

<b>REPORT:</b>	<b>Executive Mayor Decision</b>
<b>DATE OF DECISION</b>	<b>16 May 2023</b>
<b>REPORT TITLE:</b>	<b>Month 10 Financial Performance Report</b>
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Jane West Corporate Director of Resources (Section 151 Officer)</b>
<b>LEAD OFFICER:</b>	<b>Jane West, Corporate Director of Resources</b>
<b>LEAD MEMBER:</b>	<b>Cllr Jason Cummings, Cabinet Member for Finance</b>
<b>KEY DECISION?</b>	<b>No.</b> The recommendations are for noting.
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>
<b>WARDS AFFECTED:</b>	<b>All</b>
<b>SUMMARY OF REPORT:</b>	
<p>This report provides the Council's forecast outturn as at Month 10 (January 2023) for the General Fund (GF), Housing Revenue Account (HRA) and the Capital Programme (CP). The report forms part of the Council's financial management process for publicly reporting financial performance monthly.</p>	

## FINANCIAL IMPACT

	<b>2022-23 Month 10 Forecast Variance (£m)</b>	<b>2022-23 Month 9 Forecast Variance (£m)</b>	<b>Movement (£m)</b>
<b>General Fund over/(underspend)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

The General Fund forecast continues to show a balanced budget. This is after pay and contract inflation provisions have been allocated to services. There remains £1.2m in the inflation provision held centrally to act as a hedge against pressures arising for the remainder of the financial year.

This report sets out further risks and opportunities. This indicates a net risk of **£5.0m** (risks **£5.1m** and opportunities of **£0.1m**).

	<b>2022-23 Forecast Variance Month 10 (£m)</b>	<b>2022-23 Forecast Variance Month 9 (£m)</b>	<b>Movement (£m)</b>
<b>Housing Revenue Account over/(underspend)</b>	<b>0.5</b>	<b>0.9</b>	<b>(0.4)</b>

The Housing Revenue Account is forecasting a **£0.5m** overspend against budget.

	<b>2022-23 Revised Budget (£m)</b>	<b>2022-23 Actuals to 31/01/23 (£m)</b>	<b>2022-23 Forecast (£m)</b>	<b>2022-23 Forecast Variance (£m)</b>
<b>Total General Fund and HRA Capital Programme</b>	<b>281.9</b>	<b>37.6</b>	<b>260.9</b>	<b>(21.0)</b>

The Capital Programme has spent **£37.6m** against a **£281.9m** revised budget. The end of year position is forecast to be an underspend of **£21.0m**.

## 1. RECOMMENDATIONS

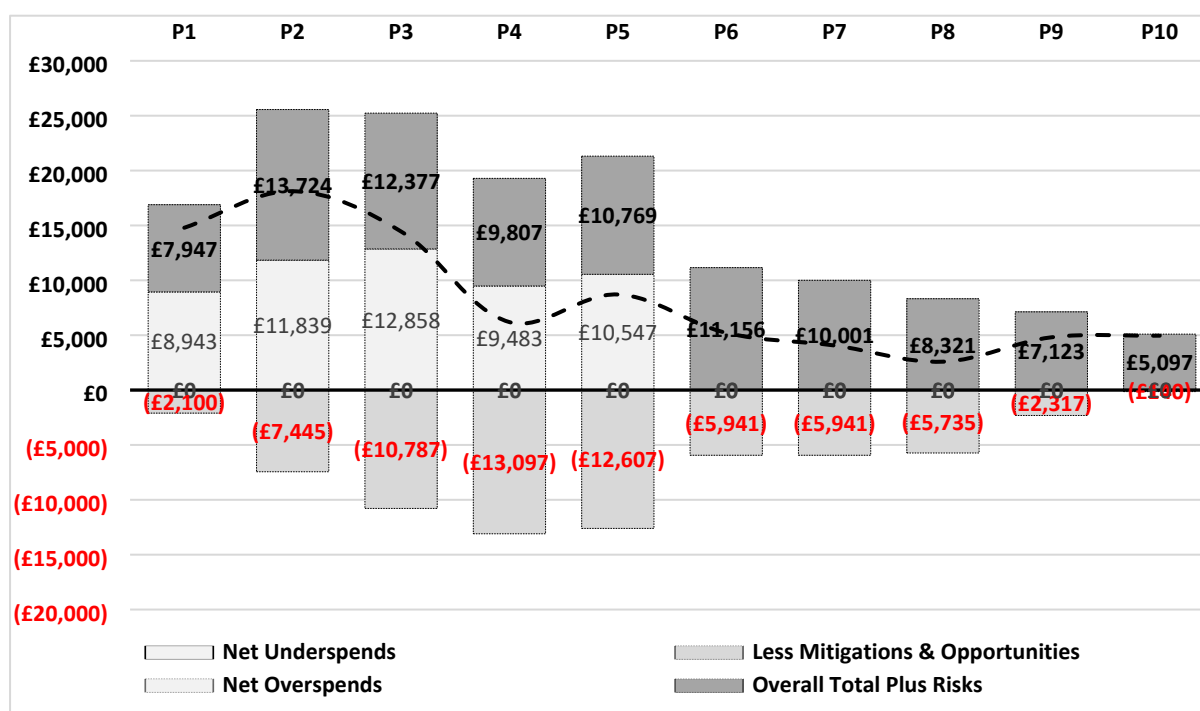
The Executive Mayor is recommended to:

- 1.1. Note the General Fund revenue budget outturn is forecast to be balanced at Month 10.
- 1.2. Note the forecast elimination of the planned contribution to General Fund Reserves of £6.9m for 2022-23.
- 1.3. Note that a further number of risks and compensating opportunities may materialise which could change the forecast position.
- 1.4. Note the progress of the MTFS savings as summarised in Table 4 and detailed in Appendix 3.
- 1.5. Note the Housing Revenue Account (HRA) forecast overspend of £0.5m.
- 1.6. Note the Capital Programme spend to date for the General Fund of £19.5m (which excludes forecast capitalisation direction of £186.6m to come) against a budget of £254.5m, with a forecast underspend of £19.1m.
- 1.7. Note the Housing Revenue Account Capital Programme spend to date of £18.1m (against a budget of £27.357m), with a forecast underspend of £1.9m.
- 1.8. Note the above figures are predicated on forecasts from Month 10 to the year end and therefore could be subject to change as forecasts are made based on the best available information at the time.
- 1.9. Note the Council continues to operate Spending Control Panels to ensure that tight financial control and assurance oversight are maintained. A new financial management culture is being implemented across the organisation through increased scrutiny such as the monthly assurance meetings, improved communication, and budget manager training from CIPFA.

## **2. EXECUTIVE SUMMARY**

- 2.1. The Financial Performance Report (FPR) is presented monthly to Cabinet and provides a detailed breakdown of the Council's financial position and the in-year challenges it faces. It covers the General Fund, Housing Revenue Account and Capital Programme. The Financial Performance Report ensures there is transparency in the financial position, and enables scrutiny by the Executive Mayor, Cabinet, Scrutiny & Overview Committee and the public. It offers reassurance regarding the commitment by Chief Officers to more effective financial management and discipline. As there is no Cabinet meeting in April 2023, this report will be published on the Council's website as a Mayoral Decision for transparency. The Month 11 report will be presented to Cabinet in May 2023.
- 2.2. The General Fund revenue forecast outturn for Month 10 shows a balanced position for the fifth month in a row. There is £1.2m of the inflation contingency remaining as a hedge against any further pressures that may arise during what remains of the financial year.
- 2.3. There are risks and opportunities, which indicate a net risk of £5.0m (risks £5.1m and opportunities of £0.1m). As Chart 1 illustrates risks and opportunities have been diminishing in the latter part of the year, as in-year financial forecasting accuracy has been improved and the potential impacts of risks and opportunities have been realised. The risks and opportunities are detailed in Appendix 3-6 of the report and summarised in Table 5 by directorate.
- 2.4. The Financial Performance Report for Month 10 includes the period of time following the issuing of the Section 114 notice on 22 November 2022. It should be noted that the Section 114 notice was issued to address the 2023-24 financial forecast.
- 2.5. Chart 1 below illustrates the trend in the monthly monitoring reports for this financial year and shows both the forecast as well as the quantum of risks and opportunities, together with the impact should all risks and opportunities fully materialise (dashed line).

