Report of: Executive Member for Finance, Planning and Performance
Meeting of: Executive
Date: 7 September 2023

Appendix 6 to this report is exempt and not for publication

Subject: Budget Monitoring 2023/24 Quarter 1

1. Synopsis

1.1. This report presents the provisional outturn position for the 2023/24 financial year Quarter 1 (Q1) which covers the three-month period to the end of June 2023. This estimated financial position for the financial year incorporates known and emerging budget variances and details any known residual risks. Overall, there is a forecast General Fund (GF) overspend of +£7.162m following the application of corporate provisions and contingencies.

1.2. The Q1 forecast for the HRA is an in-year deficit of +£6.882m. As the HRA is a ringfenced account, a surplus or deficit at the end of the financial year will be transferred to or from HRA reserves.

1.3. As at the end of Q1, total capital expenditure of £21.966m has been incurred against a 2023/24 forecast of £168.010m, representing 13% of spend against forecast.

1.4. Individual school balances in Islington have been in decline since 2018/19. Balances reduced steadily since then and are budgeted by schools to sharply decline during 2023/24. Balances are forecast by schools to reduce further over the next two years to an overall deficit balance of £5m in 2024/25 and £15m in 2025/26. The decline in school balances is a national issue as schools face increasing cost pressures and reducing numbers on roll.

1.5. **The Q1 forecast for the Environment and Climate Change directorate is presented according to the interim corporate reporting arrangements due to vacant posts in the Senior Leadership Team:**

- **Environment & Commercial Operations reported under Homes & Neighbourhoods.**
- **Climate Change and Transport reported under Community Wealth Building.**
- **Civic Services reported under Community Engagement and Wellbeing.**

2. Recommendations

2.1. To note the breakdown of the forecast General Fund outturn by variance at **Appendix 1** and service area at **Appendix 2**. (**Section 3**, **Table 1**, and **Appendix 1** and **2**)

2.2. To note the forecast 2023/24 GF position. (**Section 3** and **Table 1**)

2.3. To agree the latest earmarked reserve allocations and forecast drawdowns for 2023/24. (**Paragraph 4.56 and Appendix 3**)

2.4. To note, and where necessary agree, the virements of budgets between directorates. (**Paragraphs 4.57 to 4.59** and **Appendix 2**)

2.5. To note the Collection Fund forecast for council tax and National Non-Domestic Rates. (**Paragraphs 4.50** to **4.63**)

2.6. To note progress on delivering the 2023/24 agreed budget savings. (**Appendix 4)**

2.7. To note the HRA forecast. (**Section 5** and **Appendix 1** and **2**)

2.8. To note the capital expenditure forecast for Q1. (**Section 6,** and **Appendix 5**)

3. Revenue Summary

3.1. A summary position of the 2023/24 GF financial position is shown in **Table 1**, with a breakdown by individual variance in **Appendix 1**.

Table 1 - 2023/24 GF Over/(Under)Spend

	Total Q1 Over/(Under)Spend £m
Adults Social Services	5.189
Chief Executive's	-
Children & Young People	2.339
Community Engagement & Wellbeing	0.572
Community Wealth Building	0.638
Environment and Climate Change*	4.220
Homes & Neighbourhoods	(0.246)
Public Health	-
Resources	0.481
Total: Directorates	**13.193**
Corporate	(1.031)
Total: General Fund	**12.162**
Less: Inflation, Energy, and Demand Contingency	(5.000)
Net: General Fund	**7.162**

Due to interim reporting arrangements, the report narrative and appendices aligns the Environment directorate with the relevant Directorate/Corporate Director managing services in the interim.

3.2. There is an expectation that management actions will deliver a downward movement in directorate overspend positions by the end of the financial year. If this does not happen and an overall overspend materialises at the end of the financial year, it would need be balanced from earmarked reserves. Drawing on earmarked reserves would significantly restrict the council's ability to replenish reserves and increase financial resilience as previously planned in the original 2023/24 budget.

3.3. In addition to the inflation, energy and demand contingency shown in **Table 1**, the council has a £5m general contingency budget. The current assumption is that this will be needed in full for additional budget pressures not reflected in Q1 which are expected to emerge over the remainder of the financial year.

4. General Fund

Adult Social Services +£5.189m overspend

4.1. The forecast for Adult Social Services is a net overspend of +£5.189m, which is detailed by key variances in **Appendix 1**.

Unavailability of Care Home Beds +£2.070m

4.2. The unavailability of beds in care homes within Islington and the cost of providing bed spaces out of borough has resulted in a cost pressure of +£2.070m.

4.3. Refer to Exempt appendix 4.3.

Memory Cognition and Physical Support - Increase in placement cost above demographic growth allocation +£0.508m

4.4. Adult Social Services continues to be impacted by wider demographic pressures, including increased demand for services, the need for acute care and increases in acuity of need of existing service users. The primary driver for the cost is an increased acuity of the current service users +£0.508m.

4.5. Management actions to mitigate the pressures include:

- Using the Integrated Quality Assurance Meeting (IQAM) to focus on promoting independence and maximising enablement.
- Operational Social Work Management are working with the Finance team and Data Intelligence to capture further information on the pressures to be able to focus targeted work on areas of growth earlier.

Figure 1 - Quarterly Snapshot of people accessing Homecare over the past three financial years

4.6. This graph shows that whilst demand for homecare is less than it was in 2021/22, demand is still above early pandemic levels.

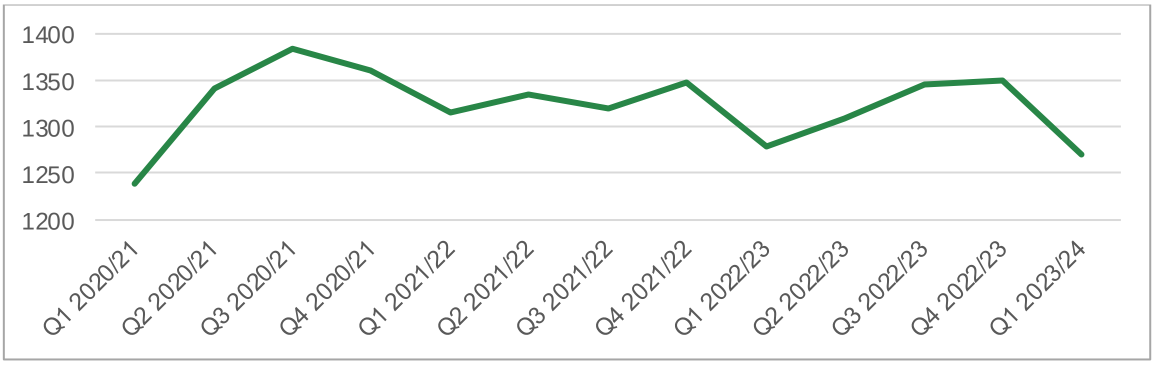
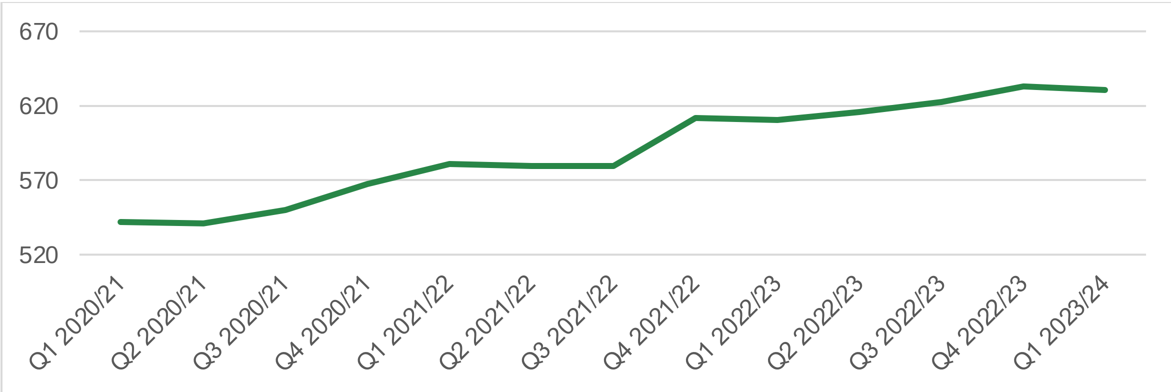


Figure 2 - Monthly Snapshot of people accessing Residential and Nursing beds over the past three financial years

4.7. This graph shows that since the pandemic, demand for residential and nursing beds has been steadily increasing.



Learning Disability - Increase in placement cost above demographic growth allocation +£1.067m.

