

REPORT:	Cabinet
DATE OF DECISION	24 May 2023
REPORT TITLE:	Month 11 Financial Performance Report
CORPORATE DIRECTOR / DIRECTOR:	Jane West Corporate Director of Resources (Section 151 Officer)
LEAD OFFICER:	Jane West, Corporate Director of Resources
LEAD MEMBER:	Cllr Jason Cummings, Cabinet Member for Finance
KEY DECISION?	No. The recommendations set out below are not executive decisions and therefore are not key decisions.
CONTAINS EXEMPT INFORMATION?	No
WARDS AFFECTED:	All
SUMMARY OF REPORT:	
<p>This report provides the Council's forecast outturn as at Month 11 (February 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

	2022-23 Month 11 Forecast Variance (£m)	2022-23 Month 10 Forecast Variance (£m)	Movement (£m)
General Fund over/(underspend)	0.0	0.0	0.0

The General Fund forecast continues to show a balanced budget.

This report sets out further risks of **£0.3m**.

	2022-23 Forecast Variance Month 11 (£m)	2022-23 Forecast Variance Month 10 (£m)	Movement (£m)
Housing Revenue Account over/(underspend)	1.2	0.5	0.7

The Housing Revenue Account is forecasting a **£1.2m** overspend against budget.

	2022-23 Revised Budget (£m)	2022-23 Actuals to 28/02/23 (£m)	2022-23 Forecast (£m)	2022-23 Forecast Variance (£m)
Total General Fund and HRA Capital Programme	281.9	47.2	261.5	(20.4)

The Capital Programme has spent **£47.2m** against a **£281.9m** revised budget. The end of year position is forecast to be an underspend of **£20.4m**.

1. RECOMMENDATIONS

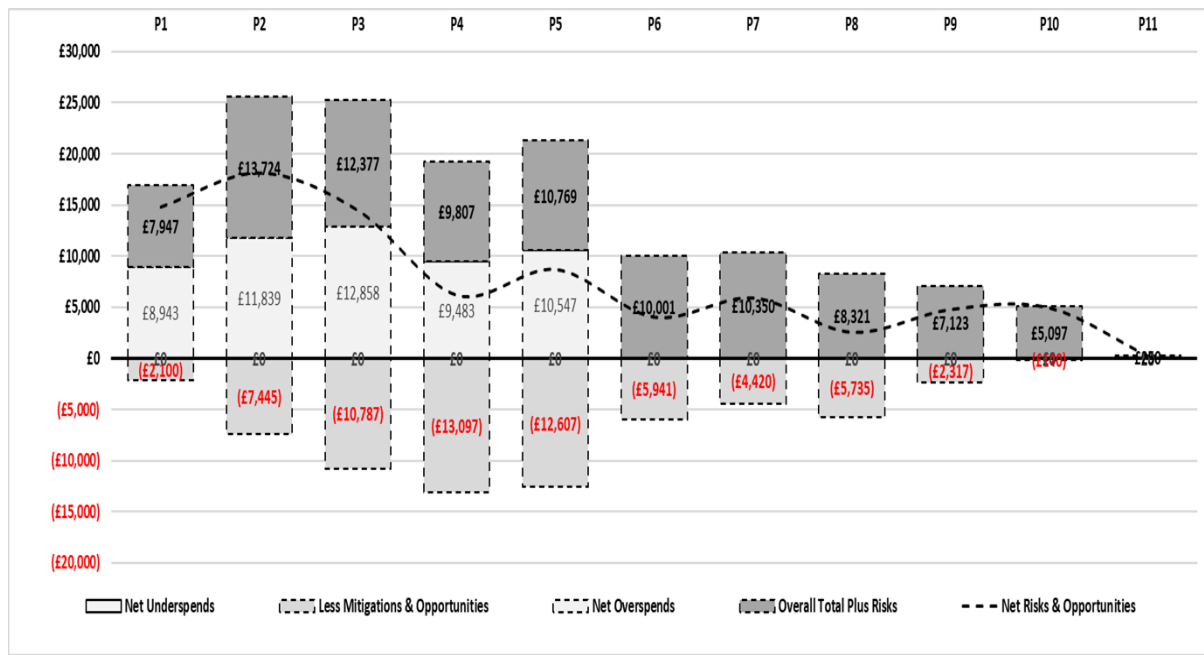
The Executive Mayor, in Cabinet, is recommended to:

- 1.1. Note the General Fund revenue budget outturn is forecast to be balanced at Month 11.
- 1.2. Note the forecast elimination of the planned contribution to General Fund Reserves of £6.9m for 2022-23.
- 1.3. Note the progress of the MTFs savings as summarised in Table 4 and detailed in Appendix 3.
- 1.4. Note the Housing Revenue Account (HRA) forecast overspend of £1.2m.
- 1.5. Note the Capital Programme spend to date for the General Fund of £25.6m (which excludes forecast capitalisation direction of £186.6m to come) against a budget of £254.5m) with a forecast underspend of £19.7m.
- 1.6. Note the Housing Revenue Account Capital Programme spend to date of £21.6m (against a budget of £27.4m), with a forecast underspend of £0.7m.
- 1.7. Note the above figures are predicated on forecasts from Month 11 to the year end and therefore could be subject to change as forecasts are made based on the best available information at the time.
- 1.8. 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.
- 2.2. The General Fund revenue forecast outturn for Month 11 shows a balanced position for the sixth month in a row.
- 2.3. There are risks of £0.3m and nil opportunities. 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 11 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 £1.2m (an adverse movement of £0.7m from the Month 10 forecast).
- 2.8. The Capital Programme for both the General Fund and Housing Revenue Account is reporting a total expenditure to date of £47.2m of which £25.6m is General Fund and £21.6m Housing Revenue Account. Capital spend is projected to be £261.5m against a revised budget of £281.9m, resulting in a £20.4m 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 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 11 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

