July 2021) for the Council’s General Fund (GF), Housing Revenue Account (HRA) and the capital programme. The report forms part of the Council’s financial management process of publically reporting financial performance against its budgets on a monthly basis.</p>	
FINANCIAL IMPACT	
<p>The Month 4 position is currently indicating a net overspend of £0.291m against budget – this represents a £0.271m adverse movement against the Period 3 forecast. This is before taking into account further risks and risk mitigations. In total, £11.353m (Month 3 £10.626m) of further risks (of which £1.897m relates to approved savings risks) are identified against which £9.456m (Month 3 £8.748m) of potential opportunities are identified and set out in the body of the report. Section 3 details these risks and risk mitigations and further discusses the impact on the General Fund if these were to materialise.</p> <p>The HRA is indicating an overspend of £0.696m (Month 3 £0.802m) against budget. This overspend is further detailed within Section 5 of the report.</p>	

1. RECOMMENDATIONS

- 1.1 ELT are asked to note the General Fund is projecting a net adverse movement of £0.271m from Period 3. Service departments are indicating a £3.742m overspend (Month 3 £3.471m) with this being netted of as in the past three months against release of a one off Covid Grant (£3.451m) confirmed to Croydon Council for 21/22 by MHCLG as part of the Local Government Finance Settlement;
- 1.2 Note that a further number of risks and compensating opportunities may materialise which would see the forecast year-end variance change and these are reported within Section 3 of this report. Should these risks materialise or the mitigations not be effective the Council could overspend by £1.005m (Month 3 £2.847m);
- 1.3 Note the Housing Revenue Account (HRA) is projecting a £0.696m (Month 3 £0.802m) overspend for 2021/22. If no further mitigations are found to reduce this overspend the HRA will need to drawdown reserves from HRA balances which at the moment there are sufficient balances to cover this;

- 1.4 Note the capital spend to date for the General Fund of £4.132m (against a budget of £138.688m) and for the HRA of £5.037m (against a budget of £183.209m), with a projected forecast variance of £27.407m on the general fund against budget and nil forecast variance against budget for the general fund;
- 1.5 Note, the above figures are predicated on forecasts from Month 4 to the year end and therefore could be subject to change as forecasts are refined and new and updated information is provided on a monthly basis. Forecasts are made based on the best available information at this time; and
- 1.6 Note that whilst the Section 114 notice has formally been lifted, the internal controls established as part of the S114, such as the Spend Control Panel remain. However, restrictions have been lifted for ring-fenced accounts such as the Pensions Fund, Housing Revenue Account and Coroner's Costs as these do not directly impact on the financial position of the General Fund. The Spending Control Panel which was set up at the beginning of November 2020 continues to meet on a twice daily basis.

2. EXECUTIVE SUMMARY

- 2.1. This reports sets out the Council's current General Fund revenue budget projected outturn for the full year as at Month 4, July 2021.
- 2.2. The forecast General Fund revenue forecast has worsened by £0.271m from an overspend of £0.020m in Month 3. As would be expected, the identification of options to mitigate these service overspends tend to follow from the identification of pressures and it is expected and required that services formulate plans to address these overspends over the coming month.
- 2.3. Further risks and opportunities not yet sufficiently developed to be included in the forecast itself of a net £0.714m have been identified (risks £11.353m and opportunities of £10.369m) if all materialising would increase the forecast overspend to £1.005m, without further drawdown of covid grant related reserves.
- 2.4. The Housing Revenue Account is forecasting an overspend of £0.696m (a reduction of £0.106m on the Month 3 forecast of £0.802m). This projected variance impacts on HRA balances rather than GF reserves.
- 2.5. The capital programme for both the General Fund and HRA is reporting a spend to date of £9.169m against overall budget of £321.897m, with a forecast underspend of £27.407m.
- 2.6. The Financial Performance Report (FPR) which will continue to be presented to each Cabinet meeting provides a detailed breakdown of the Council's financial position and the challenges it faces. It covers the GF, HRA and capital programme and ensures there is transparency in our financial position, enables scrutiny by both members and the public, and offers reassurance as

regards the commitment by chief officers to more effective financial management and disciplines.

- 2.7. The 2020/21 financial year was a very difficult year for the Council. The former Director for Finance, Risk and Insurance (Section 151 Officer) had to issue the Council's very first S114 notice in November 2020.
- 2.8. A further S114 notice was issued on the 2 December 2020 as the Council continued to have an unbalance budget. Since 8th March 2021 the S114 notice has been lifted as the Council received confirmation of a Capitalisation Direction from MHCLG of up to £70m for 2020/21 and £50m for 2021/22.
- 2.9. The Council has had the benefit of a number of recommendations from various stakeholders and scrutiny panels such as the external auditor's Report in the Public Interest. These recommendations have been taken on board and the Croydon Renewal Plan has been developed which will over the medium term financial strategy period restore the Council's finances to balance and develop a more effective system of internal control.
- 2.10. This report forms part of the reporting framework on the delivery of the Croydon Renewal Plan by ensuring the delivery of the council's budget is reported monthly and transparently.
- 2.11. The Council is still working with the external auditors on finalising the 2019/20 audit of accounts however the 20/21 Outturn has now been presented to Cabinet on 12th July 2021 based around their findings and the accounts have also been published for 20/21.