**Chart 1 – Monthly financial movements on Monthly Forecast, Risk & Opportunity**



- 2.6. Work will continue through to the end of the year to manage those areas with forecast overspends to ensure the Council remains within budget.
- 2.7. The Housing Revenue Account is forecasting an overspend of £0.5m (a favourable movement of £0.4m from the Month 9 forecast).
- 2.8. The Capital Programme for both the General Fund and Housing Revenue Account is reporting a total expenditure to date of £37.6m of which £19.5m is General Fund and £18.1m Housing Revenue Account. Capital spend is projected to be £260.9m against a revised budget of £281.9m, resulting in a £21.0m forecast underspend.
- 2.9. The Council continues to build on the improvements in financial management that were made over the past year however there is a considerable amount yet to do, which is fully recognised within the organisation.
- 2.10. A monthly budget assurance process and independent challenge of expenditure takes place. This is in addition to Cabinet and Scrutiny & Overview Committee review. The monthly budget assurance process has been reviewed and strengthened based on the learning from the previous year. The assurance meetings provide the Corporate Director of Resources (Section 151 Officer) and the Chief Executive with an opportunity to scrutinise and challenge the forecast outturn, review risks and opportunities, challenge the use of accruals and provisions, and ensure that savings are delivered and income targets are met. The meetings ensure the Council is doing all it can to reduce overspends and deliver a balanced budget.

## Reserves

- 2.11. When the 2022-23 budget was set £6.887m was set aside to add to General Fund Balances. The Month 10 position continues to reflect the full £6.887m contribution to balances being used instead to balance the budget. The position is set out in Table 2 below:

**Table 2 – General Fund Balances**

<b>General Fund Balances</b>	<b>Budget Plan (£m)</b>	<b>Forecast Outturn (£m)</b>
<b>Balance at 1 April 2022</b>	<b>27.5</b>	<b>27.5</b>
Planned Contributions to/(from) Reserves	6.9	-
<b>Forecast Balance at 31 March 2023</b>	<b>34.4</b>	<b>27.5</b>

## Unresolved Legacy Issues

- 2.12. The Council's overall financial position is still subject to a number of unresolved legacy issues. The latest position on these was set out in the 22 February 2023 Cabinet report titled 'Revenue Budget and Council Tax Levels 2023-24' which incorporated the findings of the Opening the Books review undertaken in 2022-23. The report stated that a request has also been made of government to provide the Council with a Capitalisation Direction of £161.6m to cover the historic finance issues that have been revealed through the Opening the Books programme.
- 2.13. The Council needs to correct a range of misstatements in its legacy accounts from 2019-20 which are currently still not fully closed. This was more than the £74.6m previously identified in the MTFs Update report to Cabinet in November 2022.
- 2.14. The Council's Provision for Bad Debt was found to be understated by £46m rather than the £20m previously assumed and a prudent decision was made to include the potential £70m gap in the accounts caused by incorrect accounting for Croydon Affordable Homes and Tenures, instead of the £9m previously assumed.
- 2.15. With three years of accounts still open, there remains a risk that further legacy issues will be uncovered. The Capital Programme includes the £161.6m Capitalisation Direction requested, which is in addition to the £25.0m capitalisation direction previously approved.

## 3. COST OF LIVING CONSIDERATIONS

- 3.1. This report focuses on the Council's budget forecast. It highlights that there are a number of inflationary pressures that the Council, like all local authorities, is managing. Inflation is at the highest level for 40 years. This impact goes beyond the Council as the cost of living is affecting all households and businesses.

- 3.2. These macro-economic factors are impacted by international events, and therefore well beyond the control of Croydon Council. Despite the limitations, the Council is seeking to support households wherever possible.
- 3.3. A dedicated cost of living information hub has been established on the Council's website. This provides a single source of information, informing residents of the financial support available and signposting to further support, advice and guidance. This information is continually reviewed, updated and improved.
- 3.4. At a national level, household support has been announced in the form of a revised energy price guarantee, designed to limit the inflation on household energy bills. Households with a domestic energy connection are eligible for a £400 discount this winter. Residents on means-tested benefits will receive a £650 cost of living payment from Government.
- 3.5. The Council provides a wide range of support for residents that may be struggling due to the cost of living pressures. These include:
  - Discretionary support fund for residents in financial hardship
  - Council Tax support – for residents on a low income or in receipt of benefits, Council Tax bills could be reduced by up to 100%
  - Benefits calculator, to ensure residents receive the support to which they are entitled
  - Energy advice, including heating and money saving options, through our Croydon Healthy Homes service
  - Free holiday activity clubs with healthy meals for children
  - Croydon Works to help residents into employment or to receive training to support them into work and funding of the voluntary sector to provide advice and guidance
- 3.6. The cost of living information hub also signposts residents to a range of support provided by other organisations in Croydon, including:
  - NHS Healthy Start vouchers for families
  - Free school meals
  - Support from voluntary, community and faith sector organisations
  - Support for businesses through the London Business Hub and the British Business Bank
  - CroydonPlus credit union which offers affordable ways to manage money, including savings accounts and loans

#### **4. DETAILED FINANCIAL POSITION**

- 4.1. The Month 10 financial forecast is largely driven by £14.5m described as the under-delivery of savings within this year's budget, but which is more a reflection of the issues around the accuracy of some of the budgeted savings targets. These have been addressed in the 2023-24 budget.

- 4.2. This has all been offset by a £2.2m corporate overspend, £4.0m use of earmarked reserves, £5.0m underspend on the corporate contingency budget and a budgeted £6.9m contribution to General Fund Reserves no longer going ahead.
- 4.3. The detailed forecast outturn per Directorate for the General Fund is shown below in Table 3.

**Table 3 – Month 10 Forecast per Directorate**

	<b>Month 10 Forecast Variance (£000's)</b>	<b>Month 9 Forecast Variance (£000's)</b>	<b>Change From Month 9 to Month 10 (£000's)</b>	<b>Savings Under- Delivery at Month 10 (£000's)</b>	<b>Other Pressures/ (Underspend) at Month 10 (£000's)</b>
Children, Young People and Education	(3,076)	(3,056)	(20)	1,090	(4,166)
Adult Social Care and Health	(2,418)	(748)	(1,670)	5,314	(7,732)
Housing	3,256	3,364	(108)	1,761	1,495
Sustainable Communities, Regeneration & Economic Recovery	14,267	14,548	(281)	5,743	8,524
Resources	2,527	3,886	(1,358)	172	2,355
Assistant Chief Executive	(841)	(629)	(212)	412	(1,253)
<b>Departmental Total</b>	<b>13,714</b>	<b>17,365</b>	<b>(3,651)</b>	<b>14,492</b>	<b>(778)</b>
Corporate Items & Funding	(13,714)	(17,365)	3,651	-	(13,714)
<b>Total General Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,492</b>	<b>(14,492)</b>

### **Risks and mitigations**

- 4.4. The outturn forecast is reported excluding further potential risks and mitigations which are summarised in Table 5 and detailed in Appendix 5. Risks are split into MTFS savings risks and other risks. Savings risks relate to achievement of savings that were approved at Council in March 2022 to deliver a balanced budget. Other risks are those that have risen from operational challenges including changes to national legislation and regulations. Risk mitigations are proposals identified by services to partially or fully offset the impact on keeping spend within the approved budget.

### **MTFS Savings**

- 4.5. Savings are at various stages in their delivery. Savings which are not deliverable are included within the forecast as overspends. Table 4 below provides a summary of progress per directorate on delivery of their savings targets. Both savings not delivered and those at risk of non-delivery are detailed in Appendix 3 and 4 of this report.