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

Unresolved Issues

- 2.12. The Council's overall financial position is still subject to a number of unresolved historic 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 £25m 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 have been eligible for a £400 discount over the winter and residents on means-tested benefits have been eligible for 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 11 financial forecast is largely driven by £12.3m 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. The in-year overspend pressure in directorates is being offset by a budgeted contribution to General Fund Reserves no longer going ahead (£6.9m), an underspend on the corporate contingency budget not being used (£5.0m), a drawdown from the Corporate Contingency Reserve (£4.0m) to support in-year inflationary pressures and centrally held inflation budget (£1.2m). These underspends are partially offset by one-off pressures totalling £3.4m across Corporate budgets.
- 4.3. The detailed forecast outturn per Directorate for the General Fund is shown below in Table 3.

Table 3 – Month 11 Forecast by Directorate

	Month 11 Forecast Variance	Month 10 Forecast Variance	Change from Month 10 to Month 11	Savings Under-Delivery at Month 11	Other Pressures / (Underspend) at Month 11
	(£000's)	(£000's)	(£000's)	(£000's)	(£000's)
Children, Young People and Education	(2,309)	(3,076)	767	1,090	(3,399)
Adult Social Care and Health	(2,844)	(2,418)	(426)	2,834	(5,678)
Housing	2,773	3,256	(483)	2,159	614
Sustainable Communities, Regeneration & Economic Recovery	15,050	14,267	783	5,743	9,307
Resources	2,418	2,527	(108)	172	2,246
Assistant Chief Executive	(1,398)	(841)	(556)	300	(1,698)
Departmental Total	13,690	13,714	(24)	12,298	1,392
Corporate Items & Funding	(13,690)	(13,714)	24	-	(13,690)
Total General Fund	-	-	-	12,298	(12,298)

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 arisen 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	706	7,768	-	-	-
Adult Social Care and Health	(16,500)	2,834	2,852	10,814	-	971	(971)
Housing	(2,841)	2,159	57	625	-	398	(398)
Sustainable Communities, Regeneration & Economic Recovery	(12,396)	5,743	2,969	3,684	-	2,709	(2,709)
Resources	(3,029)	172	238	2,619	-	-	-
Assistant Chief Executive	(9,543)	300	770	8,473	-	600	(600)
TOTAL FOR MTFS	(53,873)	12,298	7,592	33,983	-	4,678	(4,678)

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.

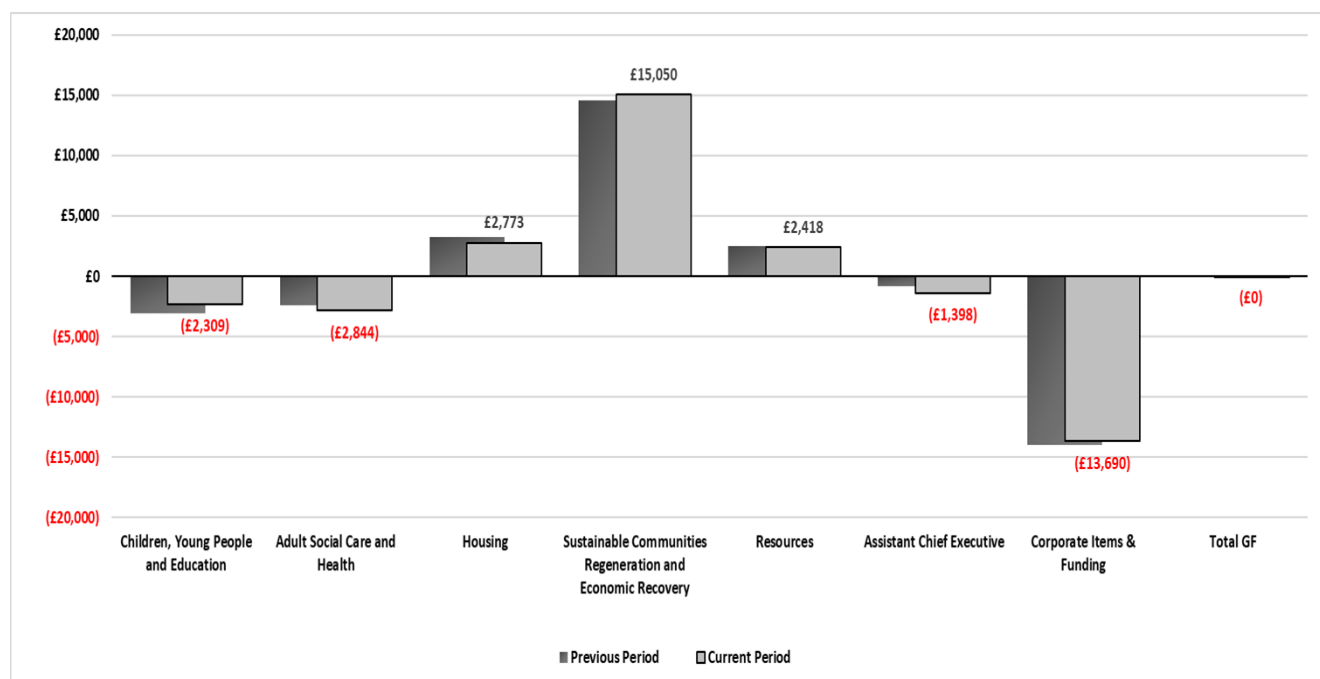
Table 5 – Summary of Risks and Opportunities