4.8. This pressure is due to the full year impact of service users who had been previously funded by Children's services and now have reached 18 years old and are now funded by Adult Social Care (+£0.610m). Also, there is an increase in the acuity of needs of existing service users (+£0.457m).

Slippage in the delivery of savings +£1.544m

4.9. Delays in savings delivery in Learning Disabilities (+£0.503m). The reasons for this slippage are Continuing Health Care (CHC) agreements are taking longer than anticipated to finalise and staffing issues within the services which have delayed reviews savings being realised. These issues are being resolved and the aim is to deliver part year impact of these savings in 2023/24.

4.10. Delays in savings delivery in Memory Cognition and Physical Support +£1.041m:

- Impact of the reablement service on the demand for ongoing care services, this service is currently delivering 250 hours per week out of a possible 641 hours this has led to a to a pressure of +£0.254m.
- The introduction of Take Home and Settle service, to reduce the need for ongoing services, has had slow start due to the recruitment of specialist staff resulting in a pressure of +£0.252m
- Review of placements savings have slipped by +£0.535m.

4.11. Management actions include:

- Service director to convene weekly meetings to address issues and risks.
- Improve communications to the teams highlighting the benefits of the Reablement, Assistive Technology and the Take Home and Settle Service,
- Promote Reablement, Assistive Technology and the Take Home and Settle Service in the ASC bulletin,
- Production of a weekly dashboard of reablement usage,

- Service to investigate further CHC training to support staff in the CHC process.
- A weekly steering group instigated to support the delivery of Reviews, Reablement and Take Home and Settle savings.
- A programme group has been set up across Adults and Children's Services to better understand and manage the progression to adulthood.

4.12. The position assumes the remaining savings are achieved going forward.

Risks and Opportunities for Adult Social Care finances:

4.13. Inflationary Pressures – Adult Social Care face a significant risk from Inflationary pressures exceeding the departmental market inflation allocation resulting an ongoing pressure in Adult Social Care budgets. Uplift requests are being managed within the established Adults uplift process however inflation is still running at 8.7% (as of May 2023) increasing the pressure from providers.

Chief Executive's Directorate £0.000m break-even position

4.14. The Chief Executives Directorate's forecast is a balanced budget position.

Children and Young People +£2.339m, Schools +£0.284m

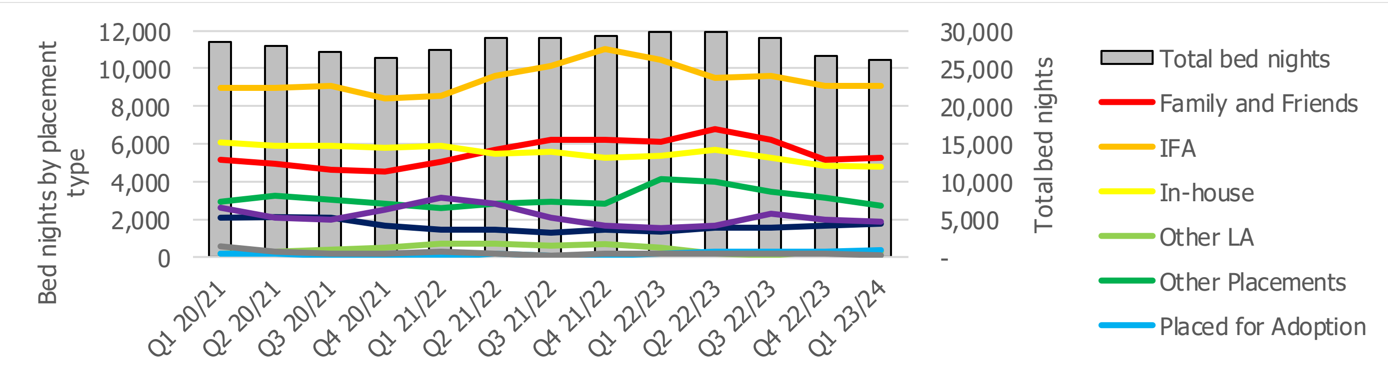
4.15. The forecast for Children and Young People is a net overspend of +£2.339m, which is detailed by key variances in **Appendix 1**.

4.16. Variances to note include:

- +£0.253m overspend against the children's social care placements budget after the application of demographic growth of £1.050m. The outlook for this budget has continued to improve during the quarter as activity continues to reduce following the number of children becoming Looked After reducing and delays in the court easing meaning care proceedings completing. However, this is a volatile demand led budget and significant risks remain, in particular in relation to market pressures.
- Placement activity data shows the following:

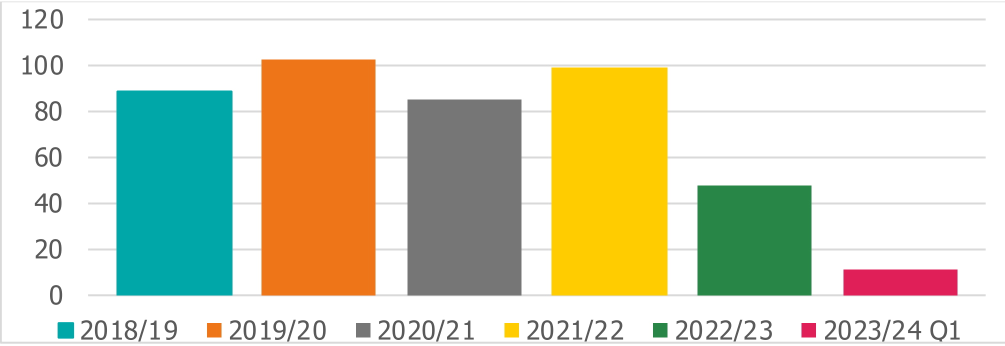
  Bed night activity for all placement types (non-UASC) decreased by 2.2% during Q1. This is on top of a decrease of 7.9% during Q4 last year and 2.7% during Q3. CLA numbers have reduced since August, and this is now reflected in a sustained reduction in bed night activity.

Figure 3 - Quarterly bed night activity data (non-UASC)



Care proceedings activity data is shown below, indicating that the large reduction in care proceedings seen during 2022/23 has been sustained during Q1.

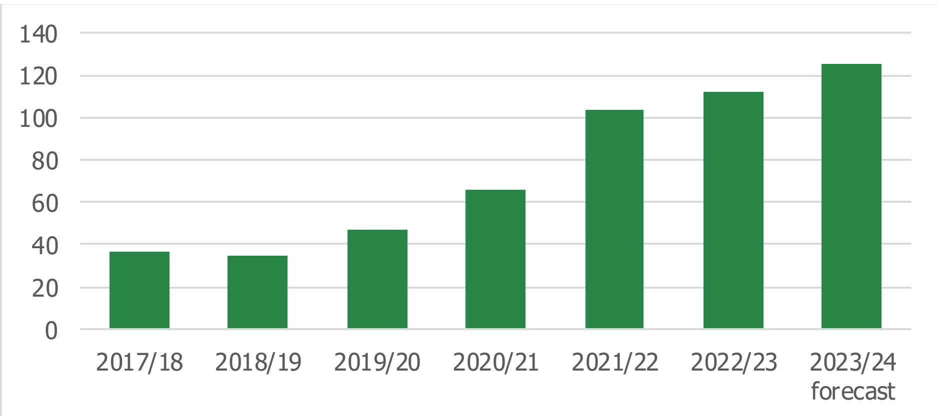
Figure 4 - Numbers of care proceedings initiated



Cost pressures in relation to Children's Social Care placements is an issue across London. There has been a 36% increase in the cost of the support for the children in care are across all London Boroughs since 2015, a 64% increase in the unit cost of residential settings and a 13% increase in the unit cost of fostering settings.

- +£0.670m forecast overspend against the budget for SEND transport. Activity on buses and taxis remains static, but there is a significant growth in the number of Personal Travel Budgets (PTBs). This costs less, but the overall growth in numbers is leading to a cost pressure. The cost of using PTBs is around a third of the cost of using taxis / busses, therefore the pressure would be significantly higher if the growth was on buses or taxis instead. Numbers of PTBs have grown by 203% over the last 5 years and are forecast to grow by another 12% this year. Inflationary pressures under the new taxi framework contract that commences from September is a significant contributor to the overspend, with unit costs increasing by an average of 30%.