**Table 4 – Progress on MTFs Savings**

Directorate	Target Value (£000's)	Balance Not Delivered (In Forecast) (£000's)	On Track Value (£000's)	Delivered Value (£000's)	Current Month At Risk Value (£000's)	Prior Month At Risk (£000's)	Change from Prior Month At Risk (£000's)
Children, Young People and Education	(9,564)	1,090	7,397	1,077	-	61	(61)
Adult Social Care and Health	(16,500)	5,314	1,851	864	971	971	-
Housing	(2,841)	1,761	682	-	398	398	-
Sustainable Communities Regen & Economic Recovery	(12,396)	5,743	2,969	976	2,709	2,718	(9)
Resources	(3,029)	172	2,857	-	-	-	-
Assistant Chief Executive	(9,543)	412	8,281	250	600	600	-
<b>TOTAL FOR MTFs</b>	<b>(53,873)</b>	<b>14,492</b>	<b>24,037</b>	<b>10,667</b>	<b>4,678</b>	<b>4,748</b>	<b>(70)</b>

4.6. Details of the reasons for the variances and movements from the previous month are identified below together with details of risks and opportunities. The detail of each opportunity and risk (both quantifiable and non-quantifiable) can be seen in Appendix 5 and 6. Table 5 below gives a summary of the risks and opportunities by directorate.

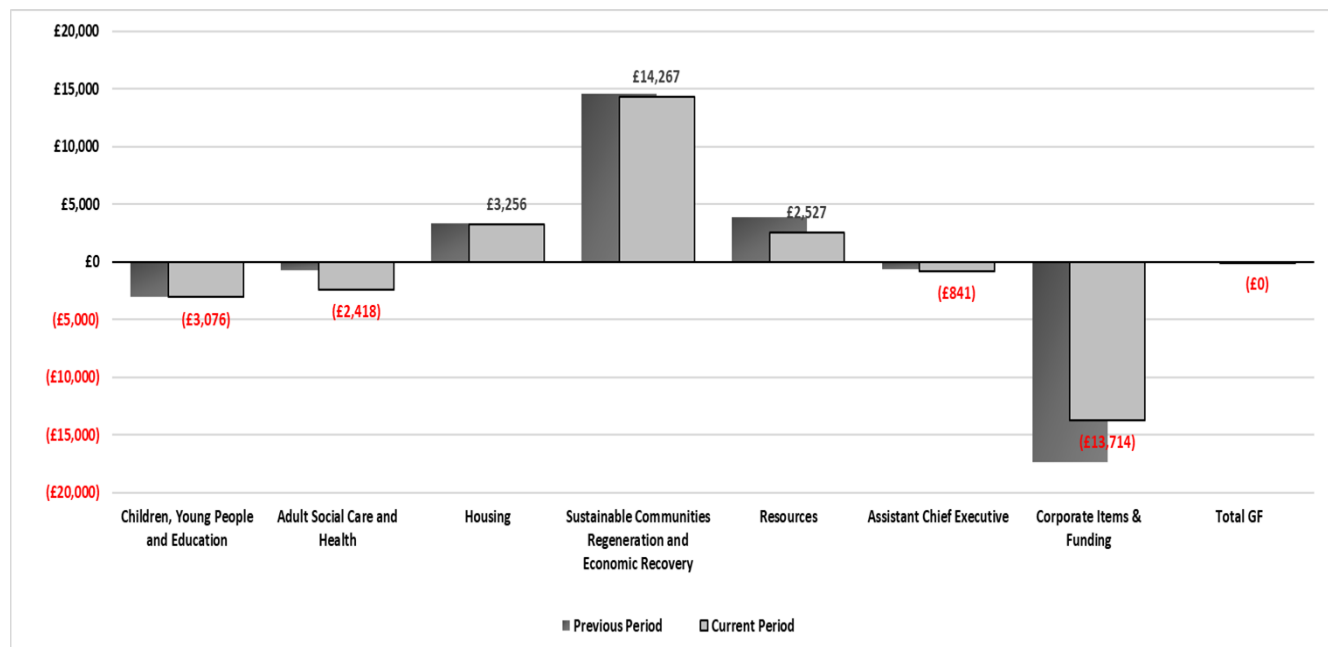
**Table 5 – Summary of Risks and Opportunities**

	MTFS Savings - At Risk (£000's)	Other Quantifiable Risks (£000's)	Quantifiable Opportunities (£000's)	TOTAL (£000's)
Children, Young People and Education	-	-	-	-
Adult Social Care and Health	971	-	-	971
Housing	398	250	-	648
Sustainable Communities, Regeneration & Economic Recovery	2,709	169	(140)	2,738
Resources	-	-	-	-
Assistant Chief Executive	600	-	-	600
Corporate Items & Funding	-	-	-	-
<b>Total Month 10</b>	<b>4,678</b>	<b>419</b>	<b>(140)</b>	<b>4,957</b>
Total Month 9	4,748	2,375	(2,317)	4,806
<b>Variance</b>	<b>(70)</b>	<b>(1,956)</b>	<b>2,177</b>	<b>(151)</b>

## DIRECTORATE VARIANCES

4.7. The chart below shows the forecast by Directorate for both the current and previous month:

**Chart 2: Forecast per Directorate as at Month 10**



### 4.8 Children, Young People and Education (CYPE)

At Month 10 a **£3.076m underspend** has been forecast against a budget of 85.245m. This is a favourable movement from Month 9 of £0.020m.

The £3.076m underspend is the net position of £0.774m underspends in Quality, Commissioning and Performance Improvement, £2.072m in Children's Social Care and £0.230m in non-DSG Education services.

There are no risks or opportunities forecast in Month 10. The only previously reported risks at Month 9 amounting to £0.061m - MTFs Savings has been removed.

All the reported risks listed below have been removed from the CYPE forecast:

£0.061m - MTFs Savings at risk of non-delivery - by year end the saving should be fully achieved.

£1.198m - Children Social Care pension budget shortfall - offset at Month 9 as one-off using underspend in staffing.

£0.500m - Children Social Care - placement fee inflation increase - no longer required.

£3.530m – UASC income shortfall (£3.595m reduced by £65k since Month 9) - offset using opportunities realised in Month 9 and reduction in CLA and Staffing forecasts

Numbers of children with child protection plans and children looked after are expected to rise in 2023/24 which is likely to minimise any opportunities in that year. The adjustment is therefore a one-off for 2022/23

#### 4.9 Adult Social Care and Health (ASCH)

At month 10 an **underspend of £2.418m** is forecast against a budget of £132.307m.

The forecast underspend of £2.418m is a net position, the key items being:

- Across the department staffing is showing a slightly increased underspend at £3.778m. However, this is a barrier to achieving savings as staff are focussed on statutory delivery rather than transformation. There is a national shortage of both social workers and occupational therapists, recruitment to many roles is proving challenging.
- £0.668m Underspend following the detailed of 21/22 accruals for planned care cost. It is usual that care is delivered at a lower level than planned for many reasons including delayed hospital discharge, temporarily staying with family etc. However, this year is slightly higher than normal which is believed to be related to changes to the hospital discharge process during Covid.
- Working Age Adults showed a slightly improved level of overspend. The 25-65 service overspent by £1.750m, an improvement of £0.084m from month 9, which relates to care. Significant work has been undertaken to deliver a challenging savings target, however a shortfall in savings remains. Transitions is unchanged at £0.309m overspent due to care package costs.
- Policy and Improvement has a small overspend of £0.022m, an improvement of £0.748k. This is primarily the attraction of external funding and an agreement for additional funding for utilities in the 3 PFI care homes.

Unquantified Risks present continued concerns as to impact upon the Directorate budget over the remainder of the financial year. However recently announced Adult Social Care Discharge Fund grant income should mitigate the costs of new demands developing from the very challenging situation with hospital discharges.