3. FINANCIAL POSITION

- 3.1. The FPR shows that the Council is forecast to have a General Fund net overspend variance of £0.291m (after drawing down on £3.451m of covid-related grant reserves) – an improvement of £0.563m on the net forecast reported at Month 2 (before additional risks and mitigations), whilst the HRA is projecting a £0.802m overspend before risks mitigations. The current financial forecast is based on the known position at the time of writing this report. It is important that cabinet is aware of the much higher profile that the process has within the Council with iterations of the report going through a range of formal officer meetings including directorate meetings, Executive Leadership team and informal meetings with lead members.
- 3.2. Work is ongoing in departments to review the forecast position for each area and MTFs savings and risks to reduce any overspends and identify further options to mitigate these. Further details and options identified will form part of the monthly Finance Performance Reports.
- 3.3. In 2020/21 the monitoring forecasts presented details of Covid funding that the Council had received from Central Government, however the Government has not provided any further indication that it seeks to continue to fund Local

Government in relation to Covid pressures and thus this section has been removed from 2021/22.

3.4. A detailed review of the Corporate Budgets is also being carried out that will feed into the MTFs and also inform any opportunities that may arise as a result of the review. This will be further detailed within the period 6 report.

3.5. The position of the General Fund is shown below in Table 1.

Table 1 – Month 3 Projection per Directorate

	Month 4	Month 3			
	Forecast Variance	Forecast Variance From Previous month	Change from previous month	Savings Non-Delivery	Other Pressures
	(£,000's)		(£,000's)	(£,000's)	(£,000's)
Children, Families and Education	(558)	(554)	(4)	-	(558)
Adults, Health and Social Care	(195)	(187)	(8)	-	(195)
Gateway & Housing	1,978	1,675	303	-	1,978
Place	3,437	3,451	(14)	-	3,437
Resources	(920)	(914)	(6)	-	(920)
Departmental Total	3,742	3,471	271	-	3,742
Corporate	(3,451)	(3,451)	-	-	(3,451)
Total General Fund	291	20	271	-	291

3.6. Net overspends and underspends within the services budgets are presented as forecast variance (as per Table 1), and are additionally classified as either non-delivery of agreed savings or other pressures. Non-delivery of savings relates to non-achievement of the approved MTFs savings whilst other pressures are as a result of new and external pressures not previously provided for within the Council's 21/22 Budget. Further explanations of these overspends are provided within Section 4 of this report.

3.7 The main areas of movement from Month 3 are as follows:

- Adults, Health and Social Care £0.008m **favourable** movement due to department being able to manage and mitigate the Transitions service overspend;

- Place £0.014m **favourable** minor movement mainly due to reduced Library services expenditure and additional income received from British Library;
- Resources £0.006m **favourable** movement, principally related to staffing savings / vacancies not being filled.
- Housing and Gateway £0.303m **adverse** movement, pressures on homelessness budgets due to increased cases and increases in bad debt provisions.
- Children's Families and Education £0.004m **favourable** movement due to staff vacancies.

Further details can be found in section 4 of this report.

Risks and Risk mitigations

- 3.8 As mentioned within paragraph 3.1 the forecast has been reported excluding further potential risks and risk mitigations. Risks and Risk mitigations are split into quantified and unquantified items.
- 3.9 As with the forecast set out in Table 1 risks are separately reported for those elements that relate to potential under-delivery of approved savings, and those that are new and not directly related to agreed savings plans.
- 3.10 Table 2a below provides for details of MTFs savings at risk with a brief commentary of the projects that are at risk of delivery and Table 2b provides a list of quantified and unquantified other risks. The savings are subject to a separate assurance process involving both the Chief executive and the Section 151 officer meeting with the directorates and the director of policy and programmes, the most recent of these was in early July. This identifies savings at risk and mitigations for both the current and future years. Where risks are quantified currently, these are based on high level information and departmental experiences of the service. At this stage, services are sufficiently confident in being able to manage or mitigate these risks that they are not included as part of the present forecast year-end position. However, the figure has been provided to indicate to Cabinet the likely financial impact on the budget and therefore the need to take action to deal with the risk should they materialise.