	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	-	-	-	-
Housing	-	250	-	250
Sustainable Communities, Regeneration & Economic Recovery	-	-	-	-
Resources	-	-	-	-
Assistant Chief Executive	-	-	-	-
Corporate Items & Funding	-	-	-	-
Total Month 11	-	250	-	250
Total Month 10	4,678	419	(140)	4,957
Variance	(4,678)	(169)	140	(4,707)

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 11



4.8 Children, Young People and Education (CYPE)

At Period 11 there is a **£2.3m forecast underspend** against a budget of £85.2m. This is after the directorate absorbs one-off costs of £1.3m relating to transformation work to achieve MTFS savings, improve services and improve IT systems.

This is an adverse movement from Month 10 of £0.8m which is due to absorbing one-off transformation costs of £1.3m and a £0.5m improvement mainly due to periods of vacant posts while recruitment is carried out and increased Traded Services income.

Children's Social Care Division – forecast underspend of (£1.2m)

(£2.3m) staffing underspend due to periods of vacancy
 (£1.5m) underspend in non-pay expenditure across the division
 (£1.4m) placements cost underspend
 (£1.0m) legal costs underspend due to lower numbers of care proceedings and UASC age assessment challenges.

£3.9m unachieved grant income for Unaccompanied Asylum Seeking Children (UASC). Please note that the UASC income budget has been decreased for 2023-24 to more accurately reflect actual grant income to be received.
 £0.9m one-off transformation costs

£0.2m under-achievement in income (including £0.5m unachieved MTFs income savings which have been partially offset through other income)

Quality, Commissioning and Performance Improvement Division – forecast underspend of (£0.5m)

(£0.9m) staffing underspend due to periods of vacancy
£0.4m one-off transformation costs

Non-DSG Education services – forecast underspend of (£0.6m)

(£0.9m) underspend due to periods of staffing vacancy and increased Traded Services income
£0.3m under-achievement in income due to MTFs income saving (NHS funding towards speech and language therapy) not achieved

Dedicated Schools Grant (DSG) High Needs education services – forecast overspend of £1.8m

There is a High Needs forecast overspend of £1.8m against the budget of £75.3m. This position is in line with the planned overspend of £1.8m submitted to the Department of Education (DfE) Safety Valve Team as part of the approved Deficit Recovery Plan.

£2.0m overspend in Special Schools placements due to an increase in complex cases.

£1.6m overspend due to increased Out of Borough placement costs.

(£0.4m) underspend in Early Years provision due to successful demand management.

(£1.4m) underspend in the service transformation budget due to delayed implementation of the Special Schools funding system.

Education Services have met the Safety Valve compliance and performance grant conditions for 2022-23 and therefore this will activate the release of funding from the DfE to fund the provision of more SEND school places and reduce the historical deficit.

The DSG deficit at the end of 2021-22 was £24.5m. The £1.8m in-year overspend will initially increase this to £26.3m before the Council receives the £10.960m Safety Valve funding from the DfE, which will bring the deficit down to £15.3m.

4.9 Adult Social Care and Health (ASCH)

At period 11 a **£2.8m (2.1%) forecast underspend** against a budget of £132.3m. This is a favourable movement of £0.4m from month 10.

The department is absorbing the one-off costs of transformation of £1m and so will not need to make a call on flexible capital receipts.

Adult Social Care Operations - Forecast underspend of (£2.0m)

Staffing across this division is an underspend position (£3.8m). 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 and recruitment to many roles is proving challenging.

Localities have an underspend of (£1.0m) including the reversal of 2021-22 accruals for planned care costs (£0.7m). 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 have an overspend of £2.3m. 25-65 years disabilities has worsened by £0.2m to a £2.0m overspend. However, £0.3m of this is due to a contribution towards one-off transformation costs. The overspend on care stands at £2.7m. Significant work has been undertaken to deliver a challenging savings target of £5.6m with the majority being achieved to date. Transitions is unchanged at £0.3m overspend due to care package costs.

Adult Social Care Policy and Improvement – Forecast underspend of (£0.6m)

The Policy and Improvement division has returned to a favourable position with an underspend of £0.6m. This is primarily due to staffing underspends of (£0.3m) and cost reductions in the equipment service (£0.2m).

Adult Social Care Directorate – Forecast underspend of (£0.2m)

The underspend is a result of the delays in recruitment to fixed term and temporary positions to provide additional capacity to improve performance, data management and reduce operational risks across the directorate.

Unquantified risks present continued concerns to the directorate budget. In addition, inflation and rising fuel costs will result in significant expenditure for providers which may result in claims for increased fees and/or financial instability with the potential for 'handing back' contracts.

