

CABINET 21 MARCH 2022

Report title: Budget and Performance Report – Q3 2021-2022

Wards: All

Portfolio: Cabinet Member for Finance & Performance: Councillor Andrew Wilson

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REPORT SUMMARY

This report provides Management Board with an overview of the council's forecast out-turn position for the year ending 2021/22 as at quarter 3 (Q3) 2021-22 and how we are performing against our Borough Plan objectives and delivering against directorate business plans. Of the 183 business plan actions, 15% have been completed with a further 82% on track to be completed by the end of the financial year. Of the 43 Performance indicators with a performance target, seventeen (40%) indicators met their target performance levels.

The position on the General Fund at the end of December is a forecast overspend of £28.26m for 2021/22, after taking into account pandemic related expenditure pressures of £35.4m which are expected to be met in full by grant funding and £6.6m reduction in income which will only be partly offset by government support, together with the projected overspend on the Redress compensation scheme in excess of the agreed capitalisation amount.

RECOMMENDATIONS

Management Board:

- 1) To note the latest performance update against the delivery of the Borough Plan, including both the review of the activity taken place in the directorate business plans as well as the corporate performance indicator outturns.
- 2) To note the financial position reported for Q3 and to note the budgetary risks and mitigating measures moving forward.
- 3) To note the latest position of each of the directorates, looking at the budgetary position, performance and progress towards the delivery of business plans.

CONTEXT

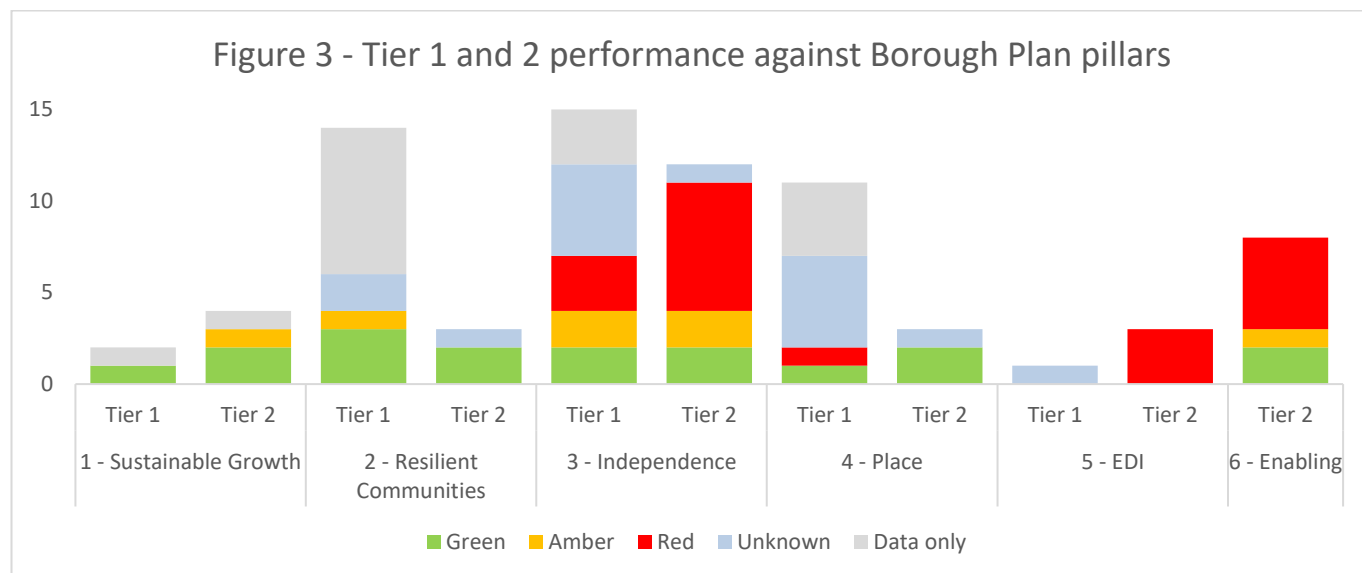
- 1.1 This report presents budget and performance information together in a single report for Cabinet to review.
- 1.2 Quarter 3 saw the emergence of the Omicron wave of Covid-19 which affected some performance indicators adversely. Longer term effects of the pandemic are still being felt across the borough and are affecting both the health and wealth of residents. Some front facing services such as children and adults social care are likely to have suffered some disruption to the completion of visits and reviews. The removal of the £20 universal credit uplift in October has put this in sharper focus and has resulted in a significant increase in demand for Council benefits advice. There has been a resulting impact on the timeliness of the provision of some benefits advice. Covid related expenditure is expected to total £35.4m for 2021/22. This money is being used to provide support to local businesses, reopen the economy safely and to facilitate hospital discharges and control infection. There are also forecast income losses, excluding collection fund loss (£3.06m), of £3.6m due to lower fees and charges receipts for the council. Despite these challenges, the council has continued to perform well, with particularly strong returns in our efforts to enable sustainable growth and build resilient communities.
- 1.3 For 2021-22 a total of 183 business plan actions have been agreed upon and mapped to the delivery of the borough plan; This year directorates have been given the option to set expected start and completion dates against actions, where activity is expected to be concentrated in specific quarters.