Table 2a – MTFS Savings Risk

MTFS Savings Ref	MTFS Savings Description	Savings at risk	Savings at risk	Change From Prior Month
		(£,000's)	(£,000's)	(£,000's)
CFE Sav 07	Improve Practice System Efficiency	1,065	1,065	0
CFE Sav 09	Review Children's Centres Delivery Model	0	237	(237)
CFE Sav 10	Additional Education Savings	15	15	0
Children, Families and Education Total		1,080	1,317	(237)
Adults, Health and Social Care Total		0	0	0
HWA Sav 17	PLAN B Contact centre and Access Croydon: Reduction in line management	0	23	(23)
HWA Sav 21	C13767 - Reduction in Welfare Rights (PLAN B - deletion of service)	0	73	(73)
Gateway & Housing Total		0	96	(96)
PLA Sav 08	Public Protection and Licensing Highways & Parking Services merger	50	50	0
PLA Sav 13	Public Protection and Licensing - Discontinue providing a night time noise service.	13	13	0
PLA Sav 24	Parking charges increase 30p/30min	754	754	0
Place Total		817	817	0
Resources Total		0	0	0
Total Savings at Risk		1,897	2,229	(237)

Data above taken from Savings Tracker 23rd August 2021

3.11 Table 2a indicates that there are potential £1.897m worth of savings (£2.229m in Month 3) that may not be achieved, however services are currently carrying out further work to ensure these can be delivered or otherwise mitigated. So far no specific mitigations have been fully identified. Directorates are working up proposals to bring these savings at risk back on track.

3.12 Future FPR reports will update progress on these savings at risk. If these savings are deemed to be definitely non-deliverable they will be factored into

the monthly forecast and incorporated into the forecast outturn position provided in Table 1. The services have been instructed to find mitigations for all savings that cannot be delivered to meet their budgetary total per directorate.

- 3.13 Section 4 gives details of all the movements between month 3 and month 4 and identifies and movements in delivery of MTFs savings, risks and mitigating items that are factored into the forecast assumptions.

Table 2b – Other quantifiable and unquantifiable risks

Quantified Risks	£'000	£'000	Details of Risk
	P4	P3	
Children, Families and Education	4,963	4,963	<p>£4,571k - Asylum Seekers (UASC)</p> <p>£232k - CSC Staffing Pressure</p> <p>£160k - Education service for schools (Covid impact on income generation)</p>
Adults, Health and Social Care	700	700	<p>£700k - Transitions - value of late prior year payments based on 20/21</p>
Gateway & Housing	533	500	<p>£500k - Demand for Emergency/Temporary Accommodation likely to increase.</p> <p>£33k Contact Centre Saving not achievable</p>
Place	2,130	1,500	<p>SEN Travel - £533k No Travel Training occurring currently and this could impact - current estimates are based on 10% of the overall £2m being at risk, and also the impact on the supplier relief programme of discounts on early payment being at risk.</p> <p>Parking income risks - £1m parking penalties at risk relating to notices issued and collection rates.</p> <p>£390k - SEN new routes introduced compared against P2 have increased by £39K, HOS describe this routes is temporary and so may not be fully realised throughout the year. If this became permanent then we would expect a £390k pressure for the rest of the year.</p> <p>£240k - Food Safety Team have an establishment gap budget, this has resulted in no recruitment to these roles and a pressure on the work they perform. This could result in action from the Food Standard Agency so needs to be carefully monitored maximum exposure if staff need to be recruited £240k.</p>

Resources	1,130	734	£730k - Legal Internal recharges income forecast is not matched by legal recharges expenditure in departments (currently £730k difference)
			£400k Insurance and Risk - forecast to budget on basis that schools income pressure can be mitigated by reduction in premiums and claims - risk is currently up to £400k
Total Quantified Risks	9,456	8,397	
Un-Quantified Risks			
Children, Families and Education			Children Social Care -Placement costs – validation of growth approved currently being completed
Adults, Health and Social Care			TBC - Impact of long Covid - not quantifiable at this stage
			TBC - Potential for further NHS funding for Covid depending on 3rd wave impact - not known at this stage
Housing & Gateway			Housing Additional unquantified risk related to landlord eviction ban being lifted at the end of May 2021 leading to a significant increase in demand for homeless services.
			<p>TBC - Potential DFG fees income pressure due to Covid as the service were unable to conduct adaptations 2020/21 - aiming to catchup all outstanding work in 21/22</p> <p>TBC - NRPF service is demand led so projected underspend could change</p>
Place			SEN PRESSURE - Some routes split due to Covid social distancing role, No Travel Training occurring over the last 12 months, this potentially has an impact of around £1million/year, Addington Valley Academy additional students, Single students attending schools, Changes to contractors providing services in year, due to performance issues.
			TBC - Waste Collection and Street Cleansing Contract - Income Risk to Commercial Waste Income Collection in 20/21 due to COVID & 21/22 - under commercial dialogue with Veolia
			TBC - Further commercial tenants are not able to pay rental income and will need to be written off, or will give notice on leases
Resources			None
Corporate			None

3.14 Table 3 provide a list of quantified and unquantified risk mitigations. These are potential risk mitigations that will require further assurance to be included within the forecast. Services managers have identified these as potential mitigations to the risks identified Tables 2a and 2b. Any additional risk mitigations also help the overall financial position of the Council as these would help generate a larger underspend that can be put away into reserves to support future MTFS gaps.