4.10. **Housing**

At Month 11, Housing has a **£2.8m forecast overspend** against a budget of £10.3m. This is a favourable movement of £0.5m from month 10 mainly due to full allocation of Rough Sleeping Initiative grant to cover costs of housing single homeless people.

Emergency Accommodation – forecast overspend of £1.4m

£2.7m pressure on net costs of accommodating homeless households in nightly paid accommodation including bed and breakfast, hotel and hostel accommodation. Numbers have increased by circa 100 compared to 2021-22, offset by a corresponding fall in temporary accommodation numbers. This pressure is after allocation of £1.3m corporate budget to cover inflationary pressures.

(£0.6m) Rough Sleeping Initiative grant reallocated to single homelessness costs as agreed with DLUHC

(£0.4m) underspend from additional Homelessness Prevention Grant above budget received from DLUHC as a winter top-up

(£0.3m) staffing underspend due to periods of vacancy

Temporary Accommodation - forecast overspend of £1.8m

£1.6m pressure on net accommodation for 2 to 5 years leased homelessness properties. Numbers have remained steady across 2022-23 as a very limited number of new properties have been secured due to market factors.

£0.6m pressure due to the net spend on long term leased blocks (Concorde, Sycamore and Windsor) being transferred from the HRA to the General Fund.

(£0.4m) underspend from additional Homelessness Prevention Grant above budget received from DLUHC as a winter top-up.

Other services – forecast underspend of (£0.4m)

(£0.4m) No Recourse to Public Funds (NRPF) underspend against a budget of £2.3m. Spend on this service peaked in 2016-17 at £3.3m and caseloads have been steadily managed down since that point.

Housing Service Context

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)

At Month 11, SCRER has a **forecast overspend of £15.1m**. The main cause of the overspend relates to parking, parking enforcement and moving traffic offence income. The forecast overspend has increased by £0.8m since month 10 due to previously highlighted risks in parking income now being realised into the position.

Sustainable Communities Division - £13.9m forecast overspend

There is a forecast £16.1m under-achievement in parking, parking enforcement and moving traffic offence income reflecting the unachievable income forecasts identified through the Opening the Books review. Demand for parking services has not returned to pre-pandemic levels and this is affecting all areas of parking which includes Automated Number Plate Recognition (ANPR), pay and display and on-street parking.

Parking Services continue to have delays in connection with the roll out of new ANPR cameras which affect the income levels within the service. A new ANPR camera contract was procured in 2021 however the Council has faced significant problems with functionality and are urgently seeking firm assurance from the new contractor that they remain in a position to fulfil their contractual obligations.

The Parking budget has been rebased for 2023-24 based on a timetabled roll out of Healthy Neighbourhood Schemes, so the delays in the implementation of the cameras will continue to have a detrimental effect in 2023-24.

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.

The Division has a forecast underspend of £3.3m in staffing due to periods of vacancy and a £0.5m forecast underspend in waste services due to reduced level of residential waste.

Planning and Sustainable Regeneration Division - £1.4m forecast overspend

Pressures are experienced within Building Control and Planning income of £1.9m. This pressure has been corrected in the income budgets for 2023-24. There will be a drawdown from the Building Control Trading Account earmarked reserve of £0.3m towards the income pressure. There is a £0.2m forecast underspend in staffing and non-pay expenditure budgets across the division.

Culture and Community Safety Division - £0.2m forecast underspend

There is a £0.2m forecast underspend in staffing and non-pay expenditure budgets across the division.

4.12. Resources

At Month 11, there is a **£2.4m forecast overspend** which demonstrates a favourable movement of £0.1m since Month 10 due to increased periods of staffing vacancy.

Finance Division - £5.1m forecast overspend

There is a £6.8m forecast overspend relating to historically unaccounted for pressures in Housing Benefit (HB) subsidies identified through the Opening the Books exercise. This is due to the difference between the cost of HB expenditure and the funding level received from DWP to support temporary accommodation and accommodation in non-registered supported accommodation. A cross council working group is currently operating to mitigate pressures by maximising HB subsidy income claims, increasing collection of HB overpayments and reducing costs.

There is a £0.8m forecast staffing underspend across the Division however this is mainly due to periods of vacancy in the Payments, Revenues, Benefits and Debt Service which is offsetting pressures from supernumerary accountancy staffing and external specialist financial advice.

There is a £0.9m underspend in the Payments, Revenues, Benefits and Debt Service from income over-achievement in court awarded costs.

Legal Services and Monitoring Officer Division – £1.2m forecast overspend

There is a forecast overspend in Legal Services of £1.4m due to a recharge income budget higher than the charges which can be evidenced. This income budget has been reduced for 2023-24 to accurately reflect the level of recharges to be processed.

This is partially offset through a £0.2m underspend in the Monitoring Officer service due to a nil inflationary increase on Member's Allowances.

Commercial Investment Division - £3.7m forecast underspend

There is a £1.4m underspend due to reduced internal borrowing costs, £1.0m overachievement in rental income, £0.8m staffing underspend due to periods of vacancy, £0.3m underspend in utility costs (due to gas costs reducing from their previously very high level) and a £0.2m underspend in facilities management contracts for works across Council properties.