PROPOSAL AND REASONS

TIER 1 & TIER 2 PERFORMANCE SUMMARY

- 2.1 Our Tier 1 performance indicators were selected to directly demonstrate the impact of our work in delivering our [borough plan goals](#). They have been tracked over the course of the 4 year lifecycle of the borough plan. We do not have direct control over all Tier 1 indicators. However, as place leaders within Lambeth it is our responsibility to strive to improve them, sometimes in partnership with third party organisations.
- 2.2 Our Tier 2 indicators are priority service indicators tied either to one of our Borough Plan pillars, or to the Enabling pillar which reflects the general capability of the Council to deliver services to the Borough. Tier 2 indicators can directly be controlled by the work of the council and demonstrate our ability to efficiently deliver for our residents.
- 2.3 Targets are applied to many of our indicators. These targets may be statutory, or may be designed to demonstrate continuous improvement. They may also demonstrate the strength of our performance relative to benchmarks. All targets should be specific, time bound and challenging yet achievable. It is not always appropriate to set targets. As such, some of our indicators are monitored for trends but not measured against a target. Targeted indicators are given a RAG status according to performance against target. The Q3 performance position of both Tier 1 and Tier 2 indicators are broken down in Figure 3.

Figure 3 - Tier 1 and 2 performance against Borough Plan pillars



2.4 The performance picture in Q3 was mixed with a number of indicators changing RAG status for better and for worse. Marginally more indicators missed target than during Q2.

- All targeted indicators in Pillar 1 (sustainable growth) met target in Q3 with the exception of our NNDR collection rate which missed target by 1%. The amount collected for the year is £108,009,245, an impressive total given the challenging environment our local business are operating in. Both Covid-19 Additional Relief Fund (CARF) and Omicron Hospitality & Leisure Grant Fund Guidance have now been received and development of these schemes is a current priority.
- Our ambition to increase community resilience has become all the more important during the Covid-19 pandemic as we have been called on along with borough partners to build strength and support mechanisms across Lambeth. It is pleasing that none of our indicators in Pillar 2 have returned a red RAG status in Q3. Notable has been the continued success of council supported activities in supporting residents into employment, training or education. Q3 saw a further 457 residents benefit from these activities, more than the annual total for 2020/21.
- Amongst the indicators in pillar 3 (independence) that have missed target in Q3 are indicators measuring the timeliness of our adoption processes. These indicators have been negatively impacted by a legacy issue with two cases. The issue has now been resolved but will continue to impact our performance results into 2022/23 as data is assessed on a rolling 12 monthly basis. Emphasis continues to be placed on ensuring that children end up in the best possible placements. Other pillar 2 indicators are struggling to meet target as a result of high workload pressure resulting from both high demand for our services and the national shortage of social workers.
- Pillar 4 (place) contains a number of household waste indicators for which we rely on data from third parties. This data is not available until several weeks after quarter end. As such a more accurate picture of performance in this pillar will be available once this data has been published, specifically around the amount of waste produced by households within Lambeth and the amount of waste that is recycled. The percentage of household waste which is recycled, reused or composted is forecast to continue the strong performance reported in Q2 when we saw a 20% increase in the amount of food and green waste being composted, and a 10% increase in dry mixed recycling.
- Our fifth borough plan pillar is to be passionate about equality, strengthening diversity and delivering inclusion (EDI). Given our diversity as a borough, EDI is particularly important to Lambeth and we hold ourselves to very high standards. As such, a number of Lambeth's internal EDI performance indicators work to targets which are considerably

more ambitious than the London average. For example, our target of having Black, Asian and Multi Ethnic staff making up 39% of the top 5% of council staff is considerably higher (205%) than the London median of 19%. Many initiatives are under way to bring performance up to target, both in our work with the wider Borough and within the Council. Our HR team are coordinating a workforce transformation program to improve the diversity of our senior workforce. As part of this program we have been running a range of career progression and talent management schemes including Black on Board which has resulted in 11 appointments to a higher grade over the past year.

- Workload pressure has also impacted performance in pillar 6 (enabling). For example, during Q3 our local resolution complaints team received circa 70% more cases than during Q3 of 2020/21. Most of this volume increase is attributed to housing performance, primarily concerning repairs which have seen a spike in volume since the early resolution channel was switched off in November 2021. This process had dealt with minor service issues outside of the formal complaints procedure. Performance issues with contractors are being robustly dealt with using the contract management framework.