Table 3 - Quantifiable and unquantifiable risk mitigations

Quantified Opportunities	P4 £'000	P3 £'000	Details of Opportunities
Children, Families and Education	-	-	
Adults, Health and Social Care	(1,830)	-	The impact of health funding / Scheme 3 funding on care packages: (projected £830k)
			Scheme 3 HDP funding ceases on 30th September. Currently NHSE is taking views on the impact of this funding ending. We have input with SWLCCG requesting that funding continue to the end of the financial year : (projected £1,000k)
Gateway & Housing	(1,010)	-	Homelessness debt collection team currently protected from staff cuts - mitigate risk of debt costs (projected as £800k).
			Property acquisition coming into HRA portfolio will allow tenants in nightly paid accommodation to move onto Assured Shorthold Tenancies and reduce the impact of rising demand. This addresses the £210k of risk from homelessness demand shown but will be unlikely to impact the forecast as shown.
Place	-	-	
Resources	-	-	
Corporate	(7,799)	(7,799)	Potential reduced spend against the Covid Grant
Total Quantified Opportunities	(10,639)	(7,799)	

Un-Quantified Opportunities	P4 £'000	P3 £'000	Details of Opportunities
Children, Families and Education	-	-	TBC - Corporate distribution of contact inflation and staffing budget deficits for 0.75% 2020/21 pay award and pension employer contribution
	-	-	WIP - Placement costs – validation of growth approved

	-	-	currently being completed WIP - CSC establishment review coming to a conclusion and is expected to realise sufficient savings to mitigate against savings at risk due to delay in completion of the respective MTFS delivery plans WIP - Transformation funding approved for a number of MTFS savings programme projects
Adults, Health and Social Care	-	-	TBC - The impact of health funding / Scheme 3 funding on care packages
	-	-	TBC - Scheme (3) HDP funding ceases on 30th September. Currently NHSE is taking views on the impact of this funding ending. We have input with SWLCCG requesting that funding continue to the end of the financial year
	-	-	TBC - Leases – renegotiate the lease. Need to confirm the numbers due to expire this financial year TBC
Gateway & Housing	-	-	TBC - Property acquisition coming into HRA portfolio will allow tenants in nightly paid accommodation to move onto Assured Shorthold Tenancy
	-	-	TBC - Leases – renegotiate the lease. Need to confirm the numbers due to expire this financial year
	-	-	TBC - Review of under occupied tenancy
Place	-	-	
Resources	-	-	Revs and Benefits - Recharge to HRA for some Complaints costs to bring income to GF.
	-	-	TBC - Over-achievement of legal income budgets (although internal income would be matched by reduced forecasts costs in departments been charged)
Corporate			None
Total Un-Quantified Opportunities	-	-	

3.15 As at Month 4, if all risks and risk mitigations were to materialise, along with the forecast reported in Table 1 the General Fund would overspend by £1.005m. However, budget holders at this stage of the financial year tend to be over cautious in terms of identifying potential underspend whilst being more aware of budget pressures. The situation will be clarified as the year progresses and the monthly budget reports show more detail on the patterns of income and expenditure and the longer term impact of Covid on Council services becomes clearer. Service managers have been instructed to identify and implement mitigations to spend within their approved funding envelopes. As such compensating measures are developed the impact of the net risks is expected to decline. Successful examples of this are the positive variances in adult social care & Resources between months 2 and 3.

- 3.16 A number of the projected variances or risks relate to the continued impact of the Covid pandemic and would not be expected to continue for the whole year or over future years. In particular parking and traffic income continues to be affected for which part grant compensation is only receivable for the first quarter of 2021/22. Other pressures such as SEN costs (with no grant funding) have been impacted in delays in delivering travel training impacting on transport cost pressures.
- 3.17 There are however areas where budgets will need to be reviewed with a view to being rebased as they were not adjusted as part of the right sizing of budgets in the 2021/22 budget setting. Two significant areas that will need to be reviewed before budget setting in 2022/23 are SEN transport costs, and costs relating to Emergency and Temporary accommodation. Additional costs arising will need to be funded from within the existing Council wide budget envelope.

4 SERVICE VARIANCE DETAIL

4.1 Children, Families and Education (CFE)

The CFE directorate is forecasting a £0.558m underspend for Month 4 (favorable movement of £0.004m from Month 3). This is a net position after factoring all budgeted income and expenditure within the directorate.

The main cause of this underspend is due to the voluntary redundancy savings previously identified as mitigations now being included within the forecast. Furthermore the service has been carrying a number of other vacancies since the start of the financial year which is contributing towards a projected underspend.