Central Resources - £0.2m forecast underspend

There is a £0.2m forecast underspend in Insurance, Anti-Fraud & Risk due to increased recharge income and a £0.1m underspend in Pensions non-pay expenditure, partially offset by a £0.1m one-off contract overspend in Internal Audit.

4.13. **Assistant Chief Executive**

At Month 11 there is a **£1.4m forecast underspend**. This is a favourable movement of £0.6m from Month 10. Continuing reviews in Croydon Digital and Resident Access during the year have led to increased contract savings of £0.3m and there has been a decrease in non-pay expenditure in Policy, Programmes & Performance of £0.3m.

Policy, Programmes & Performance Division - £1.4m forecast underspend

There is a £1.0m staffing underspend due to periods of vacancy and Programme Management Office (PMO) staffing costs funded through Transformation, a £0.3m underspend in non-pay expenditure and a £0.1m underspend in corporate communication campaigns.

Croydon Digital and Resident Access Division - £0.1m forecast underspend

The Resident Contact Centre has a £0.2m underspend due to periods of staffing vacancy and the Bereavement and Registrars Service has a £0.2m underspend due to increased fees & charges income. This is partially offset by a £0.3m

overspend in Digital Services due to under-achievement of the “Rationalisation of software applications and contracts” MTFS saving.

Central Assistant Chief Executive - £0.1m forecast overspend

There is a £0.1m overspend pressure from centrally held fees & charges MTFS income savings which are being delivered in the divisions. This income budget has been allocated to the divisions as part of 2023-24 budget setting.

Chief People Officer Division – breakeven position

Learning & Organisational Development Officers have been developing a cross-Council package of training to be commissioned and delivered in 2023-24. The service is requesting for 2022-23 underspend in the corporate training budget to be carried over to 2023-24 in an earmarked reserve.

The directive to stand down agency staff for two weeks over the Christmas period has led to a significant mitigation of the £0.6m saving target for agency costs, however the reduced expenditure is reflected in the individual directorates.

Public Health Division – breakeven position after movement in reserves

It is currently forecast that the Public Health grant will be underspent by circa £2.5m in 2022-23 and this will be added into the Public Health reserve. Please note that this is after an extra one-off contribution of £1m in 2022-23 to public health activities in SCRER (£0.4m), Children’s Services (£0.3m) and for the London Borough of Culture (£0.3m).

There is currently an accumulated balance of £5.5m on the balance sheet (as an earmarked Public Health reserve) at April 2022 due to underspends in previous years.

Asylum Seekers and Homes for Ukraine funding – breakeven position after movement in reserves

The Council has received grant funding towards the support of Refugees and Asylum Seekers and any underspend in 2022-23 will be carried forward in an earmarked reserve to fund ongoing expenditure in 2023-24.

4.14. **Corporate Budgets**

At Month 11, the corporate budget position is a **forecast underspend of £13.7m**. The corporate budget holds funding and financing streams such as Council Tax, retained share of Business Rates and Core Grants. The corporate budget also holds a Council-wide risk contingency budget (£5m) and the budgets for borrowing and interest received.

(£6.9m) underspend on the budget originally planned to increase the Council’s level of General Fund reserves.

(£5.0m) underspend on the corporate contingency budget. There are no commitments to date against the £5.0m budget.

(£4.0m) underspend due to the drawdown of £4.0m from the one-off Corporate Contingency Reserve of £5.9m (to support in-year inflationary pressures).

(£1.2m) underspend on centrally held inflation budget.

£3.4m overspend from one-off pressures across Corporate budgets. This includes an under recovery of £0.5m income in relation to the contract to deliver new bus shelters and small format advertising. The previous contract to provide bus shelters ended in March 2021 and when the contract ended the bus shelters were removed by the contractor. The new contractor has delayed delivering the new bus shelters and the associated milestone fee payments. Officers are urgently seeking firm assurance from the new contractor that they remain in a position to fulfil their contractual obligations.

5. Housing Revenue Account (HRA)

The HRA is forecasting a total overspend of £1.2m against a budget of £91.2m due to the pressures detailed below being largely offset by the reductions in recharges from the general fund.

This is an adverse movement of £0.7m from month 10 mainly due to detailed analysis of the likely impact of legal disrepair cases that remain unresolved and will be provided for as an estimated cost within the 2022-23 accounts.

Repairs

£1.7m overspend pressure from the Axis repair contract, ending in August 2023, due to agreed changes in the payment model and negotiated inflationary increases

£1.5m overspend in void and disrepair costs carried out by specialist contractors to reduce void losses and minimise future disrepair claims

£1.0m settled disrepair cases and related legal fees related to Regina Road

£1.5m estimated disrepair settlement costs

Tenancy and Income

£2.1m overspend in utilities costs related to energy price increases

£0.7m increased bad debt costs as rent collection has worsened due to cost of living pressures

£0.4m loss of income due to void (empty) residential properties

£0.3m loss of income due to void garages

Recharge Review

(£4.9m) underspend due to a review of legacy corporate overhead recharges between the General Fund and HRA. This has resulted in a 64% reduction in the charge to the ringfenced HRA account. Backdated changes to previous years' accounts will also be actioned.