2.5 For full, detailed information about the performance of Tier 1 and Tier 2 indicators, please refer to the following visualisations:

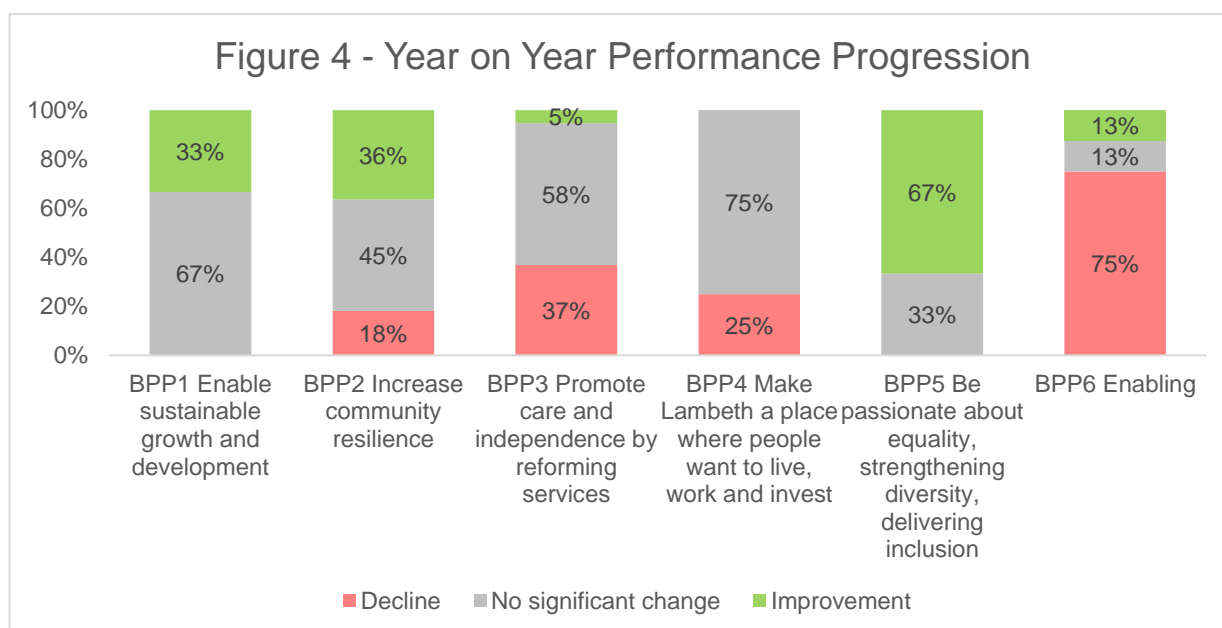
- The Tier 1 performance visualisation can be found [here](#).
- The Tier 2 performance visualisation can be found [here](#).

2.6 As well as looking at the most recent performance figures, it is also important to consider the direction in which our performance is travelling. In doing so we demonstrate our ambition for continuous improvement. Figure 4 compares Q3 performance with that of Q3 in 2020/21.

Performance indicators have been broken into 3 categories:

- A marked improvement in performance since Q3 2020/21 (improvement of 10% or more)
- No, or little change in performance since Q3 2020/21 (change of less than 10%)
- A marked decline in performance since Q3 2020/21 (decline of 10% or more)

A more detailed breakdown of this data per directorate can be found later in this report.



- The majority of our pillars are showing a similar, or improved position when compared to Q3 of 2020/21. This is impressive given the challenging environment that the council has been working in for the past year.

- Pillar 3 (promote care and independence) is largely made up of indicators tracking the performance of our frontline teams. These teams have felt the impact of covid most acutely, with face to face visits often being prevented and the alternative of virtual appointments not counting towards statutory targets. As such it is pleasing that only a minority have seen a significant fall in performance since Q3 of 2020/21.
- None of our indicators in Pillar 5 (equality, diversity and inclusion) have seen a significant decline in performance since Q2 2020/21. The number of people in the top 5% of local authority staff who have identified as being disabled has more than doubled since Q3 of 2020/21. Work continues with the staff disability forum and trade unions to better understand the barriers to people disclosing their disability.
- Several indicators in Pillar 6 (enabling) have seen a decline in performance since Q3 2020/21. Amongst these are indicators relating to the processing of changes to benefits and council tax support – the removal of the £20 universal credit uplift from October has seen a significant increase in the volume of changes being processed. Work has been prioritised to ensure that those most in need are receiving assistance quickly. A revised process for handling council tax support has been implemented which has helped us to process new council tax support claims in under 17 days on average, within our target of 22 days. Budgetary pressures have also resulted in a decline of performance for some of our enabling performance indicators, with both our General Fund and HRA reporting a significantly higher variance against the Revenue Budget than was the case in Q3 of 2020/21.

BOROUGH PLAN DELIVERY

Each of our directorates compiles a list of actions by which they will track progress against the delivery of the borough plan. Actions are produced in consultation with teams and are signed off at Management Board. Of the 183 business plan actions agreed for 2021/22, 15% have now been completed with a further 82% on track to be completed this financial year as scheduled.