Whilst the forecast is indicating an underspend the Directorate are indicating potential risks that could adversely impact on the forecast. Table 2a details MTFs savings, totaling £1.317m (£0.654m in Month 2), that are at risk of non-delivery. Furthermore, Table 2b indicates that there is a further £4.963m of other risks (£4.963m in Month 2) which could materialise through this financial year. There are no risk mitigations being projected (Month 2 £0.312m) as these have now been included within the forecast. The Directorate is undertaking a review of the UASC model and also discussions are being held with the Government to seek direct funding to support the USAC pressure.

Both MTFs risks and further risks have moved adversely by £0.663m due to reduced confidence in delivery of the operational efficiency saving project.

4.2 Adults, Health and Social Care

The HWA directorate are forecasting a small underspend of £0.195m (an improvement of £0.008m from Period 3).

Whilst the department is showing a slight underspend, table 2b identifies a further £0.700m of potential additional risks. The risks identified of £0.700m that

relate to transitions of children social care clients to adult services have not moved since the last report and still remain the same.

4.3 Gateway & Housing

Housing Directorate is forecasting an overspend of £1.978m. This is an adverse movement of £0.303m to the projection reported at Month 3.

The main cause of this movement relates to cost and demand increases within the Emergency and Temporary Accommodation services. Demand for Emergency Accommodation is assumed to increase due to the negative economic after effects of Covid-19. Furthermore, this is also likely to impact the need to maintain a sufficient level of bad debt provision to cover risks of non-payment of outstanding rents.

Gateway Services are forecasting a net £0.009m overspend, which is a £0.006m favourable movement in their position from Month 3. This is largely due to a change in the projected non-achievement of registrars' income due to Covid restrictions.

Furthermore the service has identified £0.533m of other risk within this portfolio relating to potential further temporary accommodation pressures emerging of £0.500m and £0.033m of potential contact centre savings that will not be achievable. Further work will be done to ensure the bad debt risks are minimised and that risk does not materialise.

4.4 Place

The Place directorate is forecasting a net overspend of £3.437m (£3.451m at Month 3) – a reduction of £0.014m. The pressures continue to be around Highways, SEN Transport and Environmental services.

In addition to the forecasted overspend the Place directorate, as indicated in Table 2a and 2b, have provided for additional risks due to non-delivery of MTFS savings of £0.817m and £2.130m for other risks. Non delivery of MTFS savings relate to the fall in P&D parking income, and risks have been identified around both SEN in relations to travel training which would lead to an increase/requirement to continue to provide transport and level of penalty charge notices.

4.5 Resources

The Resources directorate is forecasting a slightly improved underspend position of £0.920m (overspend £0.914m in Month 3). This is a net position after factoring all budgeted income and expenditure within the directorate.

The main reasons for this underspend relate to better than projected collection of court cost income in relation to Revenue & Benefits activities and various

staffing related underspends. Main causes of staff related underspends are for vacancies not being filled.

These movement in risks have been so far been identified but whilst they may still materialize work is ongoing to try and work to mitigate these as we progress through the financial year.

4.6 Corporate

The Council received a non-fenced grant of £11.250m from Central Government in relation to additional costs that may be incurred in the current financial year as a result of Covid 19 and was announced in the December Local Government Finance Settlement. Any costs incurred by departments are expected to be met from existing service budgets and the grant is available to meet any additional service costs over expenditure. Where practicable additional costs including lost income arising from Covid will be identified and reported separately in future reports. The forecast General Fund variance of £3.471m is currently offset by utilizing £3.451m of this grant.

4.7 The cost of financing the capital programme is retained corporately, this is still being reviewed and an updated position will be provided in Month 6, however we do not anticipate any pressures to arise from these budgets.

4.8 Table 4 below summaries the overall positions

Table 4 – Summary – Month 4 Position

Month 4	
	(£,000's)
Table 1 - Forecast	291
Table 2a - MTFS Savings Risk	1,897
Table 2b - Quantifiable Risks	9,456
Table 3 - Quantifiable Opportunities	(10,639)
Total	1,005

Housing Revenue Account (HRA)

4.9 Table 4 provides a summary of the HRA Month 4 monitor, which is currently indicating a £0.696m overspend (Month 3 £0.802m). The HRA is a self-financing ring-fenced account and will need to ensure it remains within the resources available, taking into account levels of HRA reserves. The improvement from the month 3 forecast is due to the fact that there are a number of service that have identified further underspends in the main due to staff costs and legal fees.

4.10 The Service Finance team are currently working on the HRA business plan that takes a 30 year forward look and this will be presented to Cabinet in October 2021.

4.11 The forecast overspend reported in Table 5 can be contained within HRA reserves provisionally forecast at £27.6m as at 31st March 2021.