Figure 5 - Demand for personal travel budgets



- +£0.441m forecast demand cost pressure in relation to short breaks and personal budgets.
- +£0.250m forecast temporary accommodation pressure in the leaving care service whilst we await care leavers to be allocated permanent accommodation.

- +£0.200m structural shortfall in the budget following the centralisation of business support costs.

4.17. The forecast overspend for Children and Families takes into account the delivery of savings. All savings are on track for delivery with the exception of a reduction in the Council's contribution to Adopt London North (£0.102m). Renegotiation of the contributions by member authorities to the regional adoption agency have led to delivery of a saving of £0.049m. The remaining £0.053m will be delivered through the deletion of a vacant post.

4.18. Risks to note include:

- Significant market pressures are being experienced in relation to children's social care placements. Each additional 1% increase costs above those already factored into the forecast will add an average £0.110m of costs to the placements pressure.
- The risk of new children's social care placements activity has increased during July above the level assumed in the quarter 1 forecast. If this materialises in full it could add a further £0.500m of placement costs.
- There is a risk that cost pressures in relation to ordered taxi transport to schools for looked after children continues this year (+£0.300m risk). However, this is expected to subside as court proceedings end.
- There is a significant backlog at the Home Office in agreeing UASC cases which increases the risk that anticipated income may not materialise in full.

Dedicated Schools Grant

4.19. The forecast for the Dedicated Schools Grant (DSG) is an in-year overspend of +£0.284m.

4.20. Variances to note include:

- +£0.512m forecast overspend against the school's block. This represents drawdown of the school's block balance from previous years to meet potential technical funding adjustments in relation to business rates for schools and distribution of the remaining balance of funding to schools.
- -£0.443m underspend against the high needs block. This underspend is the in-year high needs contingency that is being held to help meet future demand pressures. Demand for education health and care plans is increasing by between 8% and 12% per annum, but funding from the DfE is only set to increase by between 2% and 3%.

4.21. DSG balances are forecast to decrease by £0.284m during 2023/24 to £4.799m. This is shown in the table below. These balances are earmarked in future years to manage increasing pressures on the high needs block and early years block, and to meet cost pressures within schools. The outlook for high needs is particularly concerning, with the balance forecast to reduce to £1.5m in 2024/25, before going into deficit in 2025/26. The forecast for 2025/26 is a £2.5m deficit balance that increases to £9m in 2026/27.

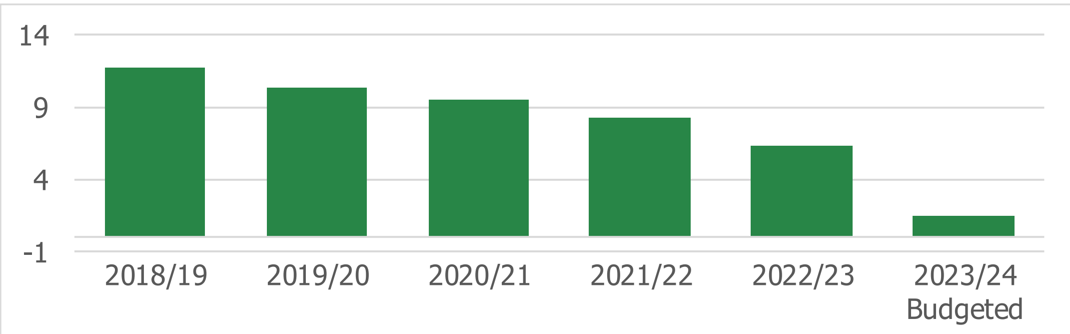
Table 2 - Forecast DSG Balances

	Schools Block	De-delegated budgets	Central Schools Services	High Needs Block	Early Years Block	Total
	£m	£m	£m	£m	£m	£m
Opening balance	**0.512**	**0.156**	**0.264**	**3.284**	**0.867**	**5.083**
In-year DSG variance	(0.512)	(0.156)	(0.059)	0.443	0.000	(0.284)
Forecast closing balance	**0.000**	**0.000**	**0.205**	**3.727**	**0.867**	**4.799**

4.22. Schools have budgeted to reduce their balances during 2023/24 by £4.811m to £1.480m. The number of schools forecast to be in deficit at the end of the year is 16 (31% of maintained schools) an increase of 1 from the start of the year, with 3 schools entering into deficit and 2 emerging from deficit. A further analysis of balances, when compared to the Education and Skills Funding Agency (ESFA) suggested guidance of balances held by schools; 8% for nursery, primary and special schools and 5% for secondary schools, shows that just 7 schools will be above the suggested limits at the end of 2023/24, a reduction from 17 at the start of the year.

4.23. Individual school balances in Islington have been in decline since 2018/19 when they stood at £11.732m. Balances reduced steadily since then and are budgeted by schools to sharply decline during 2023/24. Balances are forecast by schools to reduce further over the next two years to an overall deficit balance of £5m in 2024/25 and £15m in 2025/26. The decline in school balances is a national issue as schools face increasing cost pressures and reducing numbers on roll.

Figure 6 – Schools Balances Forecast (£m)



4.24. The main causes of the decline in Islington are:

- Reducing pupil numbers. 90% of school funding is pupil led – each reduction in pupils equates to an average loss of funding per pupil of £5,706 in primary and £8,479 in secondary schools. Actual losses per pupil for individual schools will depend on the pupil characteristics at that school.
- Increased numbers of elective home educated pupils – there are currently 356 elective home educated pupils, at a cost of £2.2m in lost funding for our schools. This is an increase of 197 from before the pandemic, and 270 since 2016/17. If the

197 additional pupils returned to Islington schools, the additional funding would be equivalent to £1.2m.

- Increasing numbers of pupils with SEND. Education health and care plans increased by 8% in Islington in 2022/23 and are forecast to increase by 12% in 2023/24.
- Below inflation per-pupil increases in funding under the national funding formula. This is significantly less than the increases in energy costs and likely staff pay awards in schools, as well as other cost pressures.

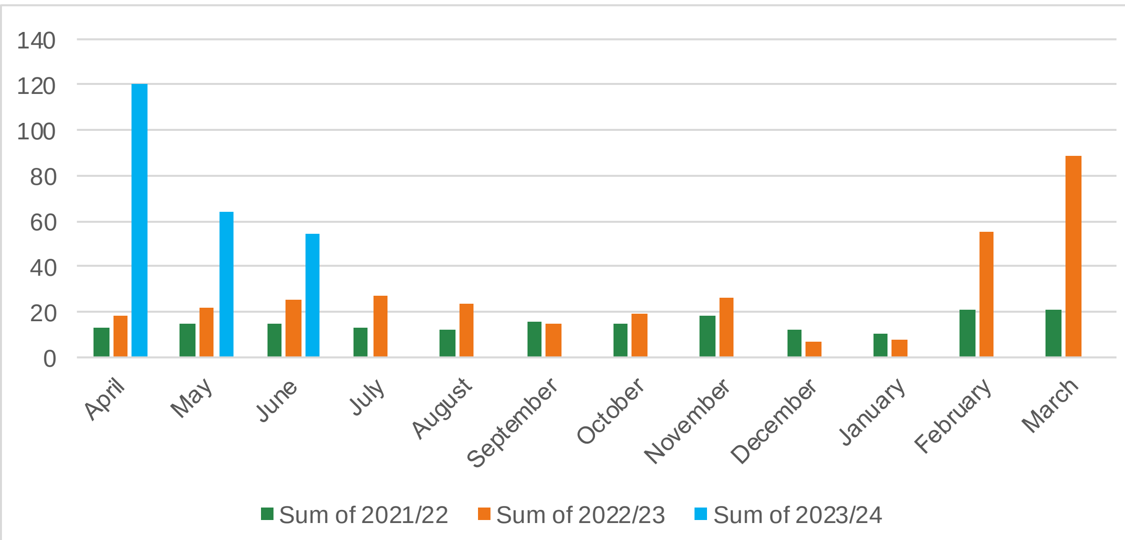
Community Engagement and Wellbeing +£0.592m overspend

4.25. The Community Engagement and Wellbeing Directorate is forecasted to overspend by +0.592m, which is detailed by key variances in **Appendix 1**.

4.26. Key variances within the department are as follows:

- +£0.221m cost pressure due to overtime and agency staff to deal with Chief Executive complaints effectively and efficiently, to combat Ombudsman action and ultimately avoid fines. The total spend from clearing the backlog of complaints equates to +£0.584m. The overspend relates to the staffing resource over and above the additional funding provided which was necessary to clear the backlog of complaints, and compensation payments to complainants.