2.7 Figure 1 maps out the number business plan actions by status against each of the Borough Plan pillars, demonstrating which areas are behind target and require further work.

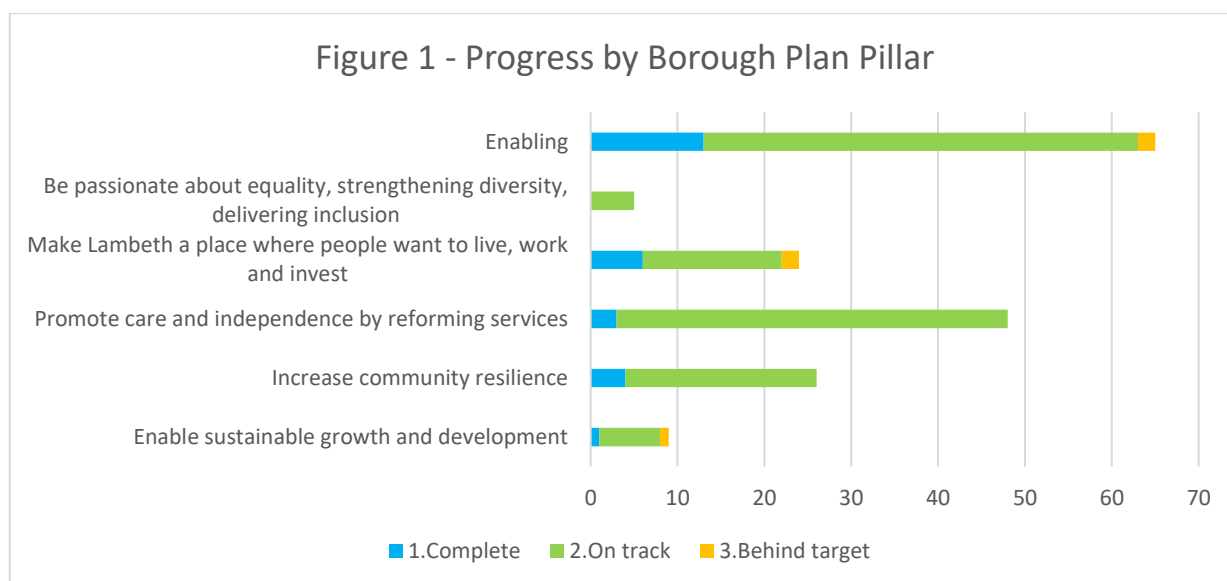
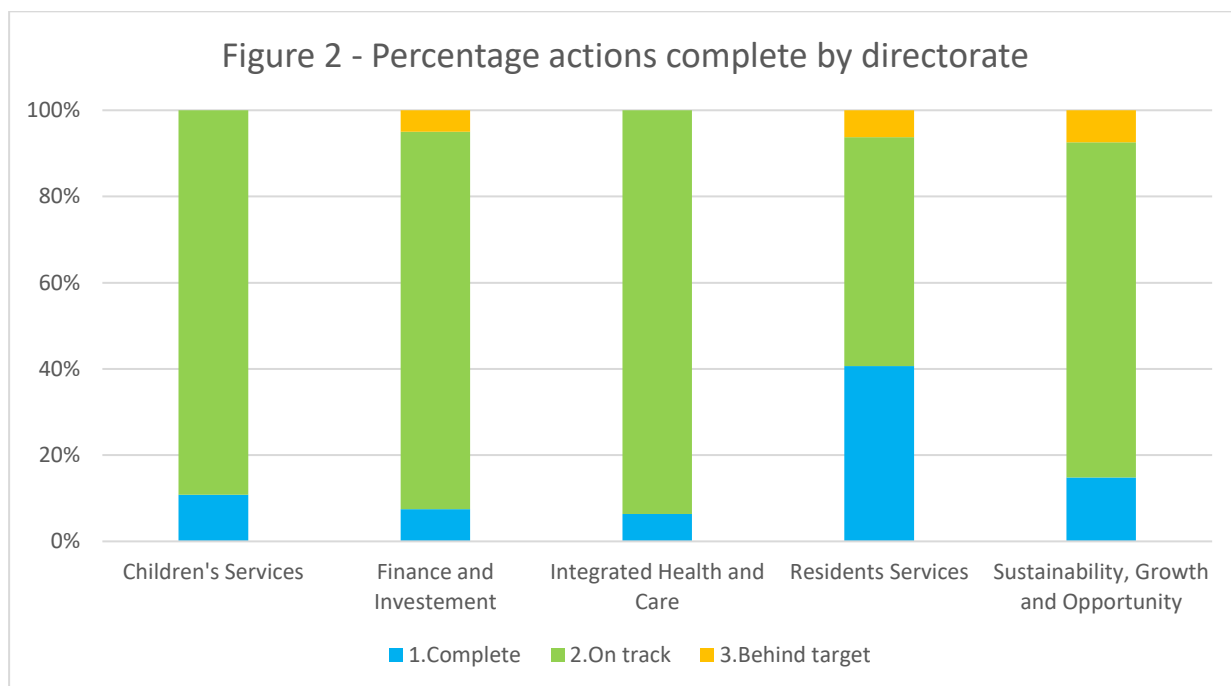


Figure 2 sets out how each of the directorates are performing against the actions they committed to in their business plans.