Staffing and other

(£1.6m) underspend from staffing vacancies due to difficulties recruiting to specialist posts

(£1.5m) underspend in central staff budgets (director roles now reconfigured between the General Fund and HRA) and non-pay expenditure (including the contingency budget)

Table 6 - Housing Revenue Account Month 11 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)
Income	(91,240)	(75,395)	(90,805)	435
Expenditure				
Centralised Directorate expenditure	48,933	(9,897)	42,771	(6,162)
Responsive Repairs & Safety	18,085	15,794	22,296	4,211
Asset Planning	1,644	1,142	1,490	(154)
Capital Delivery (Homes & Schools)	1,478	1,018	1,302	(176)
Tenancy & Resident Engagement	8,689	5,633	11,289	2,600
Homelessness & Assessments	4,395	2,869	4,415	20
Service development and income	8,016	4,833	8,423	407
Total Expenditure	91,240	21,393	91,987	747
TOTAL NET EXPENDITURE	-	(54,002)	1,182	1,182

6. Capital Programme

- 6.1 The General Fund and Housing Revenue Account capital programmes have currently spent **£47.2m** to the end of Month 11. This is against a revised budget of **£281.9m**. The revised budget reflects the additional £161.6m capitalisation direction.
- 6.2 Forecast spend for the year is **£261.5m**, 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 **£20.4m**.
- 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 11

Capital Programme	Revised Budget (£000's)	Actuals To Date (£000's)	Forecast at M11 (£000's)	Forecast Variance (£000's)
Adult Social Care and Health	-	66	-	-
Housing	4,392	1,668	2,500	(1,892)

Capital Programme	Revised Budget (£000's)	Actuals To Date (£000's)	Forecast at M11 (£000's)	Forecast Variance (£000's)
Assistant Chief Executive	6,965	2,998	6,716	(249)
Children, Young People and Education	7,930	3,196	5,454	(2,476)
Sustainable Communities, Regen & Economic Recovery	36,345	15,929	25,590	(10,775)
Resources	8,255	2,381	3,922	(4,333)
Corporate	4,049	-	4,049	-
Subtotal	67,936	25,601	48,231	(19,705)
Capitalisation Direction	186,600		186,600	-
General Fund Total	254,536	25,601	234,831	(19,705)
Housing Revenue Account	27,357	21,604	26,645	(712)
Capital Programme Total	281,893	47,205	261,476	(20,417)

Table 8 – Capital Programme Financing at Month 11

	2022-23 Revised Budget (£000's)	Forecast at Month 11 (£000's)	Forecast Variance (£000's)
General Fund			
CIL	2,856	1,752	(1,104)
s106	550	444	(106)
Grants & Other Contributions	18,298	13,199	(5,098)
Growth Zone	6,888	2,971	(3,917)
HRA Contributions	1,742	1,742	-
Capital Receipts	55,049	55,049	-
Reserves	-	-	-
Borrowing	169,153	159,674	(9,479)
Total General Fund Financing	254,536	234,831	(19,705)
HRA			
Grant	1,200	1,200	-
MRR	12,336	14,134	1,798
Revenue	-	-	-
Reserves	13,821	11,311	(2,510)
Borrowing	-	-	-
Total HRA Financing	27,357	26,645	(712)
Total GF & HRA Financing	281,893	261,476	(20,417)

6.4 The Month 11 forecast indicates £9.5m of borrowing less than the revised budget for the General Fund and no borrowing required for the Housing Revenue Account. However total borrowing increased with the inclusion of the additional £161.6m capitalisation direction.

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. We will also ensure that disabled staff are treated more favourably during restructure in that they will be required to meet the minimum standard prior to been offered an interview.
- 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. 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 Allister Bannin – Director of Finance (Deputy S151 Officer)

List of Appendices

Appendix 1 – Service Budgets and Forecasts Month 11

Appendix 2 – Capital Programme Month 11

Appendix 3 – MTFS savings forecast under-delivery

Appendix 4 – MTFS savings at risk

Appendix 5 – Other quantifiable and unquantifiable risks

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Appendix 7 - 2022-23 Month 10 Financial Performance Report

Appendix 1 – Service Budgets and Forecasts Month 11

	Budget	Actuals to Date	Full-Year Forecast	Projected Variance
	(£000's)	(£000's)	(£000's)	(£000's)
Adult Social Care Operations	114,417	98,259	112,413	-2,004
Adult Social Care and Health Directorate	1,575	1,110	1,315	-260
Adult Social Care Policy and Improvement	16,314	18,571	15,734	-580
TOTAL ADULT SOCIAL CARE AND HEALTH	132,306	117,940	129,462	-2,844
Resident Engagement and Allocations	10,204	11,328	12,984	2,780
Estates and Improvement	108	380	101	-7
TOTAL HOUSING	10,312	11,708	13,085	2,773
Central Sustainable Communities, Regeneration & Economic Recovery	-220	511	-215	5
Sustainable Communities	27,449	32,298	41,315	13,866
Culture and Community Safety	5,614	4,184	5,411	-203
Planning and Sustainable Regeneration	1,421	4,744	2,803	1,382
TOTAL SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC RECOVERY	34,264	41,737	49,314	15,050
Central Resources	-6,910	395	-6,897	13
Finance	9,964	147,618	15,037	5,073
Pensions	417	1,309	315	-102
Monitoring Officer	2,148	1,893	1,971	-177
Insurance, Anti-Fraud and Risk	1,057	2,796	824	-233
Legal Services	-1,387	-5,845	-	1,387
Internal Audit Service	414	605	524	110
Commercial Investment	16,952	7,251	13,299	-3,653
TOTAL RESOURCES	22,655	156,022	25,073	2,418
Central Children, Young People and Education	605	450	563	-42
Children's Social Care	74,116	57,600	69,057	-5,059
Unaccompanied Asylum Seeking Children (UASC) and Care Leavers	-4,291	-1,106	-405	3,886
Education – excluding DSG	7,689	38,893	7,056	-633
Quality, Policy and Performance Improvement	7,126	6,588	6,665	-461
TOTAL CHILDREN, YOUNG PEOPLE AND EDUCATION	85,245	102,425	82,936	-2,309
Central Assistant Chief Executive	-62	778	14	76
Croydon Digital and Resident Access	23,992	25,463	23,868	-124
Chief People Officer	3,387	3,176	3,421	34
Policy, Programmes and Performance	6,362	7,118	4,978	-1,384
Public Health	-	-18,373	-	-
Asylum Seekers and Homes for Ukraine funding	-	-4,542	-	-
TOTAL ASSISTANT CHIEF EXECUTIVE	33,679	13,620	32,281	-1,398
TOTAL	318,461	443,452	332,151	13,690