Figure 7 – Number of complaints cases dealt with by the Chief Executive Team (Stage 2)



- (+£0.371m) cost pressures including staffing overspends and one-off costs across Community Engagement and Wellbeing, this is detailed further in **Appendix 1**.

Community Wealth Building +£0.638m overspend

4.27. The revenue position for Community Wealth Building Directorate is an overspend of +£0.638m, which is detailed by key variances in **Appendix 1**.

4.28. The key variance is in the Corporate Landlord Services division. Shortfall in Commercial Property Income +£0.638m - The projected value of committed leases for the current fiscal year is estimated to be approximately -£3.800m, which falls short of the budgeted amount of -£4.438m. Efforts are currently underway within the organization to address and rectify this historical deficit in the budget.

4.29. Savings Delivery - Due to a six-month delay in approving the FutureWork business case, the expected savings related to the building rationalisation will be deferred. This delay amounts to approximately +£0.348m. The six-month delay in the business case was primarily due to the need for additional site use appraisals, clarification on stock conditions surveys for retained sites, rapidly changing energy cost forecasts that needed updating, and an organisational restructuring that necessitated a revision of the base model.

4.30. Risks and Opportunities for Community Wealth Building finances:

- Staffing cost pressure in Inclusive Economy and Jobs Division - There is a potential risk of overspending in staffing costs, resulting in a shortfall of +£0.310m. This risk stems from the current situation of insufficient external funds. To address this risk, management is actively pursuing further external funding opportunities and conducting a comprehensive review of recruitment policies. These measures are being taken to minimise the potential overspend and ensure effective financial management.
- Planning and Development Income - There is a potential risk of not achieving the expected planning and development income, primarily due to a slowdown in the construction industry. The impact of this risk is currently under evaluation, and a comprehensive assessment will be provided in the Q2 report. The service is actively monitoring the situation and will provide further updates regarding the potential implications.
- Climate Change & Transport - The Climate Change & Transport division is reporting a balanced budget position. There is a risk around income received from the advertising contract of c.£0.200m, but the service is looking to manage this risk with overperformance on other income lines within Highways and Streetworks.

<u>Homes and Neighbourhoods +£3.954m overspend</u>

4.31. The Homes and Neighbourhoods directorate is reporting a £3.954m overspend position, which is detailed by key variance in **Appendix 1** and broken down between divisions below.

Housing Needs and Community Safety £0.246m underspend

4.32. Within the underspend position the key variances to note are:

- Housing Needs: currently showing an overall underspend of -£0.593m. Nightly Booked Temporary Accommodation (TA) is the primary driver of costs in this area, reporting an underspend of -£0.596m. Numbers in TA overall have continued to rise due to the large and increasing number of people presenting as homeless. There is also the risk of a rise in use of expensive hotel costs. The underspend is consequence of the provision of grant money to meet TA costs. Given the increasing demand, this position may change.
- Community Safety, Security, and Resilience (CSSR): currently showing an overall overspend of £0.347m. Income from fixed penalty notices (FPNs) for littering, fly tipping, and commercial waste is below expected levels, creating a forecast shortfall

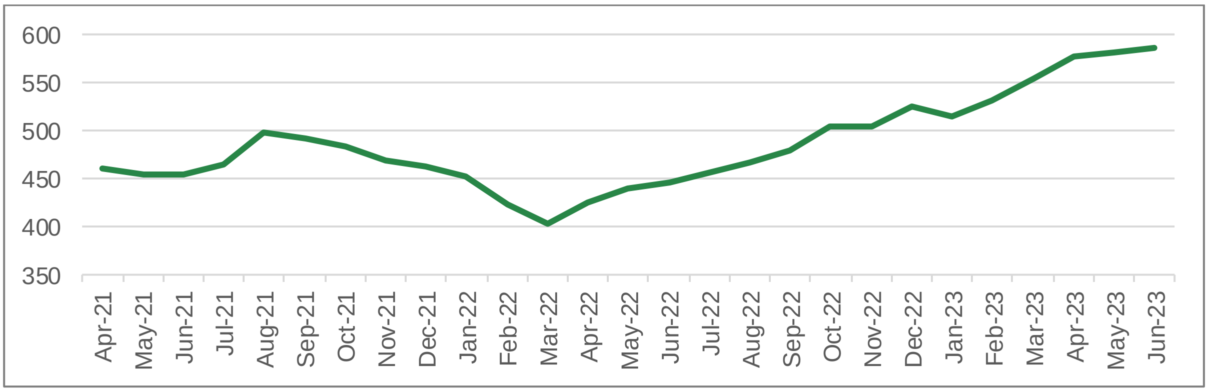
of £0.259m. Income budgets have been revised up in recent years, yet the team are struggling with staff shortages and the competing littering compliance activity with a new third party supplier limiting the scope for additional enforcement income. Staff pressures exist in the Compliance function of CSSR. Pan-London salary regrading in previous years and unfunded posts have contributed to £0.149m worth of financial pressures in this financial year.

- This is offset by smaller variances detailed in **Appendix 1**.

4.33. There are a number of risks and opportunities to report for 2023/24. TA cases nationally are rising and expected to rise to rise over the next 3 years by 20% per year by Heriot-Watt University and 21% by Islington's own forecasts. The local and national picture are increasingly difficult for the homeless.

- Nationally the cost-of-living crisis is continuing to impact on residents, private sector rents are rising in Inner London by 18.5pc (based on inner-London rental values March 2022 to March 2023).
- The number of private rented sector properties available for use as TA in London to rent has fallen in London by 42% (April 2022 to April 2023).

Figure 8 – Number of Households in Temporary Accommodation over time (2021-2023)



- Islington is participating in a number of refugee schemes. This could potentially lead to insufficient resources to meet new resettlement demands. New freedoms for settled refugees to move and settle around the UK may see higher numbers move to Islington, placing further responsibilities on the TA teams.
- A number of different capital grants are coming into the HRA/HGF that will lead to an increase in Islington's acquisitions programme and the new Stacey Street project releasing up to 100 new properties in 2023/24. These properties will be cost neutral to the Housing General Fund budget and will help lower TA costs in the long term.
- The Housing Needs Service and CSSR teams are currently undertaking restructures. It is not clear at this point what the impact will be in future financial years, but for both areas will need to balance staff numbers with income maximisation and savings realisation. CSSR are reviewing their post numbers to see if any 'invest to save' opportunities exist in the short term.

- The Homes and Neighbourhood service has become heavily dependent on grant funding to meet costs that it would otherwise likely need to absorb. The department has a commitment £1.704m of grant funding for costs including prevention, relief, and assisting tenants with rent arrears. If these grants were withdrawn or reduced, then the position would become +£1.458m overspent.

4.34. Savings – The Housing General Fund (HGF) has a significant amount of savings (£0.474m) to be delivered in 2023/24. Sustained rises in TA case numbers are increasing the risk that the primary £0.374m Housing Needs savings will not be delivered. Finance will monitor this position closely.

4.35. It is difficult to draw long-term conclusions for 2023/24 and beyond for the department. TA case rises, service restructure costs, FPN income shortfalls, and the increasing cost of rent deposits will all add to the financial challenges in 23/24. Housing Needs and CSSR are both reliant on grants, if they are withdrawn or reduced the Council may be left with unfunded financial pressures that cannot be reduced easily.

Environmental and Commercial Operations +£4.200m overspend

4.36. Parking account – The parking account is projecting a £4m shortfall mainly as a result of shortfall across a number of income lines.

- Permits & Vouchers – there is a shortfall on permit income of £3.3m with lower levels of additional income from the permit prices changes implemented in January 2023 than was budgeted for.
- Paid for Parking – there is a shortfall in paid for parking income of £1.4m. Whilst income has increased as a result of changes implemented in January 2023 transaction levels remain at around 70% of the pre-Covid levels.
- Road Closure income – there is a shortfall in income of around £0.5m mainly as a result of a refund of income that was accounted for during the previous financial year that was not accrued for.
- Penalty Charge Notice (PCN) - there is a forecast overperformance of (£0.4m) due to higher levels of PCN issues forecast. The service has recently improved its debt recovery arrangements and with proposals working to improve compliance with additional resources with NSL it is expected that the income will further improve to (£1.4m).
- Suspension income – there is a forecast overperformance of -£0.300m. This assumes income of around £1.000m being received as part of the roll-out of high-speed internet connections. This was originally forecast to be much higher which would have offset other pressures, but the level of works is much lower. The service is meeting with other providers to encourage a quicker roll-out of this programme across the Borough.
- Expenditure - based upon last year levels of spend it is forecast that there will be an overspend of around +£1.000m across pay and non-pay lines. A review of expenditure, including lower levels of agency spend and non-recurring IT spend it is expected this pressure will reduce to £0.500m.