2.8 Children's Services:

- We continue to keep headteachers informed of all legislative changes along with changes to expectations and outcomes. Up to date data has been presented and shared with all schools and academies to enable them to make informed decisions. School improvement advisers have been available. We are now creating a space on our LSP website to store bi-weekly information so it is easily accessible to all heads and we are sending it out via email after each briefing meeting.
- The Children's Services Transformation & Improvement team is currently under review as part of a wider piece of work to improve ways of working across Children's Services. Included in the scope are all programme manager and project officer roles that sit across all divisions of Children's Services, therefore it is likely that the Transformation & Improvement team will increase its capacity to drive change across the directorate. This review is key to improving the effectiveness of transformation and improvement activities across Children's Services as well as financial grip.

2.9 Finance & Investment:

- We remain on track to have recruited 240 apprentices across the council by May 2022. A future apprenticeship strategy is currently under development.
- The work to enter all of the council's contracts over £100k onto the new e-CM (Contract Management) system is progressing well, and the team continue to work well with colleagues to develop our reporting. However, work remains to fully embed consistent contract management across the council.
- Good progress is being made in delivering and implementing the Corporate EDI Plan. In addition a full set of directorate EDI action plans are being completed. Other active work includes the completion of the Stonewall workforce equality index.

2.10 Integrated Health & Care:

- The omicron wave and resulting changes in guidance have had a considerable impact on covid response services at the end of the quarter. Additional resource is being added to self-isolation support services to enable prompt payment of self-isolation payments and ensure the 'Stay Home Safely' service is able to meet demand for tasks and welfare

checks. Targeted testing was suspended at the end of the quarter in favour of a universal approach as a result of the omicron wave. A walk-in clinic at the Civic Centre was established in response to omicron wave.

- We have re-established our programme of virtual clinics for diabetes, CVD and respiratory, and PCNs have submitted their development plans for long term condition optimisation as part of our local improvement plans (Long Term Conditions optimisation section). Our pilot work around DOAC initiation is progressing well, respiratory diagnostic services are restarting, diabetes quality improvement programme has been refreshed. We are working with borough leads to ensure we are putting in place plans and resources around health inequalities.
- Additional capacity is now in place to support key Learning Disability and Autism (LDA) workstreams. Borough LDA Steering Group now stood up and a workplan is being finalised with clear goals and milestones for Feb 22. Project mapping re all age autism strategy is now underway aiming to have key actions in place by end Feb 22.

2.11 Resident Services:

- Both neighbourhood working coordinators have been recruited and are setting up a work plan for the Complete Neighbourhood working pilots. Meeting in January to discuss how this will work across the council.
- Our Disruptive Innovators Network has been established. Initial action assumed earlier completion of the ICT restructure. The original concept will be replaced by a new structure now our Assistant Director of Digital is in post and working as part of the new established innovators network.
- Food safety inspections are progressing well despite disruption due to the Covid-19 Omicron variant that led to the Government imposing new restrictions on businesses November and December 2021. The service has delivered 958 inspections from the beginning of the financial year to the end of Quarter 3. There remain 734 inspections that have a due date that had been surpassed by a calendar month and a further 353 inspections (that includes new registrations) that are not yet due but will need to be delivered by year-end.

2.12 Sustainable Growth & Opportunity:

- 513 employment opportunities, including 81 apprenticeships have been received via Opportunity Lambeth since 1 April 2021. ESF funding secured by CLF for Connecting Communities employment support programme brings £660,000 of funding to Lambeth to increase resource for direct delivery of employment support to unemployed residents.
- Delivery of the Brixton investment programme remains on track. Procurement has been launched and a development partner secured for 49 Brixton Road. Design options for the Brixton Townscape Heritage Initiative are complete with short term repairs and a funding strategy being developed.
- The draft Site Allocations Development Plan Document was agreed for Regulation 18 consultation at Cabinet on 13th December 2021 with consultation beginning in January 2022. This will contribute to our efforts to support inclusive growth and climate change mitigation through a robust and enabling policy and infrastructure framework.