In addition, inflation and rising fuel costs will result in significant expenditure for ASC Providers which may result in claims for increased fees and/or financial instability with potential for 'handing back' contracts.

At month 10 there were no quantified risks or opportunities.

#### 4.10. Housing

At Month 10, Housing is forecasting a **£3.256m overspend** when compared to budget. This is largely a result of the ongoing pressure within the Emergency accommodation area (£2.4m overspend) and other pressures within the longer term leased temporary accommodation (£1.2m). Against these, there are small underspends to offset in some part these pressures within homelessness support.

The decrease from month 9 of £0.1m reflects the net effect of covering the significant increases in the costs of nightly-paid accommodation within Q4 of 22-23 with a draw down from the corporate inflation budget of £0.7m. Average monthly rental expenditure has risen from £1.2m per month from April-December 2022 to £1.5m forecast for Q4 without a corresponding increase in numbers of households accommodated. Analysis shows that the price agreed for new bookings for nightly paid bed and breakfast and hotel accommodation has risen by around 25% since December 2022 explaining the rising costs and the call on the corporate inflation allocation late in the financial year.

The forecast is reflective of the worsening housing market within London across 2022 as private sector landlords are increasing rents or leaving the market; tenants are struggling with the cost-of-living pressures.

The challenge for Croydon in dealing with inflation has multiple strands. There are forecasting difficulties in predicting how much prices are expected to move and at what pace. This is being addressed alongside a wholesale review of the forecasting process to ensure that reporting provides the full position on risk heading into 2023/24.

There are the difficulties in negotiating and approving price rises without losing properties or fuelling the rises further. Regular meetings with neighbouring boroughs are being held to ensure collective agreements are being made with the larger providers of emergency accommodation.

There is also the issue of entering into 2 to 5 years lease deals with landlords as 39% have exited the market in 2022-23 and prices have dramatically increased as a result. In 2022-23 this has meant a 10% increase in the use of nightly paid accommodation has been seen. The strategy work currently underway in the department will address this issue.

There has also been a concerted effort to hold homelessness accommodation costs down across London through partnerships with organisations like Capital Letters and via the agreed Pan-London temporary accommodation rates. The rates can no longer be contained though as demand outweighs available affordable supply. At a recent Pan London meeting, all boroughs confirmed that they are no longer paying the agreed Pan London rates to ensure they meet their demand challenges. A combination of all these factors has led to an increase in both the average cost of emergency and temporary accommodation that Croydon can secure to meet demand, as well as an increase in the use of nightly paid emergency accommodation to compensate for the loss of some longer-term leased accommodation because of landlords leaving the market.

Pressures are expected to continue into 2023/24. The restructure for Housing Options is underway and will form the bedrock for process change and a more cohesive journey for a homeless household. An immediate switch to better practice and dramatically reduced spend on homelessness cannot be expected within 2023/24 whilst significant change is underway, and the financial benefits are expected to be realised in the longer term.

#### 4.11. Sustainable Communities, Regeneration & Economic Recovery (SCRER)

In Month 10, SCRER is forecasting a net **overspend of £14.267m**. This position has moved favourably from Month 9 by £0.280m.

The main area of overspend relates to £14.423m shortfall in parking income following unachievable income forecasts identified through the Opening the Books review.

There are also £0.169m other risks identified and £2.709m of MTFs savings at risk. However, the service has identified £0.140m of opportunities which will need to be worked through to confirm their achievability.

The service areas that are experiencing these overspends are within the Sustainable Communities division and particularly in the parking teams. Demand for parking services has not returned to pre-pandemic levels and this is affecting all areas of parking which includes, ANPR, pay and display and on-street parking.

The Council applied to renew its Landlord Licensing scheme in 2021/22 to the Department of Levelling Up, Housing and Communities (DLUHC). The Council budgeted for £1.5m of income that would be achievable from the scheme in this financial year. However, the scheme was rejected by the Secretary of State for DLUHC due to the lack of a Housing Strategy, one of the requirements for the scheme. This income will now not be achieved, and this has been recognised as part of the budget for 2023/24.

Further pressures are experienced within Planning and Sustainable Regeneration Services particularly in relation to Building Control income and income from Planning of £1.842m. This pressure has been addressed and corrected in the budget for 2023/24.

Parking Services continue to have delays in connection with the roll out of New ANPR Cameras which could affect the anticipated income levels within the service both in the 22/23 financial year and ongoing into 23/24. The Parking budget has been rebased for 23/24 based on a timetabled roll out of Healthy Neighbourhood Schemes, so any delays in the implementation of the cameras could have a detrimental effect on these figures.

#### 4.12. Resources

At Month 10, there is a **£2.527m overspend** projected which is a favourable movement from Month 9 of £1.359m.

This favourable movement primarily occurred in the Commercial Investment and Capital Division relating to £0.300m reduction in the utilities forecast for gas (officers had set prudent forecasts in this area due to the volatility in the market); £0.293m reduction in staffing costs now funded from outside of the general fund; £0.152m improvement in business rates costs; £0.134m reduction in hard FM costs as work moves into the next financial year; and £0.124m increase in rent on investment properties.

The forecast overspend for the year is largely related to historically unaccounted for loss in housing benefit (HB) identified through the Opening the Books exercise. The predicted £6.339m overspend on HB is due to the difference between the value of HB expenditure and funding received from DWP on support exempt and temporary accommodation. A cross-council working group is currently working to mitigate this over the next few years. This is offset by a net saving of £1.550m in Estates, Asset Management & Facilities. This relates to an historic budget for interest costs which is already covered within a corporate budget, offset by MTFs savings targets that are unachievable.

Currently there is a predicted overspend of £0.491m in Corporate Finance & Treasury. This relates to higher than budgeted spend on specialist finance work and agency costs pending a restructure of the division.

There are no additional savings at risk and no further risks are reported at this point. Unquantifiable opportunities have been identified to try to mitigate the HB subsidy loss in year and reduce staffing costs. All savings in relation to those opportunities have been achieved.

#### 4.13. Assistant Chief Executive

At Month 10, a **£0.841m underspend** is being projected. This is a favourable movement of £0.212m from month 9. Continuing reviews in Croydon Digital and Resident Access during the year have led to increased savings of £0.354m, mostly relating to staffing. A similar scenario in Policy, Programmes & Performance has led to an in year favourable movement of £0.135m. This forecast includes the £0.600m Council-wide MTFs agency saving, which is being delivered across service directorates. This is a change of presentation as previously the saving was showing as achievable within ACE.

Officers within Learning and Organisational Development have been working on a package of training which will be commissioned and rolled out across the council. There will be a request at year end to carry any underspends from this year into 2023/24 to help deliver the training. There is a favourable movement in this division of £0.293m since last month.

The rationalisation of the software applications project has identified £0.450m of mitigations, which have been included within the forecast. Whilst the remaining £0.300m cannot be met, this is being mitigated down by in year savings.

#### 4.14. Corporate Budgets

At Month 10, the corporate budget position is projecting an **underspend of £13.714m**. The corporate budget holds funding and financing streams such as Council Tax, Business Rates income share and Core Grants. The corporate budget also holds a Council-wide risk contingency budget (£5m) and the budgets for borrowing and interest received.

The corporate projection is after the allocation to services of inflation budgets and a drawdown of £4.0m from the one-off Corporate Contingency Reserve of £5.9m (to support in-year inflationary pressures). The uncommitted balance of £1.2m corporate inflation budget will continue to be held as a hedge against any further in-year pressures.