Table 5 – Housing Revenue Account (HRA) at Month 4

SERVICES	Projected Variance For Month 4	Variance For Previous Month 3	Change From Previous Month	Explanation of Variations
	£'000	£'000	£'000	
Responsive Repairs	778	719	59	<p>£200k - Higher volume and value of gas repairs work</p> <p>£123k - Increase in average costs due to higher value voids, due to their condition when vacated.</p> <p>£603k - Additional spend due to high volume and value of Price per Property (PPP)exclusion works - these works are not covered under the PPP fixed costs</p> <p>£722k overspend relating to legal costs and disrepair compensation. - Around 120% increase forecasted against last year's outturn.</p> <p>(£126k) - Underspend expected against the Specialist work - involving non Axis contractors</p> <p>(£664k) - Staffing vacancies within the service, which are being held to offset divisional pressure</p> <p>(£80k) - Supplies & Services underspend mainly relating to staffs WFH.</p>
Asset Management & Involvement	(375)	(381)	6	<p>This area is being split and as new BM's have no access to the system yet this has been manually forecasted</p> <p>(£154k) - Vacancies & secondments not being covered</p> <p>(£219k) - Reduction in forecast on Legal Fees & Employee Recharges, and other minor savings</p>
Homes & Schools Improvement	(295)	(281)	(14)	<p>(£295k) - Staffing underspend due to vacancies and long term sick. Service also have supplies & services budget which have been released as staffs still working from home.</p>
Regeneration Growth	(273)	(273)	0	<p>(£273k) - A restructure targeting general fund savings has resulted in a disbanding of the whole team, including those posts funded by the HRA</p>
Neighbourhood Operations	(122)	(102)	(20)	<p>3 fte vacancies covers non budgeted shift allowance (on overtime code); reduction in forecasting on Supplies & Services Recharge - based on previous years</p>
Housing Renewal	(19)	(19)	0	<p>(£19k) - Under spend due to reflecting current years demand for home safety equipment</p>
Housing Solutions	209	207	2	<p>£252k - Concord, Sycamore & Windsor overspend on costs combined with a high level of voids based on 20/21 outturn</p>

				(£43k) - Housing Standards Team staffing variance (1 fte vacant)
People Centralised	0	0	0	
Service Development	(123)	(54)	0	(£54k) - Various Supplies & Services budgets released to offset pressure within service area. (£69k) – reduction in legal commitments
Income & Lettings	137	137	0	£133k - Unachievable income recharges £41k - Bank charges incurred when payments are made by debit/credit cards (£37k) offset by underspend of -£37k within supplies & services
Neighbourhood & Tenancy Service	147	258	(111)	£65k - Overtime for caretakers, due to week end work £110k - Security costs - CAYSH & Profile security services £29k - Ombudsman subscription £60k - Regina road expenses £42k – Bed and Breakfast charges (£159k) - Supplies & Services and resident involvement underspend
Emergency Accommodation	7	10	(3)	(£54k) - staffing variance (2 fte vacant) £18k - Consultancy - medical advice £43k - Membership and subscriptions - Home Connections
Leaseholder Services	53	30	23	£30k - increase on premises insurance
Tenants Income	0	0	0	
Garage and Commercial Properties	245	224	67	£27k - Rent allowance £20k - shortfall in other sources of income £121k - Garage rent loss through voids due to additional garage in a disrepair state being handed over by BBB £80k - Court costs income (£24k) - Minor Variation
Directorate & Centralised costs	327	327	0	£200k - Unbudgeted Executive Director / Corporate Director posts plus support costs for 10 months

				<p>£45k - Supernumerary Policy & Performance post to progress Housing Strategy for 9 months</p> <p>£82k - unbudgeted insurance cover for HRA excess liabilities historically charged to the general fund</p>
Total HRA	696	802	(106)	

5 Capital Programme as Month 4

- 5.1 The General Fund and HRA capital programmes have currently spent a gross £9.169m to the end of the fourth month against approved budgets of £321,897m. Forecast spend is £294.3490m resulting in a forecast variance of £27.4m. Actuals to date are still impacted by accruals brought forward from 2020/21 which have yet to be invoiced and do not take into account accruals for works so far completed.
- 5.2 The table below summarises the capital spend to date by department with further details of individual schemes provided in Appendix 5.

Table 6 – Capital Programme

Department	Revised Budget 2021/22 (including approved slippage from 2020/21)	Actuals 2021/22 as Month 4	Forecasts 2021/22 as Month 4	Variance
	£'000	£'000	£'000	£'000
Adult Social Care and Health	788	4	788	0
Housing	7,422	-129	7,529	107
Children, Families and Education	26,078	3,941	26,207	129
Place	78,055	15	56,011	-22,044
Resources	26,345	301	20,746	-5,599
General Fund Total	138,688	4,132	111,281	-27,407
Housing Revenue Account	183,209	5,037	183,209	0
LBC CAPITAL PROGRAMME TOTAL	321,897	9,169	294,490	-27,407

- 5.3 Further work will be done over the coming months to review the budget provision for 21/22 and the review will focus on ensuring the capital budgets are properly profiled to reflect the actual delivery of various projects. This work will include the reflection of 20/21 slippage and will be reported to a future meeting of the cabinet for approval.