OVERVIEW OF FINANCIAL PERFORMANCE

- 2.13 Costs associated with the coronavirus pandemic continue to impact the council and expenditure is forecast to be £35.4m in 2021/22, with the main areas of spend including providing support to local businesses, reopening the economy safely and expenditure with in Adult Social Care to facilitate hospital discharges and on infection control. There are also forecast income losses, excluding collection fund loss (£3.06m), of £3.6m due to lower fees and charges receipts for the council. At this stage, it is expected that pandemic related pressures will be met by grant funding for the 2021/22 financial year.
- 2.14 The Redress scheme formally closed at the end of December 2021, and we have seen a significant increase in new applications and early estimates are that we will exceed the agreed £125m capitalisation by more than £20.5m. This excess expenditure will need to be covered from Reserves and Balances for year-end. We are awaiting a report from the actuaries to better estimate the likely costs and will be applying for additional capitalisation direction, however the outcome or timing of this application is uncertain hence the need for including the excess expenditure and providing for it.
- 2.15 The council is forecasting residual budget pressures of £8.482m that, without any mitigating action, will adversely impact on the Council's reserves Most of the pressures is within Children's Services which is forecasting £7.5m over budget, main area being £5.5m in Children's Social Care due to staffing pressures of £3.5m and placement costs of £1.9m. There are significant pressures in Adult Social Care which is forecasting overspends of £1.7m within Adults with Learning Difficulties due to continued pressures in residential care, and £2.9m in residential, nursing and home care for adults with mental health needs, these pressures are being managed by hospital discharge income and reserves. There are also pressures of £3.0m in Resident Services of which £1.4m relates to Temporary Accommodation. Award of the new Waste contract was delayed due to Covid, and additional waste disposal costs are being funded from Covid grants of £1m. We have also seen a shortfall in income from Depots and Commercial Waste of £0.995m.

Directorate		Annual Budget	Forecast	Forecast Variance
		£'000	£'000	£'000
Adults and Health	Income	(67,683)	(79,180)	(11,497)
	Expenditure	162,779	174,276	11,497
	Net	95,096	95,096	0
Children's Services	Income	(18,128)	(21,941)	(3,813)
	Expenditure	93,871	105,143	11,272
	Net	75,743	83,202	7,459
No Recourse to Public Funds	Income	0	0	0
	Expenditure	2,734	2,519	(215)
	Net	2,734	2,519	(215)
Resident Services	Income	(258,093)	(284,250)	(26,157)
	Expenditure	328,474	355,156	26,682
	Net	70,381	70,906	525

Directorate		Annual Budget	Forecast	Forecast Variance
		£'000	£'000	£'000
Sustainable Growth and Opportunity	Income	(25,283)	(27,751)	(2,468)
	Expenditure	28,303	30,842	2,539
	Net	3,020	3,091	71
Finance and Investment	Income	(6,627)	(6,832)	(205)
	Expenditure	19,815	40,938	20,469
	Net	13,188	34,105	20,320
Strategy and Comms; Legal Services	Income	(1,176)	(2,641)	(1,465)
	Expenditure	8,965	10,536	1,571
	Net	7,789	7,895	106
Total	Income	(376,990)	(422,595)	(45,605)
	Expenditure	644,941	719,410	73,815
	Net	267,951	296,814	28,266

2.16 The Dedicated Schools Grant (DSG) is projecting to be in a deficit of £4.3m at the end of the financial year, to be recovered from future years DSG allocations. The main pressure on the DSG is within the High Needs block associated with Special Education Needs placements.

Dedicated Schools Grant (DSG)	DSG Reserve brought forward Deficit 2020/21	DSG Allocation 2021/22	Forecast DSG spend	Projected Deficit 2021/22
	£'000	£'000	£'000	£'000
Total DSG expenditure 2020/21	473	(229,894)	230,808	4,354

2.17 The Housing Revenue Accounts is forecast to overspend its budgets by £5.2m, predominantly due to expenditure on responsive repairs, costs associated with the mobilisation of the new repairs' contracts, and increased spend on void properties.

Housing Revenue Account (HRA)	Budget	Forecast	Variance
	£'000	£'000	£'000
Housing Services	65,615	71,865	6,250
Central HRA Budgets	(83,171)	(84,463)	(1,292)
Strategic Programmes	17,556	17,792	236
Total	0	5,194	5,194

2.18 Agreed savings of £13.7m, as shown below are to be delivered in year, of which £1.4m were brought forward from 2020/21. It is forecast that £11.7m will be delivered in year with £1.975m rolled forward to be delivered next year.

Directorate	21/22 Savings including carry forward	21/22 Forecast	21/22 Variance
	£000	£000	£000
Adults & Health	1,458	1,384	-74
Children Services	2,853	2,303	-550
Resident Services	7,450	6,453	-997
Sustainable Growth & Opportunity	246	246	0
Finance & Investment	1,160	810	-350
Cross Council	300	300	0
Strategy, Communications & Legal	246	242	-4
Total	13,713	11,738	-1,975

2.19 The approved capital programme for 2021/22 amounts to £305.5m. £57.6m has been spent by the end of quarter 3 and £198m is forecast to be spent by the end of the year, with £107.3m carried forward into the next financial year.