#### 5. Housing Revenue Account (HRA)

- 5.1. The HRA is forecasting a total **overspend of £0.513m**. Although the pressures remain as discussed below, the reductions in budgeted recharges from the general fund offset these for the most part.
- 5.2. The pressure is made up of £2.085m additional utilities costs related to energy price increases; £1.540m of disrepair and legal costs relating to legally mandated repairs to HRA properties; £0.709m of increased bad debt costs as rent collection has worsened due to the cost-of-living; void costs of £0.414m; garage voids of £0.286m. Increased energy costs have been factored into the 2023-24 budget.
- 5.3. The review of recharges from the General Fund is almost complete. The next step will be to ultimately confirm the impact on the 2022-23 accounts as well as the prior years' accounts that remain open.
- 5.4. Additional legal costs due to disrepair issues remains a high risk to the HRA budget. This is due to around 30 cases relating to Regina Road as well as cases from elsewhere in the borough, some of which relate to damp and mould issues. Costs include legal fees, contractor costs to repair the homes and resident compensation for having to move in some cases. Specialist contractors have been used to expedite much of this repair work in addition to using the existing Axis contract.

**Table 6 - Housing Revenue Account Month 10 forecast**

Description	2022-23 Budget (£000's)	2022-23 Actuals to Date (£000's)	2022-23 Forecast (£000's)	2022-23 Variance (Forecast to Budget) (£000's)
<b>INCOME</b>	<b>(91,240)</b>	<b>(67,723)</b>	<b>(90,195)</b>	<b>1,045</b>
<b>EXPENDITURE</b>				
Centralised Directorate expenditure	48,933	(9,124)	42,775	(6,158)
Responsive Repairs & Safety	18,085	14,545	21,137	3,052
Asset Planning	1,644	1,037	1,436	(208)
Capital Delivery (Homes & Schools)	1,478	914	1,266	(212)
Tenancy & Resident Engagement	8,689	5,189	11,222	2,533
Homelessness & Assessments	4,395	2,586	4,395	-
Service development and income	8,016	4,190	8,477	461
<b>TOTAL EXPENDITURE</b>	<b>91,240</b>	<b>19,337</b>	<b>90,708</b>	<b>(532)</b>
<b>NET EXPENDITURE</b>	<b>-</b>	<b>(48,386)</b>	<b>513</b>	<b>513</b>

## 6. Capital Programme

- 6.1 The General Fund and Housing Revenue Account capital programmes have currently spent **£37.605m** to the end of Month 10. This is against a revised budget of **£281.893m**. The revised budget reflects the additional £161.6m capitalisation direction.
- 6.2 Forecast spend for the year is **£260.874m**, including the assumed full use of the £186.6m (£161.6m + £25.0m) total capitalisation direction, against the revised budget resulting in a forecast underspend of **£21.019m**.
- 6.3 Table 7 below summarises the capital spend to date by directorate with further details of individual schemes provided in Appendix 2. Table 8 gives details of how the capital programme is financed.



**Table 7 – Capital Programme at Month 10**

Capital Programme	Revised Budget (£000's)	Actuals To Date (£000's)	Forecast at M10 (£000's)	Forecast Variance (£000's)
Adult Social Care and Health	-	66	-	-
Housing	4,392	1,398	2,800	(1,592)
Assistant Chief Executive	6,965	2,889	6,716	(249)
Children, Young People and Education	7,930	3,064	5,429	(2,501)
Sustainable Communities, Regen & Economic Recovery	36,345	9,939	25,898	(10,447)
Resources	8,255	2,139	3,922	(4,333)
Corporate	4,049	-	4,049	-
<b>Subtotal</b>	<b>67,936</b>	<b>19,495</b>	<b>48,814</b>	<b>(19,122)</b>
Capitalisation Direction	186,600		186,600	-
<b>General Fund Total</b>	<b>254,536</b>	<b>19,495</b>	<b>235,414</b>	<b>(19,122)</b>
Housing Revenue Account	27,357	18,110	25,460	(1,897)
<b>Capital Programme Total</b>	<b>281,893</b>	<b>37,605</b>	<b>260,874</b>	<b>(21,019)</b>

**Table 8 – Capital Programme Financing at Month 10**

	2022-23 Revised Budget (£000's)	Forecast at Month 10 (£000's)	Forecast Variance (£000's)
<b>General Fund</b>			
CIL	2,856	1,690	1,166
s106	550	444	106
Grants & Other Contributions	18,297	13,424	4,873
Growth Zone	6,888	2,971	3,917
HRA Contributions	1,742	1,742	-
Capital Receipts	55,049	55,049	-
Reserves	-	-	-
Borrowing	169,153	160,094	9,060
<b>Total General Fund Financing</b>	<b>254,535</b>	<b>235,414</b>	<b>19,122</b>
<b>HRA</b>			
Grant	1,200	1,200	0
MRR	12,336	12,949	(613)
Revenue	-	-	-
Reserves	13,821	11,311	2,510
Borrowing	-	-	-
<b>Total HRA Financing</b>	<b>27,357</b>	<b>25,460</b>	<b>1,897</b>
<b>Total GF &amp; HRA Financing</b>	<b>281,892</b>	<b>260,874</b>	<b>21,019</b>

6.4 The Month 10 forecast indicates £9.1m of borrowing less than revised budget for the General Fund and no borrowing required for the Housing Revenue Account. However total borrowing will be significantly increased over previous forecasts given the inclusion of the additional £161.6m capitalisation direction which will be funded from borrowing.

## **7 FINANCIAL AND RISK ASSESSMENT IMPLICATIONS**

- 7.1 Finance comments have been provided throughout this report.
- 7.2 The Council continues to operate with internal spending controls to ensure that tight financial control and assurance oversight are maintained. A new financial management culture is being implemented across the organisation through increased communication on financial issues and training for budget managers.
- 7.3 The inclusion of the additional £161.6m capitalisation requested of government for legacy issues significantly increases the borrowing costs for the budget for future years.
- 7.4 The Council currently has a General Fund Reserve of £27.5m which serves as a cushion should any overspend materialise by the end of 2022-23. The use of reserves to support the budget is not a permanent solution and reserves must be replenished back to a prudent level in subsequent years if used.

(Approved by: Jane West – Corporate Director of Resources & S151 Officer)

## **8 LEGAL IMPLICATIONS**

- 8.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services and Monitoring Officer that 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 Section 28 of the Local Government Act 2003 provides that the Council is under a statutory duty to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such remedial action as it considers necessary to deal with any projected overspends. This could include action to reduce spending, income generation or other measures to bring budget pressures under control for the rest of the year. The Council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.
- 8.3 In addition, 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.
- 8.4 The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report also demonstrates compliance with that legal duty.

(Approved by: Sandra Herbert, Head of Litigation and Corporate Law and Deputy Monitoring Officer on behalf of the Director of Legal Services and Monitoring Officer)

## **9 HUMAN RESOURCES IMPACT**

- 9.1 There are no immediate workforce implications as a result of the content of this report, albeit there is potential for a number of the proposals to have an impact on staffing. Any mitigation on budget implications that may have direct effect on staffing will be managed in accordance with relevant human resources policies and where necessary consultation with recognised trade unions.
- 9.2 The Council is aware that many staff may also be impacted by the increase in cost of living. Many staff are also Croydon residents and may seek support from the Council including via the cost of living hub on the intranet. The Council offers support through the Employee Assistant Programme (EAP) and staff may seek help via and be signposted to the EAP, the Guardians programme, and other appropriate sources of assistance and advice on the Council's intranet.

(Approved by Dean Shoesmith, Chief People Officer)

## **10 EQUALITIES IMPLICATIONS**

- 10.1 The Council has a statutory duty to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must therefore have due regard to:
1. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
  2. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
  3. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 10.2 In setting the Council's budget for 2022/2023, all savings proposals must 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. If any impacts arise, officers will offer mitigation to minimise any unintended impact.
- 10.3 This report sets out a number of proposals that will change the services and provisions we provide for residents across Croydon. These proposals are subject to further work decisions.
- 10.4 The Council must, therefore, ensure that we have considered any equality implications. The Council has an established Equality Impact Assessment [EqIA] process, with clear guidance, templates and training for managers to use whenever new policies or services changes are being considered. This

approach ensures that proposals are checked in relation to the impact on people with protected characteristics under Equality Act 2010.