6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

6.1 Finance comments have been provided throughout this report.

Approved by Richard Ennis, Interim Director of Finance, Investment and Risk
(S151 Officer)

7 LEGAL CONSIDERATIONS

7.1 The Council is under a statutory duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.

7.2 The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council's Chief Finance Officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets as set out in this report

7.3 The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report also complies with that legal duty.

8 HUMAN RESOURCES IMPACT

8.1 There are no immediate workforce implications as a result of the recommendations in this report. Any mitigation on budget implications that may have effect on direct staffing will be managed in accordance with relevant human resources policies and where necessary consultation with recognised trade unions.

9 EQUALITIES IMPACT

9.1 There are no specific equalities issues set out in this report.

9.2 In setting the Council's budget for 2021/22, all savings proposals were required to complete an Equality Impact Assessment. As Officers deliver against the approved budget, including the savings within it, they will continue to monitor for any unanticipated equality impacts.

10 ENVIRONMENTAL IMPACT

10.1 There are no specific environmental impacts set out in this report

11 CRIME AND DISORDER REDUCTION IMPACT

11.1 There are no specific crime and disorder impacts set out in this report

12 DATA PROTECTION IMPLICATIONS

12.1 There are no specific data protection impacts set out in this report

CONTACT OFFICER: Nish Popat, Interim Head of Corporate Finance

APPENDICES: Appendix 4 – Service Budgets and Forecasts
Month 4
Appendix 5 – Capital Programme Month 4

BACKGROUND DOCUMENTS: None

SERVICE BUDGETS AND FORECASTS MONTH 4

	Approved Budget (£,000's)	Current Actuals (£,000's)	(%age) (%age)	Full-Yr Forecast (£,000's)	Projected Variance (£,000's)
C1410P : ADULT SOCIAL CARE AND ALL-AGE DISABILITY	120,527	19,539	0	120,339	(188)
C1415P : INTEGRATION AND INNOVATION	3,334	905	0	3,327	(7)
C1662P : PUBLIC HEALTH	-	2,140	-	-	-
TOTAL HWA	123,861	22,584	0	123,666	(195)
C1250P : GATEWAY SERVICES	23,298	4,819	383%	23,307	9
C1420P - Housing Assessment & Solutions	5,728	(4,560)	-226%	7,697	1,969
TOTAL Gateway&Housing	29,026	259	2	31,004	1,978
C1120P : PLANNING	896	554	62%	864	(32)
C1160P : GROWTH EMPLOYMENT AND REGENERATION	1,454	3,445	237%	1,154	(300)
C1114P : CROYDON CULTURE GROWTH	11,213	901	8%	10,832	(381)
C1110P : PUBLIC REALM	36,346	11,016	30%	40,513	4,167
C1130P : VIOLENCE REDUCTION NETWORK	1,931	93	5%	1,875	(56)
C1100P : PLACE DIRECTORATE SUMMARY	(167)	429	-257%	(207)	(40)
C1116P : CROYDON GROWTH FUND	40	128	321%	40	-
C1150P : HOMES AND SOCIAL INVESTMENT	10,105	3,978	39%	10,184	79
C1140P : PLACE HOLDING AND SUSPENSE ACCOUNTS	-	(131)	0%	-	-
C1115P : DEVELOPMENT	-	15	0%	-	-
C1135P : PLACE BALANCE SHEET SUMMARY	-	0	0%	-	-
TOTAL PLACE	61,818	20,429	33%	65,255	3,437

C1245P : CHILDREN, FAMILIES AND EDUCATION DIRECTORATE SUMMARY	10,732	273	0	10,732	-
C1205P : QUALITY, PERFORMANCE AND IMPROVEMENT	428	370	1	145	(283)
C1210P : CHILDREN'S SOCIAL CARE DIRECTORATE (exc UASC)	80,585	16,992	0	80,406	(179)
C1210P : CHILDREN'S SOCIAL CARE - UASC only	738	4,262	6	738	0
C1220P : EDUCATION	14,069	13,829	1	13,972	(97)
TOTAL CHILDRENS, FAMILIES AND EDUCATION	106,552	35,726	8	105,994	(558)

C1900P : STRATEGY AND PARTNERSHIPS	3,578	1,645	0	3,295	(283)
C1610P : DIRECTOR OF COMMISSIONING AND PROCUREMENT	8,082	(2,737)	(0)	7,608	(474)
C1620P : DIRECTOR OF HUMAN RESOURCES	191	2,161	11	5	(186)
C1655P : RESOURCES DIRECTORATE SUMMARY	(173)	(12,130)	70	129	302
C1665P : DIRECTOR OF FINANCE INVESTMENT AND RISK	10,885	59,632	5	10,611	(274)
C1670P : CROYDON DIGITAL SERVICE	406	5,596	14	251	(155)
C1675P : DIRECTOR OF LAW AND GOVERNANCE	7,147	2,388	0	7,297	150
C1605P : DIRECTOR OF FM AND SUPPORT SERVICES	258	-	-	258	-
C1650P : RESOURCES SUSPENSE AND HOLDING ACCOUNTS	-	1,020	-	-	-
TOTAL RESOURCES	30,374	57,574	101	29,454	(920)