Capital Programme	21/22 Budget	21/22 Actuals	21/22 Forecast	21/22 Carry Forward	22/23-25/26 Budget
Directorate	£'000	£'000	£'000	£'000	£'000
Adult Social Care	2,217	-	2,217	-	-
Children Services	1,079	62	-	1,079	-
Resident Services	90,776	29,077	62,405	28,371	27,075
Sustainable Growth & Opportunity	68,199	19,579	44,875	23,324	96,039
Finance and Investment	32,624	-	31,902	723	-
Housing Revenue Account (HRA)	77,903	8,832	35,728	42,175	132,504
Approved awaiting allocation	32,739	-	-	32,739	108,986
Total	305,537	57,550	177,189	128,348	364,604

DIRECTORATE PERFORMANCE

2.20 This section of the report details the financial performance of each directorate.

Integrated Health & Care

Budgetary Performance

2.21 Adult Social Care are reporting a break-even position for 2021/22 but this is only possible from the use of reserves, hospital discharge funding and one-off grants to alleviate staffing and third-party care package pressures. Without the use of reserves there would be an overspend of over £3m. Main areas being £1.7m in residential care for Adults with Learning Difficulties, and £2.9m for

Adults with Mental Health Needs. There are also higher costs in home care for Older People, but these pressures are currently being offset by hospital discharge income.

- 2.22 The overspends are the result of steadily increasing complexity and acuity of care packages and is a resource pressure for future years, but it is expected that planned growth will mainly meet the underlying pressure in 2022/23. However, there remain concerns about the uncertain continuation of hospital discharge funding which is currently providing income to off-set much higher costs of Older People home care compared to pre-pandemic levels. This could mean there is a continuation of pressures in future years if activity remains at current levels.
- 2.23 Agreed savings for the year, including those brought forward from last year, are £1.5m. £1.4m of these are forecast to be achieved this year

Revenue monitoring

Adults and Health	2021/22 Budget	Forecast	Variance
	£'000	£'000	£'000
<u>Adult Social Care</u>			
Income	(67,683)	(79,180)	(11,497)
Expenditure	162,779	174,276	11,497
Net	95,096	95,096	0
<u>Public Health</u>			
Income	(34,682)	(39,424)	(4,742)
Expenditure	35,030	39,772	4,742
Net	348	348	0
<u>Strategy & Commissioning - Adults</u>			
Income	(9,847)	(11,544)	(1,697)
Expenditure	11,423	13,120	1,697
Net	1,576	1,576	0
<u>Adults and Public Health</u>			
Income	(112,212)	(130,148)	(17,936)
Expenditure	209,232	227,168	17,936
Net	97,020	97,020	0

Capital Programme

- 2.24 Adults Social Care have approved capital budgets of £2.2m for 21/22 and are forecasting to spend this in year.

Capital Programme	21/22 Budget	21/22 Actuals	21/22 Forecast	21/22 Carry Forward	22/23- 24/25
Directorate	£'000	£'000	£'000	£'000	£'000
Adult Social Care	2,217	-	2,217	-	-
Total	2,217	0	2,217	0	0

Children's Services

Budgetary Performance

- 2.25 Children Services are forecasting an overspend of £7.5m for the financial year. Within Children Social Care there is a forecast overspend of £5.5m, with £3.5m relating to supernumerary unfunded posts and £2.3m in respect of placement costs.
- 2.26 Corporate Parenting has 23 unfunded posts creating a pressure of £1.4m, and new care packages and increases in existing care packages has resulted in £0.479m pressure on placements. Safeguarding has 13 unfunded posts creating a staffing pressure of £0.591m, and there is £1.2m pressure on placements. Quality and Assurance is overspending by £1.3m due to 12 unfunded posts and agency workers contributing towards a £0.800m of staff pressure and £0.600m of pressure has been reported due to increased SAR's legal costs.
- 2.27 Management actions to reduce costs are being developed and senior officers are scrutinising the use of supernumerary posts as well as ensuring care packages are reviewed on a regular basis.
- 2.28 Within Education & Learning there is a projected overspend of £1.7m, most of which relates to SEND management and home to school transport.
- 2.29 There are agreed savings of £2.853m for the year of which £2.303m are forecast to be delivered with the remaining £0.550m to be carried forward into the next financial year.

Revenue Monitoring

Children's Services	2021/22 Budget	Forecast	Variance
	£'000	£'000	£'000
<u>Children's Social Care</u>	-	-	-
Income	(4,467)	(6,448)	(1,981)
Expenditure	62,303	69,805	7,502
Net	57,836	63,357	5,521
<u>Education and Learning</u>			
Income	(7,611)	(9,251)	(1,640)
Expenditure	15,001	18,320	3,319
Net	7,390	9,068	1,678
<u>Children's Commissioning & Community Safety</u>			
Income	(6,050)	(6,242)	(192)
Expenditure	16,567	17,019	452
Net	10,517	10,777	260
<u>Children Services</u>	-	-	-
Income	(18,128)	(21,941)	(3,813)
Expenditure	93,871	105,144	11,273
Net	75,743	83,202	7,459
<u>No Recourse to Public Funds</u>	-	-	-
Income	0	0	0