Appendix 2 – Capital Programme Month 11

Scheme Name	2022-23 Revised Budget	2022-23 Actual to Date as at 28/02/23	2022-23 Forecast as at Period 11	2022-23 Variance for Year
	(£000's)	(£000's)	(£000's)	(£000's)
Disabled Facilities Grant	3,992	1,608	2,250	(1,742)
Empty Homes Grants	400	60	250	(150)
HOUSING	4,392	1,668	2,500	(1,892)
Adult Social Care Provision	-	30	-	-
Provider Services - Extra Care	-	36	-	-
ADULT SOCIAL CARE AND HEALTH	-	66	-	-
Bereavement Services	1,775	1,564	1,775	-
Bereavement Service Vehicles	39	-	39	-
Finance and HR system	-	1	-	-
My Resources Interface Enhancement	75	-	75	-
ICT	-	963	-	-
Network Refresh	141	-	141	-
Tech Refresh	610	-	610	-
Geographical Information Systems	65	-	65	-
Laptop Refresh	222	-	222	-
Cloud and DR	198	-	198	-
People ICT	-	470	-	-
Synergy Education System	1,030	-	1,030	0
NEC Housing System	2,680	-	2,431	(249)
Uniform ICT Upgrade	130	-	130	-
ASSISTANT CHIEF EXECUTIVE	6,965	2,998	6,716	(249)
Education – Fire Safety Works	776	4	750	(26)
Education - Fixed Term Expansions	747	331	547	(200)
Education - Major Maintenance	4,062	2,212	2,508	(1,554)
Education - Miscellaneous	134	263	263	129
Education - Permanent Expansion	319	22	319	-
Education - Secondary Estate	39	41	41	2
Education - SEN	1,853	323	1,026	(827)
CHILDREN, YOUNG PEOPLE AND EDUCATION	7,930	3,196	5,454	(2,476)
Allotments	200	180	200	-
Fairfield Halls - Council Fixtures & Fittings FFH	574	571	571	(3)
Growth Zone	5,988	220	2,071	(3,917)
Grounds Maintenance Insourced Equipment	1,000	-	-	(1,000)
Highways	8,618	8,278	8,618	-
Highways - flood water management	895	576	895	-
Highways - bridges and highways structures	2,611	2,176	2,611	-
Highways - Tree works	56	8	56	-
Local Authority Tree Fund	96	40	96	-

Trees Sponsorship	46	2	46	-
Leisure Equipment Upgrade	306	-	-	(306)
Leisure centres equipment Contractual Agr	430	331	416	(14)
Tennis Court Upgrade	75	-	-	(75)
Libraries Investment - General	224	110	-	(224)
Library Self-Service Kiosks	200	138	200	-
Parking	2,731	80	2,731	-
Cashless Pay & Display	366	1	1	(365)
Play Equipment	150	415	415	265
Safety - digital upgrade of CCTV	1,551	-	-	(1,551)
Section 106 Schemes	-	83	83	83
HIGHWAY SIGNAGE	274	206	274	-
South Norwood Good Growth	1,121	(313)	465	(656)
Kenley Good Growth	583	577	577	(6)
Sustainability Programme	550	-	25	(525)
TFL - LIP	4,835	1,197	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	-	-
SUSTAINABLE COMMUNITIES, REGENERATION & ECONOMIC RECOVERY	36,345	15,292	25,590	(10,755)
Asset Strategy - Stubbs Mead	50	5	50	-
Asset Strategy Programme	25	-	25	-
Clocktower Chillers	30	-	30	-
Corporate Property Maintenance Programme	2,500	1,099	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
RESOURCES	8,255	2,381	3,922	(4,333)
Capitalisation Direction	186,600	-	186,600	-
Transformation Spend (Flexible Capital Receipts)	4,049	-	4,049	-
CORPORATE ITEMS & FUNDING	190,649	-	190,649	-
NET GENERAL FUND TOTAL	254,536	25,601	234,831	(19,705)
Asset management ICT database	155	117	155	-
Major Repairs and Improvements Programme	22,083	21,487	23,113	1,030
Trelis Mews	3,377	-	3,377	-
NEC Housing System	1,742			(1,742)
HOUSING REVENUE ACCOUNT	27,357	21,604	26,645	(712)
GROSS CAPITAL PROGRAMME	281,893	47,205	261,476	(20,417)