Appendix 5

CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 4	Approved Budget	Actual to Date	Forecast for Year	Variance for Year
Scheme Name	2021/22	2021/22	2021/22	2021/22
	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Adults ICT	284	-	284	-
Adult Social Care Provision	4	4	4	-
Provider Services - Extra Care	500		500	-
Adults Health and Social Care Sub Total	788	4	788	-
Disabled Facilities Grant	4,373	154	4,373	-
Empty Homes Grants	400	307	400	-
Bereavement Services	1,711	24	1,818	107
Sheltered Housing	938		938	-
Gateway and Housing Sub Total	7,422	129	7,529	107
Education – Fire Safety Works	2,057		1,052	(1,005)
Education - Fixed Term Expansions	2,124	202	2,600	476
Education - Major Maintenance	7,523	653	8,761	1,238
Education - Miscellaneous	821	96	366	(455)
Education - Permanent Expansion	403	80	410	7
Education - Secondary Estate	134	34	87	(47)
Education - SEN	13,016	2,876	12,931	(85)
Children, Families and Education Sub Total	26,078	3,941	26,207	129
Allotments	309		309	0
Brick by Brick programme	20,000		10,000	(10,000)
CALAT Transformtion	396		-	(396)

Appendix 5

Community Ward Budgets	1,616		1,616	0
Electric Vehicle Charging Points	1,700		-	(1,700)
Feasibility Fund	505	13	200	(305)
Fieldway Cluster (Timebridge Community Centre)	3,023	2	3,023	0
Growth Zone	8,210	264	4,000	(4,210)
Grounds Maintenance Insourced Equipment	1,200		1,200	0
Highways - maintenance programme	17,531	632	12,340	(5,191)
Highways - maintenance programme (staff recharges)	567		567	0
Highways – flood water management	286	2	1,076	790
Highways – bridges and highways structures	141	55	1,139	998
Highways - Tree works	-	7	-	0
Measures to mitigate travellers in parks and open spaces	73		73	0
Leisure centres equipment upgrade	628	7	596	(32)
Libraries Investment - General	1,914	7	1,914	0
Libraries investment – South Norwood library	512		512	0
Museum Archives	100		100	0
Neighbourhood Support Safety Measures	50		50	0
New Addington wellbeing centre	979		-	(979)
Parking	3,401		4,305	904
Park Life	381		381	0
Play Equipment	1,522		1,522	0
Safety - digital upgrade of CCTV	1,559		1,559	0
Section 106 Schemes	4,674	12	4,674	0
SEN Transport	1,289		1,289	0
Signage	137		137	0

Appendix 5

South Norwood & Kenley Good Growth	5	29	-	(5)
Sustainability Programme	625		-	(625)
TFL - LIP	392	1,015	392	0
Unsuitable Housing Fund	14		14	0
Walking and cycling strategy	-		875	875
Waste and Recycling Investment	3,116		1,558	(1,558)
Waste and Recycling – Don't Mess with Croydon	1,358		590	(768)
Schemes with completion date prior to 2020/21	(158)		-	158
Place Sub Total	78,055	15	56,011	(22,044)
Asset Strategy - Stubbs Mead	3,298		700	(2,598)
Asset Strategy Programme	770		405	(365)
Asset Acquisition Fund	415		-	(415)
Clocktower Chillers	462		462	0
Corporate Property Programme	4,248	38	2,000	(2,248)
Crossfield (relocation of CES)	(146)	8	-	146
Finance and HR system	598	111	433	(165)
ICT Refresh & Transformation	9,185	129	9,185	0
People ICT	7,515	13	7,421	(94)
Uniform ICT Upgrade	-	2	140	140
Resources Sub Total	26,345	301	20,746	(5,599)
NET GENERAL FUND TOTAL	138,688	4,132	111,281	(27,407)
Asset management ICT database	155	60	155	0
Fire safety programme	5,555	115	5,555	0

Appendix 5

Larger Homes	1,339		1,339	0
Major Repairs and Improvements Programme	35,306	4,807	35,306	0
Affordable Housing Programme	31,932	14	31,932	0
BBB Properties part funded by GLA and HRA RTB	108,120		108,120	0
Special Transfer Payments	802	41	802	0
HOUSING NET REVENUE ACCOUNT TOTAL	183,209	5,037	183,209	0
TOTAL CAPITAL PROGRAMME	321,897	9,169	294,490	(27,407)