- 10.5 Assessing the impact of proposed changes to policies, procedures, services and organisational change is not just something the law requires; it is a positive opportunity for the council to ensure it makes better decisions, based on robust evidence.
- 10.6 Our approach is to ensure the equality impact assessments are data led, using user information, demographic data and forecasts, as well as service specific data and national evidence to fully understand the impact of each savings proposal. This enables the Council to have proper regard to its statutory equality duties.
- 10.7 We have a large number of vulnerable children and asylum seekers who are in need of our services. We have also been faced with the rise of costs of the provision of adult social care, which has been exasperated following the pandemic. Alongside this our residents have been hit with the increased cost of living, we have supported residents by providing mitigation for changes where possible and signposting to other support organisations in the borough who can provide support. We will continue to seek mitigation during the equality analysis process where possible.
- 10.8 Our initial data suggests that residents across all equality characteristics may be affected by changes. National and local data highlights that this may have a greater impact on race, disabilities, sex, pregnancy and maternity and age. We will continue to assess the impact and strive to improve our evidence and data collection, to enable us to make informed decisions.
- 10.9 Where consultations take place, we will ensure that we make it accessible for all characteristics including those with disabilities including neurodiversity by ensuring that we adopt Disability standards in our consultation platform. Notwithstanding those residents who are digitally excluded. We will also consult using plain English to support our residents who do not have English as a first language.
- 10.10 With regard to potential staff redundancies, as a diverse borough we will undertake equality analysis and seek mitigation for staff by offering redeployment and employability support. We will also assess the impact of job losses on protected characteristics.
- 10.11 Research from existing EQIAs identifies that rising costs impact on some Disabled groups, communities from the Global Majority, African, Asian, African Caribbean households, young people, some people aged 15 – 64 and some people in the pregnancy/maternity characteristic . Research also indicates that there is an intersectional impact on young people from the Global Majority and both Disabled and Dual Heritage communities. Deprivation in borough is largely focused in the north and the east where the Global Majority of residents from the African, African Caribbean and Asian communities reside.

10.12 The Council have undertaken a wide range of initiatives to mitigate the effects for those in most need. Details of mitigation for residents is includes support to residents delivered by other local organisations. The measures include hardship funds one of which may be used for any resident that has had a financial crisis which will be managed by a community organisation and will have more flexible eligibility than council led schemes. Residents are also signposted to support from community partners who deliver initiatives to support residents such as healthy Schools Clubs. These packages are available to all eligible residents irrespective of equality characteristics and are targeted at those residents who are in the most need.

(Approved By: Denise McCausland, Equalities Programme Manager, Policy Programmes and Performance)

## **11 ENVIRONMENTAL IMPLICATIONS**

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

## **12 CRIME AND DISORDER IMPLICATIONS**

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 implications as the report does not contain any sensitive/personal data.

Approved by Alan Layton – Interim Head of Corporate Finance

## **List of Appendices**

- Appendix 1 – Service Budgets and Forecasts Month 10
- Appendix 2 – Capital Programme Month 10
- Appendix 3 – MTFS savings forecast under-delivery
- Appendix 4 – MTFS savings at risk
- Appendix 5 – Other quantifiable and unquantifiable risks
- Appendix 6 – Quantifiable and unquantifiable opportunities

## Appendix 1 – Service Budgets and Forecasts Month 10

	Approved Budget £'000s	Current Actuals £'000s	Full-Yr Forecast £'000s	Projected Variance £'000s
C1410E : ADULT SOCIAL CARE OPERATIONS	114,411	97,676	112,312	(2,099)
C1405E : TOTAL ADULT SOCIAL CARE AND HEALTH DIRECTORATE SUMMARY	1,575	1,007	1,235	(340)
C1420E : ADULT SOCIAL CARE POLICY AND IMPROVEMENT	16,314	8,789	16,336	22
<b>TOTAL ADULTS</b>	<b>132,301</b>	<b>107,472</b>	<b>129,882</b>	<b>(2,418)</b>
C1305E : RESIDENT ENGAGEMENT AND ALLOCATIONS	9,478	6,437	12,741	3,263
C1310E : ESTATES AND IMPROVEMENT	108	325	101	(7)
<b>TOTAL HOUSING</b>	<b>9,586</b>	<b>6,762</b>	<b>12,842</b>	<b>3,256</b>
C1110E : SUSTAINABLE COMMUNITIES REGEN & ECONOMIC RECOVERY DIRECTORATE SUMMARY	(220)	511	(215)	5
C1120E : SUSTAINABLE COMMUNITIES	27,449	32,298	40,455	13,006
C1130E : CULTURE AND COMMUNITY SAFETY DIVISION	5,614	4,184	5,520	(94)
C1140E : PLANNING AND SUSTAINABLE REGENERATION DIVISION	1,421	4,744	2,771	1,350
<b>TOTAL SUSTAINABLE COMMUNITIES REGEN &amp; ECONOMIC RECOVERY</b>	<b>34,264</b>	<b>41,737</b>	<b>48,531</b>	<b>14,267</b>
C1605E : RESOURCES DIRECTORATE SUMMARY	(6,910)	366	(6,901)	9
C1610E : DIRECTOR OF FINANCE	9,964	134,827	14,983	5,019
C1620E : PENSIONS DIVISION	417	1,183	316	(101)
C1625E : MONITORING OFFICER	2,148	1,728	1,973	(175)
C1630E : INSURANCE, ANTI-FRAUD AND RISK	1,057	2,616	912	(145)
C1640E : LEGAL SERVICES DIVISION	(1,387)	804	-	1,387
C1650E : INTERNAL AUDIT SERVICE	414	929	524	110
C1690E : COMMERCIAL INVESTMENT AND CAPITAL DIVISION	16,952	6,706	13,375	(3,577)
<b>TOTAL RESOURCES</b>	<b>22,655</b>	<b>149,159</b>	<b>25,182</b>	<b>2,527</b>
C1205E : CHILDREN, YOUNG PEOPLE AND EDUCATION	605	409	605	-
C1210E : CHILDREN'S SOCIAL CARE	74,116	51,245	68,512	(5,604)

	<b>Approved Budget</b>	<b>Current Actuals</b>	<b>Full-Yr Forecast</b>	<b>Projected Variance</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
UNACCOMPANIED ASYLUM SEEKING CHILDREN (UASC) AND CARE LEAVERS	(4,291)	(155)	(759)	3,532
C1220E : EDUCATION DIVISION - exc DSG	7,689	30,605	7,458	(231)
C1230E : QUALITY, POLICY AND PERFORMANCE IMPROVEMENT	7,126	5,721	6,352	(774)
<b>TOTAL CHILDRENS, FAMILIES AND EDUCATION</b>	<b>85,245</b>	<b>87,825</b>	<b>82,169</b>	<b>(3,076)</b>
C1505E : ASSISTANT CHIEF EXECUTIVE DIRECTORATE SUMMARY	(62)	696	22	84
C1510E : CROYDON DIGITAL AND RESIDENT ACCESS	23,992	21,292	24,152	160
C1520E : CHIEF PEOPLE OFFICER DIVISION	3,387	2,855	3,390	3
C1530E : POLICY, PROGRAMMES AND PERFORMANCE	6,362	8,418	5,273	(1,089)
C1540E : PUBLIC HEALTH	-	(18,822)	-	-
C1550E : SERVICE QUALITY, IMPROVEMENT AND INCLUSION	-	(2,103)	0	0
<b>TOTAL ASSISTANT CHIEF EXECUTIVE</b>	<b>33,679</b>	<b>12,337</b>	<b>32,838</b>	<b>(841)</b>
<b>TOTAL</b>	<b>317,730</b>	<b>405,292</b>	<b>331,445</b>	<b>13,715</b>