4.37. Greenspace & Leisure – there is a projected overspend of £0.200m across the service:

- Greenspace – There is a pressure relating to tree maintenance +£0.200m due to a backlog of works particularly on the highways as a result of a change in contractor last year and higher costs of delivery. Work is still ongoing to fully cost the level of works that will be able to be delivered in this financial year with a risk that this position could be another £0.200m higher.

  There is also a pressure of +£0.200m around delivery of the vacancy factor within grounds maintenance due to high levels of cover required to deliver the service.

- Leisure - There is an improved rental income from GLL as part of the contract due to higher levels of CPI (-£0.200m).

Public Health £0.000m break-even position

4.38. Public Health is funded by a ring-fenced grant of £29.052m in 2023/24. The directorate is currently forecasting a break-even position +£0.000m.

4.39. There are number of variances that may impact on the department and have been included in the current forecast position for 2023/24:

- Anticipated PH staff salary increase in line with anticipated pay awards +£0.115m which is to be funded from the Public Health grant allocation.
- Central North West London (CNWL) NHS Trust has detailed a deficit in their funding for the delivery of sexual health and contraception service that requires a contribution from PH Islington to help support the budget deficit. Islington PH will be contributing +£0.150m) this year. Islington PH is in active discussion to minimise the financial costs to the Council and reduce any contribution going forward.
- The department is funding a number of one-off projects +£0.275m in the Other Public Health division. This will be met from wider underspends within PH without the need to draw down funds from reserves.

4.40. There are a number of risks and opportunities in the area for 2023/24 and beyond.

- There is an increase in demand for online sexual health services that is not offset by a reduction in costs for in-clinic sexual health services. PH cannot realise cost efficiencies in clinics without undermining the clinical and financial position of the clinics. It is possible that in the long-term some efficiencies can be realised, but not in the short or medium term.
- There is an increase +£0.918m in Public Health grant allocation in 2023/24. This uplift has provisionally been allocated; however, if there are pressures arising from inflation, pay award pressures, or similar, as well as previously agreed contract uplifts, these will need to be managed and maintained within the grant.
- Savings – Public Health have a significant amount of recurring savings with £0.500m to be delivered in 2023/24. At this stage it is assumed that all savings will be delivered.

Resources +£0.481m overspend

4.41. The Resources directorate is currently forecasting an overspend of +£0.481m.

4.42. £0.110m relates to the additional cost of current interim Director of Law and Governance. This role has now been successfully recruited to and the new permanent Director is expected to start in September 2023.

4.43. £0.371m is due to the delayed delivery of the £0.500m Back Office Efficiency saving. Plans are in place to implement the projects relating to this saving within the current financial year.

Corporate Items -£1.031m underspend

4.44. Corporate items are currently showing an underspend of -£1.031m. This is predominantly due to reduced payments for the London Pension Fund Authority levy of -£0.646m and reduced contributions to Transport for London for the cost of concessionary fares of -£0.357m.

4.45. There is a council-wide risk in relation to the budgeted pay award for 2023/24. At the time of writing, the local government pay offer for the period 1 April 2023 to 31 March 2024 is a flat rate increase of £2,352 (for NJC pay points) for inner London councils. This offer has been rejected by both GMB and Unite unions and are set to move to ballots on industrial action. The Chief Officer pay award for the period 1 April 2023 to 31 March 2024 has been agreed at a 3.5% increase. There is currently a centrally held budget to allow for an average 6.5% pay award in 2023/24 however there is a risk that the pay award is higher than the centrally held budget. Any pressure would need to be funded from the council's £5m general contingency budget plus further corporate balances/reserves to be identified. Any ongoing additional cost would also need to be reflected in the 2024/25 base budget position going forward.

4.46. The latest reserve allocations and anticipated drawdowns from earmarked reserves are included in **Appendix 3** for noting. The below table shows the forecast Earmarked Reserves position for 2023/24, including if the General Fund overspend was to be balanced at year end. This reflects any known reserves movements as at the end of Q1. Some reserve movements will not be known until the end of the financial year.

Table 3 – Earmarked Reserves Forecast 2023/24

	Actual Balance 31/03/23	2023/24 Movement	Projected Balance 31/03/24
General Fund Earmarked Reserves	**£m**	**£m**	**£m**
BSF PFI 1 reserve	4.748	0.504	5.252
Budget Risk and Insurance	18.070	(7.513)	10.557
Budget Strategy	18.604	(4.675)	13.929
Business Continuity	10.000	0.000	10.000
Capital Financing	1.806	0.000	1.806
Care Experience	18.527	(0.320)	18.207
Community Infrastructure Levy	0.029	0.000	0.029
Core Funding	9.781	8.148	17.929
Dedicated Schools Grant	5.083	(0.284)	4.799
Islington Assembly Hall Restoration Levy	0.047	0.000	0.047
Joint Cemeteries Trading Account	1.715	0.000	1.715
Levies	3.315	(0.196)	3.119
Pooled Schools Budgets	1.167	(0.828)	0.339
Public Health	1.522	0.000	1.522
Restricted Grants & Contributions	11.458	0.000	11.458
Street Markets	0.201	0.000	0.201
Total Earmarked Reserves	**106.072**	**(5.164)**	**100.908**

Inter-directorate Virements and Structural Adjustments

4.47. Inter-directorate virements and structural adjustments are detailed in **Appendix 2**.

4.48. The majority of the structural adjustments and virements posted relate to the updated senior leadership team structure. **Appendix 2** details the inter-directorate budget adjustments which have been made to reflect the new senior leadership team structure since budget setting.

4.49. The remaining virement posted relates to one-off growth for the estimated costs (£15,000) of the EPIC Awards event.

Collection Fund Update

Background

4.50. Council tax and National Non-Domestic Rates (NNDR) income is a major source of the council's overall funding, together representing around a quarter of the council's gross general fund income and is collected through a ring-fenced Collection Fund. In 2023/24, the council will retain 76.07% of council tax income collected (the remaining 23.93% is the GLA share) and 30% of NNDR income collected (of the remaining 70%, 37% is the GLA share and 33% is the central government share).

4.51. The overall Collection Fund surplus/deficit in a given year is affected by number of variables such as movements in the gross taxbase (e.g., the number of properties in the borough and for business rates, the impact on business rate appeals), offsetting deductions to bills (e.g., single person discount and council tax support for council tax and mandatory charitable relief for business rates) and the collection rate. Any forecast surplus or deficit on the Collection Fund will not impact the council's budget until the following financial year due to accounting regulations. The forecast surplus or deficit on the Collection Fund is made annually in January and factored into the budget setting estimates for the subsequent financial year.

Council Tax Forecast 2023/24 – Q1

4.52. The latest 2023/24 council tax forecast, which is subject to change between now and the end of the financial year, is a £2.245m deficit (£1.708m Islington share; £0.537m GLA share) compared to assumptions at 2023/24 budget setting. This comprises a £0.811m in-year 2023/24 deficit and an additional £1.434m deficit brought forward from 2022/23. The later relates to adverse movements in the 2022/23 council tax position between the January 2023 forecast and the actual 2022/23 outturn.

4.53. The forecast in-year deficit of £0.811m is due to the following variances:

- Higher than budgeted single person discounts, exemptions and council tax support have contributed to extra costs of £2.4m compared to budget.
- However, this extra cost is offset by a projected £1.6m improvement on the bad debt assumption compared to budgeted estimates.

4.54. The 2024/25 budgetary impact of the council's share of the forecast council tax deficit would be fully offset by a transfer from the Core Funding reserve that has been earmarked for this purpose.

NNDR Forecast 2023/24 – Q1

4.55. The latest 2023/24 NNDR forecast, which is subject to change between now and the end of the financial year, is a £12.2m surplus (£3.7m Islington share) compared to assumptions at 2023/24 budget setting. This comprises a £0.3m in-year surplus and additional £11.9m surplus brought forward from 2022/23. The latter relates to favourable movements in the 2022/23 NNDR position (predominantly the business rates appeals estimate) between the January 2023 forecast and the actual 2022/23 outturn.