Appendix 3 – MTFS savings forecast under-delivery

MTFS Target Reference	MTFS Savings Description	2022-23 Total Savings Target (£000's)	Savings Under-Delivery as at Month 11 (£000's)
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
Children, Young People and Education Total			1,090
21-22 ASCH 02	Stretch Savings - Disabilities Operational Budget	(1,213)	1,134
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
Adult Social Care and Health Total			2,834
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 12	Staffing Review	(158)	158
22-23 HOUS 13	Income Maximisation - Rent Collection	(240)	240
22-23 HOUS 14	Resident Engagement & Tenancy Services	(100)	100
22-23 HOUS 04	Repurpose under-utilised sheltered housing stock	(158)	158
22-23 HOUS 09	Incentivising temporary accommodation leasing schemes	(138)	138
Housing Total			2,159
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
Sustainable Communities Regen & Economic Recovery Total			5,743
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
Resources Total			172
22-23 ACE 09	Rationalisation of software applications and contracts	(750)	300
Assistant Chief Executive Total			300
Total Unachievable Savings			12,298

Appendix 4 – MTFS savings at risk

MTFS Savings Ref	MTFS Savings Description	2022-23 Savings at risk Month 11 (£000's)	2022-23 Savings at risk Month 10 (£000's)	Change from Month 10 to Month 11 (£000's)
21-22 ASCH 01	Baseline Savings - Disabilities Operational Budget	-	850	(279)
21-22 ASCH 04	Review of Contracts – Commissioning - OBC, Working Age Adults and Public Health	-	36	(36)
21-22 RES 06	HWA contract savings	-	35	(35)
22-23 ASCH 03	Review of Mental Health Packages of Care	-	50	-
Adult Social Care and Health Total		-	971	(350)
22-23 HOUS 12	Staffing Review	-	158	(158)
22-23 HOUS 13	Income Maximisation - Rent Collection	-	240	(240)
Housing Total		-	398	(398)
21-22 SCRER 14a	Fees And Charges	-	350	(350)
22-23 SCRER 06	Review and reduction of the Neighbourhood Operations (NSO team)	-	260	(260)
22-23 SCRER 12	Contract Savings - Pay and Display Machines	-	300	(300)
22-23 SCRER 16	Private Sector Environmental Enforcement	-	63	(63)
22-23 SCRER 19	New gym in Monks Hill Leisure Centre	-	90	(90)
22-23 SCRER 20	Non-capital and contract impact of Purley Leisure Centre closure	-	50	(50)
22-23 SCRER 28	Merger of Management Functions in Place	-	100	(100)
22-23 SCRER 17	Parking charges increase	-	365	(365)
21-22 SCRER 11	ANPR camera enforcement	-	1,140	(1,140)
Sustainable Communities Regeneration & Economic Recovery Total		-	2,718	(2,718)
22-23 ACE 18	Contract Savings - Managed Service Provider for Temporary Agency Resources (£600k saving in 2022-23)	-	600	(600)
Assistant Chief Executive Total		-	600	(600)
Total Savings at Risk		-	4,687	(4,066)

Appendix 5 – Other quantifiable and unquantifiable risks

Quantified Risks	2022-23 Month 11 (£000's)	2022-23 Month 10 (£000's)	Details of Risk
Children, Young People and Education	-	-	None
Adult Social Care and Health	-	-	None
Housing	250	250	Emergency Accommodation (EA) Bad Debt Provision £0.250m The bad debt provision is being reviewed as the model is suggesting a required increase despite collection rates improving.
Sustainable Communities, Regeneration & Economic Recovery	-	169	None
Resources	-	-	None
Assistant Chief Executive	-	-	None
Total Quantified Risks	250	419	

Un-Quantified Risks	Details of Risk
Children, Young People and Education	None
Adult Social Care and Health	Covid-19 pandemic latent demand could result in additional placements and increased care packages.
	Care providers are impacted by inflationary pressures on fuel, food, labour and property related costs. This may result in claims for increased fees or financial instability.
	There is a high vacancy rate in staffing posts 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.
	There is hospital discharge pressure as the current system is continuing to run at winter levels due to Covid and with a backlog. The impact is being analysed on the rising number of placements and equipment costs.
Housing	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.
	The financial impact of the fire at Sycamore House, Thornton Heath is as yet unquantifiable.
Sustainable Communities, Regeneration & Economic Recovery	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	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 £0.3m.
Assistant Chief Executive	Income risk based upon the lack of available graves for sale until the cemetery extension opens.
	Income risk due to increased competition from neighbouring facilities and potential risk from an increase in direct cremations (lower cost than alternatives).
Corporate Items & Funding	None

Appendix 6 Quantifiable and unquantifiable opportunities

Quantified Opportunities	2022-23 Month 11 (£000's)	2022-23 Month 10 (£000's)	Details of Opportunities
Children, Young People and Education	-	-	None
Adult Social Care and Health	-	-	None
Housing	-	-	None
Sustainable Communities, Regeneration & Economic Recovery	-	(140)	None
Resources	-	-	None
Assistant Chief Executive	-	-	None
Corporate Items & Funding	-	-	None
Total Quantified Opportunities	-	(140)	