## Appendix 2 – Capital Programme Month 10

<b>CAPITAL BUDGETS, MONITORING AND FORECASTS</b>	<b>Revised 2022-23 Budget £'000s</b>	<b>Actual to Date as at 31/01/23 £'000s</b>	<b>2022/23 Forecasts as at Period 10 £'000s</b>	<b>Variance for Year £'000s</b>
<b>Scheme Name</b>				
Disabled Facilities Grant	3,992	1,355	2,500	(1,492)
Empty Homes Grants	400	43	300	(100)
<b>HOUSING</b>	<b>4,392</b>	<b>1,398</b>	<b>2,800</b>	<b>(1,592)</b>
Adult Social Care Provision	-	30	-	-
Provider Services - Extra Care	-	36	-	-
<b>ADULT SOCIAL CARE AND HEALTH</b>	<b>-</b>	<b>66</b>	<b>-</b>	<b>-</b>
Bereavement Services	1,775	1,564	1,775	-
Bereavement Service Vehicles	39	-	39	-
<b>Finance and HR system</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
My Resources Interface Enhancement (prev in GF GAP 63)	75	-	75	-
<b>ICT</b>	<b>-</b>	<b>854</b>	<b>-</b>	<b>-</b>
Network Refresh (was in GF GAP 64)	141	-	141	-
Tech Refresh (was in GF Cap 64)	610	-	610	-
Geographical Information Systems (was in GF Cap 64)	65	-	65	-
Laptop Refresh (was in GF Cap 64) NEW BID	222	-	222	-
Cloud and DR (was in GF GAP 64)	198	-	198	-
<b>People ICT</b>	<b>-</b>	<b>470</b>	<b>-</b>	<b>-</b>
Synergy Education System	1,030	-	1,030	0
NEC Housing System	2,680	-	2,431	(249)
Uniform ICT Upgrade	130	-	130	-
<b>ASSISTANT CHIEF EXECUTIVE</b>	<b>6,965</b>	<b>2,889</b>	<b>6,716</b>	<b>(249)</b>
Education – Fire Safety Works	776	612	750	(26)
Education - Fixed Term Expansions	747	331	547	(200)
Education - Major Maintenance	4,062	1,503	2,508	(1,554)
Education - Miscellaneous	134	238	238	104
Education - Permanent Expansion	319	22	319	-
Education - Secondary Estate	39	41	41	2
Education - SEN	1,853	317	1,026	(827)
<b>CHILDREN, YOUNG PEOPLE AND EDUCATION</b>	<b>7,930</b>	<b>3,064</b>	<b>5,429</b>	<b>(2,501)</b>
Allotments	200	180	200	-
Fairfield Halls-Council Fixtures & Fittings FFH	574	571	571	(3)
Growth Zone	5,988	139	2,071	(3,917)
Grounds Maintenance Insourced Equipment	1,000	-	800	(200)
Highways	8,618	5,840	8,618	-
Highways - flood water management	895	370	895	-
Highways - bridges and highways structures	2,611	1,686	2,611	-
Highways - Tree works	56	10	56	-
Local Authority Tree Fund	96	-	96	-
Trees Sponsorship	46	-	46	-
Leisure Equipment Upgrade	306	-	-	(306)



<b>CAPITAL BUDGETS, MONITORING AND FORECASTS</b>	<b>Revised 2022-23 Budget £'000s</b>	<b>Actual to Date as at 31/01/23 £'000s</b>	<b>2022/23 Forecasts as at Period 10 £'000s</b>	<b>Variance for Year £'000s</b>
<b>Scheme Name</b>				
Leisure centres equipment	430	331	331	(99)
Leisure Centre - Tennis Court	75	-	-	(75)
Libraries Investment - General	224	110	-	(224)
Library Self-Service Kiosks	200	138	138	(62)
Parking	2,731	76	2,731	-
Cashless Pay & Display	366	1	1	(365)
Play Equipment	150	75	150	-
Safety - digital upgrade of CCTV	1,551	-	-	(1,551)
Section 106 Schemes	-	3	3	3
HIGHWAY SIGNAGE	274	30	274	-
South Norwood Good Growth	1,121	(317)	465	(656)
Kenley Good Growth	583	577	577	(6)
Sustainability Programme	550	-	25	(525)
TFL - LIP	4,835	(297)	4,835	-
Cycle Parking	226	-	-	(226)
Electric Vehicle Charging Point (EVCP)	1,081	404	404	(677)
Waste and Recycling Investment	1,558	-	-	(1,558)
Waste and Recycling - Don't Mess with Croydon	-	12	-	-
<b>SUSTAINABLE COMMUNITIES, REGEN &amp; ECONOMIC RECOVERY</b>	<b>36,345</b>	<b>9,939</b>	<b>25,898</b>	<b>(10,447)</b>
Asset Strategy - Stubbs Mead	50	3	50	-
Asset Strategy Programme	25	-	25	-
Clocktower Chillers	30	-	30	-
Corporate Property Maintenance Programme	2,500	859	2,360	(140)
Brick by Brick programme	4,150	-	-	(4,150)
Fairfield Halls - Council	1,500	1,275	1,455	(45)
Fieldway Cluster (Timebridge Community Centre)		2	2	2
Former New Addington Leisure Centre		-	-	-
<b>RESOURCES</b>	<b>8,255</b>	<b>2,139</b>	<b>3,922</b>	<b>(4,333)</b>
Capitalisation Direction	186,600	-	186,600	-
Transformation Spend (Flexible Capital Receipts)	4,049	-	4,049	-
<b>CORPORATE ITEMS &amp; FUNDING</b>	<b>190,649</b>	<b>-</b>	<b>190,649</b>	<b>-</b>
<b>NET GENERAL FUND TOTAL</b>	<b>254,536</b>	<b>19,495</b>	<b>235,414</b>	<b>(19,122)</b>
Asset management ICT database	155	117	155	-
Major Repairs and Improvements Programme	22,083	17,993	21,928	(155)
TRELIS MEWS	3,377	-	3,377	-
NEC Housing System	1,742			(1,742)
<b>HOUSING REVENUE ACCOUNT</b>	<b>27,357</b>	<b>18,110</b>	<b>25,460</b>	<b>(1,897)</b>
<b>GROSS CAPITAL PROGRAMME</b>	<b>281,893</b>	<b>37,605</b>	<b>260,874</b>	<b>(21,019)</b>

### Appendix 3 – MTFS savings forecast under-delivery

MTFS Target Reference	MTFS Savings Description	Total Target £'000s	Savings Non-Delivery as at Month 10 £'000s
22/23 CYPE 09	Refocusing Public Health funding - New Youth & Wellbeing Offer	(300)	300
22/23 CYPE 07a	NHS Funding	(490)	490
22/23 CYPE 07b	NHS Funding	(300)	300
<b>Children, Young People and Education Total</b>			
22/23 ASCH 07	Refocusing Public Health funding - New Youth & Wellbeing Offer	(380)	380
21/22 ASCH 01	Baseline Savings - Disabilities Operational Budget	(4,371)	2,021
21/22 ASCH 02	Stretch Savings - Disabilities Operational Budget	(1,213)	1,213
21/22 ASCH 08	Baseline Savings - Older People Operational Budget	(3,195)	1,195
22/23 ASCH 02	Review of Older Adults Packages of Care	(505)	505
<b>Adult Social Care and Health Total</b>			
22/23 HOUS 01	Impact of maximising homelessness prevention	(578)	578
22/23 HOUS 02	Impact of increasing speed of homelessness decisions	(101)	101
22/23 HOUS 03	Increase use of LA Stock for EA/TA	(163)	163
22/23 HOUS 07	Ending EA/TA where the council has no duty	(193)	193
22/23 HOUS 10	Housing supply pipeline maximisation	(80)	80
22/23 HOUS 11	Contract Reviews	(250)	250
22/23 HOUS 13	Income Maximisation - Rent Collection	(240)	0
22/23 HOUS 14	Resident Engagement & Tenancy Services	(100)	100