4.56. The 2024/25 budgetary impact of the council's share of the forecast NNDR surplus would be fully offset by a transfer to the Core Funding reserve that has been earmarked for this purpose.

4.57. The impact of business rate appeals on the NNDR forecast could fluctuate significantly between quarters due to significant uncertainty around the number and value of successful appeals. This estimate is provided by the council's external ratings advisor, Analyse Local.

Current Collection Rate

4.58. The council has set an in-year target collection rate for council tax of 95.33%, against which 25.30% (£39.1m) has been collected. This is +0.45% (£0.7m) higher than the annual target.

4.59. For business rates the council has set an in-year target collection rate of 96.7%, against which 26.2% (£92.2m) has been collected. This is +7.02% (£1.9m) higher than the monthly in-year target rate however this is significantly distorted by a small number of high value accounts being in credit.

4.60. The two graphs below illustrate the recovery trends of in-year council tax and business rates by month and year.

Figure 9 – Council Tax In-Year Collection Rate Trend

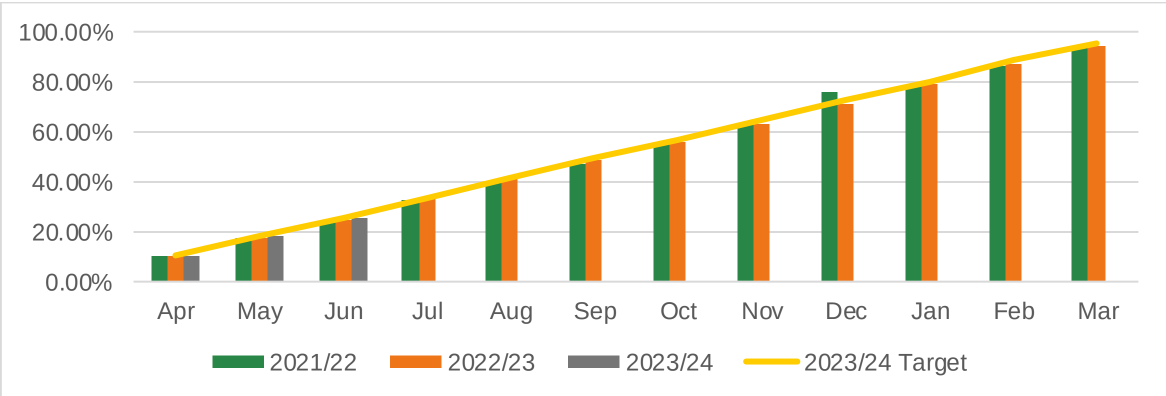
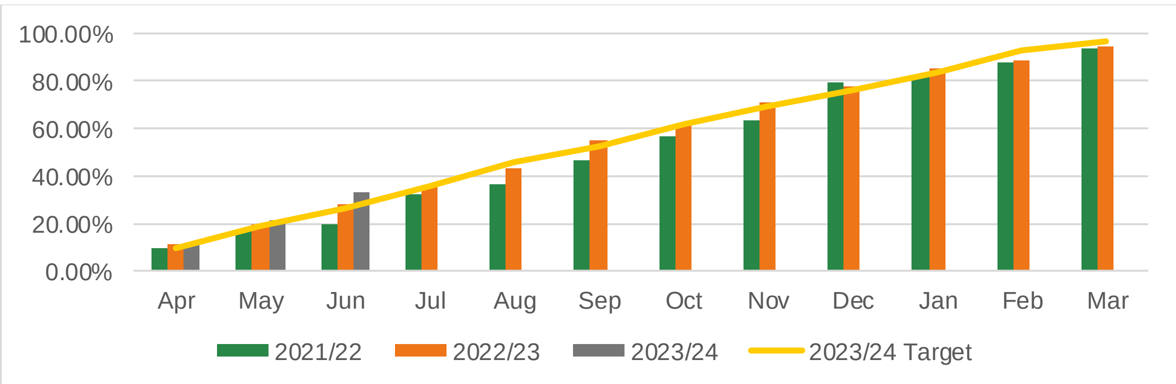


Figure 10 – Business Rates In-Year Collection Rate Trend



Arrears Analysis

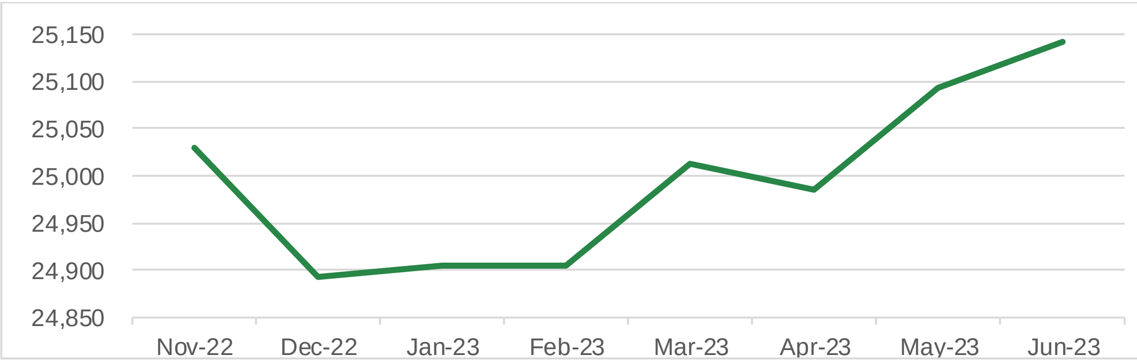
4.61. The total council tax outstanding balance as at end of June is £147.9m (£112.5m is Islington's share), of which £112.6m (£85.6m Islington's share) or 76.1% is the current year outstanding balance. The remaining £35.3m relates to prior years.

4.62. The total NNDR balance outstanding as at the end of June £203.2m (£60.9m is Islington's share), of which £178.6m (£53.6m Islington's share) or 87.9% is for the current year. The remaining £24.6m relates to prior years.

Council Tax Support Caseload

4.63. Council Tax Support (CTS) scheme caseload stood at 25,142 (representing £33.3m in financial terms), of which 18,117 cases (£23.1m) related to working-age recipients and 7,025 cases (£10.2m) to pension-age recipients.

Figure 11 – Total Council Tax Support Caseload Over Time



Energy Price Analysis – Q1

4.64. There has been a significant and sustained drop in market prices over recent months, and it is expected that this trend will continue in the longer term. The table below shows the estimated annual costs of gas and electricity for the General Fund and Leisure Centres (GLL), HRA, Schools and Streetlighting.

Table 4 - Electricity and Gas Estimates for 2023/24

	Gas (£m)	Electric (£m)	Total (£m)
HRA	6.748	5.659	**12.408**
GLL	0.728	1.274	**2.002**
Schools	1.460	2.450	**3.910**
Council	1.260	2.666	**3.926**
Streetlighting	-	1.492	**1.492**
Total	**10.196**	**13.541**	**23.737**

4.65. Energy pressures totalling +£3.170m are reported in directorate forecasts and will be funded from the corporate energy provision which was created as part of the 2023/24 budget setting process.

5. Housing Revenue Account (HRA)

5.1. The forecast for the HRA is an in-year deficit of +£6.882m.

5.2. As the HRA is a ringfenced account, a surplus or deficit at the end of the financial year will be transferred to or from HRA reserves.

5.3. A significant proportion of the forecast deficit relates to known emerging pressures arising after the 2023/24 budgets were set. The forecast deficit will be met from HRA reserves in

2023/24 and all ongoing pressures identified will be reflected in the forthcoming HRA business saw plan update in time for 2024/25 budget setting. Depending on the outcome when the business plan is updated, it may become necessary to put in place a savings plan to ensure a sustainable 30-year HRA Business plan is maintained.

5.4. Key variances to note:

- +£2.016m pressure arising following the high-profile case of ‘Awaab’s law’. The Regulators of Social Housing require councils to put in place systems to evidence damp and mould in our homes are being dealt with appropriately. In response, the council has established a damp, condensation and mould taskforce increasing its resource capacity (£1.726m) and investment in training (£0.290m one-off costs) to deal with and manage damp and mould cases more effectively. It is unclear what the financial impact of damp and mould will be in the medium to long term. However, it is currently anticipated that investment in this area will be necessary in the short term and is estimated to cost £1.710m and £1.020m in 2024-25 and 2025-26 respectively.
- +£2.220m pressure anticipated to meet the new burdens from the Fire Safety Act 2021, Fire Safety (England) Regulation 2022 and the Building Safety Act 2022. The council will be establishing a Housing Safety and Compliance Team which is expected to be in place from 1st October 2023 and is estimated to create a pressure of +£0.600m in the current financial year (Ongoing full year effect - £1.200m). In addition, an IT solution to enable the council to comply with the new stringent requirements has been commissioned at a one-off cost of £1.759m (£1.620m in 2023-24 and £0.139m in 2024-25).
- Housing disrepair claims have continued to remain at elevated levels and as a result is expected to create a cost pressure of +£2.646m in 2023-24. The department are receiving on average 35 cases per month and with the cost to the council for each case received averaging approx. £4,000 per case, a cost pressure of £1.685m is expected. To manage the increased caseloads experienced by the department, temporary additional resources have been deployed creating an additional budget pressure of £0.961m. The medium to long term outlook for housing disrepair claim volumes remain uncertain but with the public spotlight currently on damp and mould, it is possibly this will remain an area of risk moving forward.
- An initial assessment of staff time spent on capital projects indicate the capitalisable salary costs are expected to come in lower than anticipated in the 2023-24 budget (+£0.693m). This will be offset in full by reducing the revenue contributions to capital expenditure thus a net nil impact on the HRA position.

5.5. The table below outlines the anticipated HRA reserves position as of 31st March 2024.

Table 5 – HRA Reserves Forecast

	£m
Balance 1st April 2023	**+49.019**
Revenue contributions towards capital expenditure (RCCO)	-14.522
Transfer to revenue from HRA reserves to fund forecast deficit	-4.562
Forecast balance 31st March 2024	**+29.935**

*Excludes balances held on the Tenants heating and hot water reserve designed to smooth the impact of fluctuating gas prices. The Tenant heating and hot water reserve balance as of 1st April 2023 is a surplus of £0.006m.

- HRA 2023/24 reserves opening balance totals £49.019m. Whilst these reserves are in the long term designated to fund the major works capital programme, in the short term, the reserves are available to temporarily delay borrowing this reduce capital financing costs.
- The 2023/24 budgeted Revenue contributions towards capital expenditure (RCCO) was £15.215m and is now expected to reduce by £0.693m to £14.522m following an anticipated reduction in capitalisable salary expenditure. It is likely that the RCCO contribution of £14.522m will not be required in 2023-24 and will instead be swapped with borrowing in order to take advantage of the HRA 40 basis point reduction in the PWLB interest rates, that runs from June 23 to June 24. This does not represent an increase in overall borrowing as we delayed anticipated borrowing in 2022-23 for the reasons described.
- The 2023/24 budget anticipated a transfer from revenue to HRA reserves of £2.320m, however, to fund the forecast deficit of £6.882m, it is now anticipated that transfer to revenue from HRA reserves of £4.562m will be required.

5.6. Risks and opportunities within the department

- 2023/24 Pay Award - National Employers have tabled a flat rate national pay offer of £1,925 (£2,352 for Inner London Local Authorities) on all NJC pay points up to 43 and a 3.88% increase on all NJC pay points above (excluding chief officer grades) with effect from 1 April 2023. Although the pay offer has been rejected by Union members, a reasonable assumption is the current offer would represent the minimum level of increase which is estimated to cost £4.088m compared to £1.776m (3%) allowed in the 2023-24 HRA budgets giving rise to a pay award cost pressure of at least £2.312m. It's possible the final pay award could be higher than the current offer. A further 1% increase would result in an additional cost pressure of approx. £0.600m. Any growth arising as a result would need to be met from HRA reserves and reflected in the 2024-25 base budget position.
- Non-pay/contract inflation - The HRA has a significant number of contractual arrangements in place that supports the delivery of repairs and maintenance services totalling approx. £26.700m per annum. With inflation remaining stubbornly high, there is a risk that contract uplifts payable could exceed levels assumed at 2023-24 budget setting (average 6.0% uplift) when contracts become due for their annual review. In addition to the 2023/24 budgets, the current HRA business plan has allowed a further £1.468m to meet any potential cost pressures arising from inflationary uplifts. To date, several contractors have approached the council requesting above inflation uplifts citing unsustainability due to the current economic climate and challenging market conditions. Negotiations are still under way and no agreement has yet been reach but there remains an inflation uplift risk. The position will be closely monitored throughout the year to ensure pressures if any are identified, and appropriate management actions can be taken to mitigate risk. Any inflationary pressure arising that can't be contained will need to be met from HRA reserves.

- Energy cost - The council has secured its required electricity and gas supplies for 2023/24 in full and the budgets have been set to reflect this. Securing energy prices will provide some certainty on electricity and gas expenditure for the year provided consumption levels remain in line with expectation.

6. Capital Programme

6.1. As at the end of Q1, total capital expenditure of £21.966m has been incurred against a 2023/24 forecast of £168.010m, representing 13% of spend against forecast. This is summarised between the non-housing and housing capital programme in the table below and detailed in **Appendix 5**.

6.2. It is assumed that as part of the Quarter 2 monitoring report, forecast slippage/programme acceleration will be formally requested to be reprofiled to/from future years.

6.3. As part of the 2023/24 Budget Report, a central reprofiling adjustment was made to the budget to consider the macro impact of the delivery risks and broadly reflecting prior performance. As such, expenditure in Year 1 was assumed to slip by 35% in total. This adjustment was made to the bottom line of the capital programme and not a scheme-by-scheme basis. Currently, across the programme there is forecast slippage of 25% against the revised budget. This will be reviewed as forecasts are developed further up to Q2 reporting. In 2022/23, £152m was spent. If a similar amount was spent in 2023/24, the assumption of 35% would broadly be met.

Table 6 – 2023/24 Capital Programme

Directorate	Agreed Budget (£m)	22/23 Outturn Adj. (£m)	Revised Budget (£m)	Actuals to Date (£m)	Forecast Outturn (£m)	Forecast Variance (£m)
Total Non-Housing	59.370	6.473	**65.843**	4.617	51.698	**(14.145)**
Total Housing	150.551	7.704	**158.255**	17.349	116.312	**(41.943)**
Total Programme	**209.921**	**14.177**	**224.098**	**21.966**	**168.010**	**(56.088)**

Community Wealth Building

6.4. The CWB capital forecast is expenditure of £27.537m compared to the budget of £41.498m. £2.473m of capital expenditure had been incurred, representing 8.6% of the capital forecast.

6.5. Budget reprofiling to future years relates to the following schemes: £13.961m (34%).

- 29-33 Old Street - -£0.800m due to the requirement of determining a new location for parking (the service currently operating at 29-33 Old Street). Design work is aiming to begin towards the end of August 2023/24 with works expecting to begin towards the end of 2023/24.
- Finsbury Leisure Centre Redevelopment - -£4.885m updated in line with the most recent cash flow forecast from Perfect Circle (12/07/2023). Stage 3 will be commencing in September pending stage 2 viability sanction in August. Planning

submission will be in February 2024 when another viability assessment will take, place and an executive decision to sanction fee spend moving into stage 4.

- High Needs Provision Allocation – -£3.345m funds are being held for two significant projects. £0.536m additional funding has been agreed from the High Needs Allocation towards the project at NRC Elthorne.
- Islington Museum and Local History Centre - -£0.174m the project is currently at RIBA stage 2 - Design. Project had been paused and we are awaiting feedback from museum staff on proposed consultation.
- New River College SEND/Elthorne - -£1.358m the procurement strategy is currently being developed and works are expected to begin in Autumn/Spring.
- Prior Weston Primary School Playground Redevelopment - -£0.330m the project is still in the early stages. Design work is currently being undertaken and the project is expected to be delivered in 2024/25.
- School Condition Schemes - -£0.564m funds are being held for decarbonisation window works which will be undertaken in summer following the award of Salix funding.
- Vorley Road Library - -£0.866m GLA second staircase mandate relating to fire safety has meant redesign works are needed before construction can begin.
- Compliance & Modernisation - -£1.062m slippage reported against the budget of £4.062m allocated to Compliance & Modernisation. This is to align with the latest works schedule. Several significant projects, such as ventilation and electrical works in different council buildings, are currently in the tender stage. This budget is consistently utilised to address critical compliance-related tasks and is therefore never entirely allocated to specific projects.
- Highbury Bandstand/Highbury Fields - -£0.569m as the project is expected to begin on site in 2024/25. Project has recently begun RIBA stage 4 and is in the planning process.