MTFS Target Reference	MTFS Savings Description	Total Target £'000s	Savings Non-Delivery as at Month 10 £'000s
22/23 HOUS 04	Repurpose under-utilised sheltered housing stock	(158)	158
22/23 HOUS 09	Incentivising temporary accommodation leasing schemes	(138)	138
<b>Housing Total</b>			
21/22 SCRER 11	ANPR camera enforcement	(3,180)	2,040
21/22 SCRER 16	Revised Landlord Licensing scheme	(2,300)	2,300
22/23 SCRER 06	Review and reduction of the Neighbourhood Operations (NSO team)	(950)	450
22/23 SCRER 08	Introduction of a variable lighting policy	(417)	417
22/23 SCRER 15	Bus Re-Tender Contract Savings	(120)	40
22/23 SCRER 16	Private Sector Environmental Enforcement	(250)	125
22/23 SCRER 17	Parking charges increase	(650)	285
22/23 SCRER 18	Independent travel optimisation	(20)	20
22/23 SCRER 21	Increase in Pre-Planning Applications	(66)	66
<b>Sustainable Communities Regen &amp; Economic Recovery Total</b>			
21/22 RES 03d	Fees And Charges	(28)	28
22/23 RES 20d	Increase in fees and charges	(142)	142
22/23 RES 20e	Increase in fees and charges	(2)	2
<b>Resources Total</b>			
<b>Corporate Items &amp; Funding Total</b>			
21/22 ACE 05	Fees And Charges	(19)	19
22/23 ACE 12	Increase in fees and charges	(93)	93

MTFS Target Reference	MTFS Savings Description	Total Target £'000s	Savings Non-Delivery as at Month 10 £'000s
22/23 ACE 09	Rationalisation of software applications and contracts	(750)	300
<b>Assistant Chief Executive Total</b>			
<b>Total Savings Not delivered</b>			<b>14,492</b>

#### Appendix 4 – MTFS savings at risk

MTFS Savings Ref	MTFS Savings Description	Savings at risk as at Month 10	Savings at risk as at Month 9	Change From Prior Month 9 To Month 10
		£'000s	£'000s	£'000s
21/22 CYPE 05	Review Support for Young People where Appeal Rights Exhausted	0	61	(61)
<b>Children, Young People and Education Total</b>		<b>0</b>	<b>61</b>	<b>0</b>
21/22 ASCH 01	Baseline Savings - Disabilities Operational Budget	850	971	0
21/22 ASCH 04	Review of Contracts - OBC Commissioning, Working Age Adults Commissioning and Public Health commissioning	36	36	0
21/22 RES 06	HWA contract savings	35	35	0
22/23 ASCH 03	Review of Mental Health Packages of Care	50	50	0
<b>Adult Social Care and Health Total</b>		<b>971</b>	<b>971</b>	<b>0</b>
22/23 HOUS 12	Staffing Review	158	158	0
22/23 HOUS 13	Income Maximisation - Rent Collection	240	240	0
<b>Housing Total</b>		<b>398</b>	<b>398</b>	<b>0</b>
21/22 SCRER 14a	Fees And Charges	350	350	0
22/23 SCRER 06	Review and reduction of the Neighbourhood Operations (NSO team)	260	260	0
22/23 SCRER 12	Contract Savings - Pay and Display Machines	300	300	0
22/23 SCRER 16	Private Sector Environmental Enforcement	63	63	0
22/23 SCRER 19	New gym in Monks Hill Leisure Centre	90	90	0
22/23 SCRER 20	Non-capital and contract impact of Purley Leisure Centre closure	50	50	0

<b>MTFS Savings Ref</b>	<b>MTFS Savings Description</b>	<b>Savings at risk as at Month 10</b>	<b>Savings at risk as at Month 9</b>	<b>Change From Prior Month 9 To Month 10</b>
		<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
<b>22/23 SCRER 28</b>	Merger of Management Functions in Place	100	100	0
<b>22/23 SCRER 17</b>	Parking charges increase	365	365	0
<b>21/22 SCRER 11</b>	ANPR camera enforcement	1,140	1,140	0
<b>Sustainable Communities Regen &amp; Economic Recovery Total</b>		<b>2,718</b>	<b>2,718</b>	<b>0</b>
<b>22/23 ACE 18</b>	Contract Savings - Managed Service Provider for Temporary Agency Resources £600K saving in 22/23	600	600	0
<b>Assistant Chief Executive Total</b>		<b>600</b>	<b>600</b>	<b>0</b>
<b>Total Savings at Risk</b>		<b>4,687</b>	<b>4,748</b>	<b>(61)</b>

## Appendix 5 – Other quantifiable and unquantifiable risks

Quantified Risks	M10 £'000s	M9 £'000s	Details of Risk
Children, Young People and Education		500	None
Adult Social Care and Health	-	-	None
Housing	250	1,250	<b>Emergency Accommodation (EA) Bad Debt Provision £0.250m</b> The workings behind the forecast for the bad debt provision need reviewing as the model is suggesting increases in the forecast whilst collection rates have improved.
Sustainable Communities, Regeneration & Economic Recovery	169	625	<b>Capital Staff Recharges (£169k)</b> As there is no TfL capital funding thus far this year, this is creating a risk of not being able to recharge staff time to capital at the level anticipated in the budget.
Resources	-	-	None
Assistant Chief Executive	-	-	None
<b>Total Quantified Risks</b>	<b>419</b>	<b>2,375</b>	

Un-Quantified Risks	M10 £'000s	M9 £'000s	Details of Risk
Children, Young People and Education			None
Adult Social Care and Health			Potential post Covid-19 pandemic latent demand working through the population resulting in additional care packages placements.
			<b>Inflation</b> , rising fuel and food costs significant expenditure for care providers - may result in claims for increased fees or face financial instability
			<b>High vacancy rate</b> is caused by significant challenges in recruitment across the Directorate. This means staff are focussed on statutory delivery, rather than transformation. This is a national issue.

			<b>There is hospital discharge pressure</b> as the current system risk is running at winter levels due to Covid and backlog despite being summer. Work is being done on a deep dive, as the numbers of placements and equipment cost are rising.
Housing			<b>New Housing Structure (temporary)</b> There remains a temporary structure within Housing, including an Interim Director of Tenancy Services. A change programme is being developed and a bid for Transformation Funding to resource it has been submitted.
			<b>Fire at Sycamore House</b> The financial impact of the fire at Sycamore House, Thornton Heath is as yet unquantifiable.
Sustainable Communities, Regeneration & Economic Recovery			<b>Risk To NSRWA Related Income Highways and Parking</b> Although unknown at this stage there is a potential risk to New Roads and Street Works Act Income due to delays and disputes with Utility Companies. Further work is being undertaken to quantify these risks and where possible mitigate the effect.
Resources			<b>Legal Trading Model</b> The legal trading services model is under review. Until this review is completed officers are flagging this area as a risk. Last year Legal Services were overspent by £306,000.
Assistant Chief Executive			Risk based upon the lack of available graves for sale until the cemetery extension opens
			Increased competition from neighbouring facilities, perceived increase in direct cremations, viewed as the cheaper option for families as inflation starts to take effect
Corporate Items & Funding			None
<b>Total Un-Quantified Risks</b>			



## Appendix 6 Quantifiable and unquantifiable opportunities

Quantified Opportunities	M10 £'000s	M9 £'000s	Details of Opportunities
Children, Young People and Education	-	-	None
Adult Social Care and Health	-	-	None
Housing	-	-	None
Sustainable Communities, Regeneration & Economic Recovery	(140)	(1,292)	<b>Highways Savings (0.140m)</b> Additional in year Highways revenue savings.
Resources	-	(100)	None
Assistant Chief Executive	-	(320)	None
Corporate Items & Funding	-	(605)	None
<b>Total Quantified Opportunities</b>	<b>(140)</b>	<b>(2,317)</b>	