Environment and Climate Change

6.6. The Environment capital forecast is expenditure of £24.160m compared to the budget of £24.344m.

6.7. £2.144m of capital expenditure had been incurred in quarter 1, representing 8.9% of the capital forecast.

- All schemes are projected to full spend as at quarter 1 with the exception of the food waste for flats above shops which is currently on hold pending confirmation of DEFRA funding (£0.500m) and New River Walk (£0.171m).
- The remaining variance relates to a forecast £0.486m overspend against the Bunhill scheme. There is an ongoing dispute with the main contractor, which has meant the council has held back the retention payments. The service is looking at options to finance from underspends within other energy budgets.

Housing Capital Programme

6.8. The Housing (HRA & GF) capital forecast totals £116.312m compared to the revised 2023/24 capital budget of £158.255m (which includes £7.704m of net slippage rolled forward from 2022/23 primarily in respect of the new build prog.). Leading to a total variance/net slippage required of -£41.943m.

6.9. £17.350m of capital expenditure had been incurred, representing 15% of the forecast capital expenditure. This is detailed at **Appendix 5**.

6.10. The major works & improvement programme forecast is £61.614m as compared to a revised budget of £65.511m resulting in a variance of -£3.897m. The primary reasons for this variance are:

- -£8.000m slippage in relation to a £10.000m budget included for compliancy work in relation to fire safety regulations in respect of tall blocks. This budget in 2023/24 forms part of a larger £100m budget spanning future years. Survey work is currently underway however it is anticipated that the works arising from these surveys will not commence until towards the end of 2023/24.
- +£3.700m forecast overspend in respect of ad hoc boiler replacements and voids capitalisation of kitchen & bathroom replacements and high value repairs.
- A programme of large-scale individual boiler replacements has been replaced by a strategy of replacing boilers at the end of their lifecycle (+£1.2m**).** Last year saw an increased pressure against the capitalisation budget in respect of voids kitchens and bathrooms & high value repairs, where it is deemed more economical to replace the kitchen and bathroom whilst the property is empty then the works are undertaken – work is underway to establish if the budget pressure relates to an increase in volume or cost or a combination of both. This overspend will be absorbed within the overall major works budget in 2023/24 however longer term if it is confirmed that that an increase in these budgets is required then the 2024/25 budgets will need to be increased and the pressure will need to be reflected in the work currently underway with regards to assessing investment need, cost and affordability within the context of the 30-year Business Plan.

6.11. The New Build programme forecast is £51.124m as compared to a revised budget of £88.668m resulting in a variance of -£37.545m. The primary reasons for this variance are:

- -£18**.**000m slippage relating to a few schemes that were aborted at the end of 2022-23 to free up resources to invest in more financially viable schemes. In 2023-24 budget provision totalling £18.200m has been released for re-investment in new schemes where most costs will be incurred in future years.
- -£17.900m slippage relating to 3 schemes that are on site (Harvist, Elthorne & Parkview) that have encountered delays arising in respect of contractual issues, diversion issues and party wall issues and 1 scheme Elmore & Lindsey delays in obtaining planning approval.
- +£7.100m forecast gross overspend in 2023/24 (overspend net of RTB 141 receipts £4.3m) primarily in respect of Beaumont Rise (£3.7m) and Andover (£4.5m) arising from anticipated changes in the scope of works required due to design changes and contractor loss and expense claims arising from delays caused by scheme re-

design. Of this anticipated overspend most of the Beaumont Rise overspend relates to contractor loss and expense claims of which £1.5m has already been settled, in terms of Andover the total anticipated overspend spanning 2023/24 & 2024/25 is £5.8m of which around £3.7m relates to indicative contractor loss and expense claims & £3.1m to scope of works changes the majority of which are anticipated to arise in 2023/24.

- The total budget for these 2 schemes agreed as part of the 2023/24 budget setting process was £49.2m, the total overspend in relation to settled contractor loss & expense claims and scope of works changes totalling £4.6m (£1.5m Beaumont & £3.1m Andover) represents an increase of +9% as compared to the total scheme budgets agreed as part of the 2023-24 budget setting process.
- Whilst this overspend can be accommodated within the overall new build programme 2023/24 budget it does give rise to a pressure in relation to the 3-year new build current programme, provision has been made in the 30 HRA Business Plan to cover potential new build programme pressures which can accommodate this pressure.

S106/CIL

6.12. The Community Infrastructure Levy (the 'levy') is a charge which can be levied by local authorities on new development in their area based on an approved charging schedule which sets out its levy rates. Most new development which creates net additional floor space of 100 square metres or more, or creates a new dwelling, is potentially liable for the levy.

6.13. In Islington, 50% of the CIL (known as Strategic CIL) collected from a development is used to help fund the Council's annual Capital Programme. For the other 50% Ward Councillors (in consultation with officers, constituents, ward partnerships etc) are asked to make recommendations to the Borough Investment Panel on how this funding is allocated.

6.14. 15% of the 50% (known as Local CIL) can be allocated to the provision, replacement, operation or maintenance of infrastructure or anything else that is concerned with addressing the demands that development places on an area. The remaining 35% (known as Strategic-Local CIL) can be allocated for the provision, replacement, operation or maintenance of infrastructure.

6.15. Planning obligations, secured through Section 106 Agreements of the Town and Country Planning Act 1990, are used to make developments acceptable in planning terms that would not be acceptable otherwise. Obligations can include either direct provision of a service or facility, financial contributions towards a provision made by the Council or external service provider, or both. With the introduction of the CIL in 2014, the council mostly now secures financial S106 contribution for non-CIL eligible infrastructure or to meet specific planning policy requirements such as off-site affordable housing and affordable workplace payments, carbon offsetting and employment and training contributions.

6.16. The table below sets out current budget position for S106 and CIL including current year income and spend forecast.

Table 7 – S106 and CIL

Fund	Brought Forward from Prior Years (£m)	Received in 2023/24 (£m)	Total Balance (£m)	2023/24 Forecast Expenditure (£m)	Forecast Carry Forward to 2024/25 (£m)
S106	25.946	0.516	**26.462**	4.900	**21.562**
CIL	13.651	2.359	**16.010**	1.885	**14.125**
Total	**39.597**	**2.875**	**42.472**	**6.785**	**35.687**

6.17. The current combined S106 and CIL Balance is £42.47m. This consists of £37.97m that has been allocated to various projects and programmes and £4.5m that is unallocated.

6.18. Of the £37.97 allocated, £10m of CIL has been allocated to the Thriving Neighbourhoods programme.

6.19. The £6.8m forecast S106/CIL expenditure comprises £3.8m capital expenditure and £3m revenue project expenditure including staff costs. A number of S106/CIL funded capital projects are at planning stage with the majority of spend expected in future years.

7. Implications

Financial Implications

7.1. These are included in the main body of the report.

Legal Implications

7.2. The law requires that the council must plan to balance its spending plans against resources to avoid a deficit occurring in any year. Members need to be reasonably satisfied that expenditure is being contained within budget and that the savings for the financial year will be achieved, to ensure that income and expenditure balance (Section 28 Local Government Act 2003: the council's Financial Regulations 3.7 to 3.10 Revenue Monitoring and Control).

7.3. The Financial Regulations in relation to Capital Schemes and Overspends give the Chief Finance Officer authority to agree slippage of up to £1m and overspends as long as the total approved over-spends in any one financial year does not increase the overall budget for the Capital Programme by more than 0.1% and subject to the resources being available. If these limits are exceeded, the matter must be reported to the Executive who can vary the budgets up to £1m. Any excess over a £1m must be approved by full Council.

Environmental Implications

7.4. This report does not have any direct environmental implications.

Equality Impact Assessment

7.5. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

7.6. An equality impact assessment (EQIA) was carried out for the 2023/24 Budget Report agreed by Full Council. This report notes the financial performance to date but does not have direct policy implications, therefore a separate EQIA is not required for this report.

Appendices:

- **Appendix 1** – General Fund and HRA Revenue Monitoring by Variance
- **Appendix 2** – 2023/24 Revenue by Service Area
- **Appendix 3** – Earmarked Reserve Allocations
- **Appendix 4** – Savings Delivery Tracker
- **Appendix 5** – Capital Forecast 2023/24

Background papers: None

Authorised by:		
	Executive Member for Finance, Planning and Performance	Date August 2023

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