Expenditure	2,734	2,519	(215)
Net	0	0	0

Capital Performance

2.30 The approved capital programme is £1,079m, most of which will be carried forward into 2022/23.

Capital Programme	21/22 Budget	21/22 Actuals	21/22 Forecast	21/22 Carry Forward	22/23-24/25
Children Services	£'000	£'000	£'000	£'000	£'000
Education & Learning	1,042	62	0	980	0
Children's Commissioning & Community Safety	17	0	0	17	0
Children's Social Care	20	0	0	20	0
Total Children's Services	1,079	62	0	1,017	0

Resident Services

Budgetary Performance

2.31 Resident Services are forecasting an overspend of £0.526m for the financial year. Pressures of £0.806m in management, £1.4m in Temporary Accommodation, £0.668m in residents experience and digital which are being mitigated in part by a positive variance in Parking income.

Revenue monitoring

Residents Services	2021/22 Budget	Forecast	Variance
	£'000	£'000	£'000
<u>Management & Transformation</u>	-	-	-
Income	0	0	0
Expenditure	606	1,412	806
Net	606	1,412	806
<u>Housing Management</u>			
Income	(28,730)	(34,627)	(5,897)
Expenditure	44,789	52,117	7,328
Net	16,059	17,491	1,432
<u>Environment & Streetscene</u>			
Income	(54,221)	(62,009)	(7,788)
Expenditure	72,268	77,973	5,705
Net	18,047	15,964	(2,083)
<u>Residents Experience & Digital</u>			
Income	(169,284)	(182,306)	(13,022)
Expenditure	198,186	211,876	13,690
Net	28,902	29,570	668

Infrastructure & Capital Delivery			
Income	(5,858)	(5,297)	561
Expenditure	12,625	11,778	(847)
Net	6,767	6,481	(286)
Covid variances	0	(11)	(11)
Residents Services			
Income	(258,093)	(284,250)	(26,157)
Expenditure	328,474	355,156	26,682
Net	70,381	70,907	526

2.32 Savings for the year are £7.450m of which £6.453m are forecast to be delivered this year, with £0.997m carried forward to be delivered next year.

Capital Performance

2.33 Resident Services have approved capital budgets of £90.8m for 21/22 and are forecasting to spend £62.4m of this within the financial year, with £28.4m to be carried forward into next year. A lot of the carry forward has been due to Covid access issues.

Capital Programme	21/22 Budget	21/22 Actuals	21/22 Forecast	21/22 Carry Forward	22/23-24/25
Residents Services	£'000	£'000	£'000	£'000	£'000
Housing Management	5,150	342	600	4,550	0
Environment & Streetscene	18,914	8,560	14,460	4,454	6,776
Residents Experience & Digital	8,580	1,171	8,580	0	1,650
Infrastructure and Capital Delivery	58,133	19,003	38,766	19,367	18,648
Total Resident Services	90,777	29,076	62,406	28,371	27,074

Sustainable Growth and Opportunity

Budgetary Performance

2.34 Sustainable Growth and Opportunity are forecasting a slight pressure of £0.071m due to a shortfall in building control and planning income and staffing budgets. There will be a significant level of expenditure on supporting businesses within the Borough, however this is expected to be funded from Central Government Grants and previously agreed NCIL funding.

Revenue Monitoring

Sustainable Growth and Opportunity	2021/22 Budget	Forecast	Variance
	£'000	£'000	£'000
<u>Regeneration & Housing Growth</u>	-	-	-
Income	(220)	(191)	29
Expenditure	583	553	(30)
Net	363	362	(1)
<u>Planning, Transport & Development</u>			
Income	(5,483)	(5,232)	251
Expenditure	6,960	6,789	(171)
Net	1,477	1,557	80
<u>Economy, Culture & Skills</u>			
Income	(19,183)	(21,765)	(2,582)
Expenditure	20,257	22,831	2,574
Net	1,074	1,066	(8)
<u>Senior Management</u>			
Income	(397)	(563)	(166)
Expenditure	503	669	166
Net	106	106	0
<u>Sustainable Growth & Opportunity</u>	-	-	-
Income	(25,283)	(27,751)	(2,468)
Expenditure	28,303	30,842	2,539
Net	3,020	3,091	71

2.35 Agreed savings of £0.246m have been delivered.

Capital Performance

2.36 Sustainable Growth and Opportunity have reprofiled capital budgets of £68.2m for the year and are forecasting to spend £44.9m, carrying forward £23.3m into the next financial year. This slippage largely relates to Estate Regeneration where budgets including buybacks of leaseholder properties are being reprofiled over the expected life of the programme.

Capital Programme (SGO)	21/22 Budget	21/22 Actuals	21/22 Forecast	21/22 Carry Forward	22/23-24/25
	£'000	£'000	£'000	£'000	£'000
Planning, Transport & Sustainability	10,483	1,842	10,483	0	400
Regeneration & Housing Growth	53,991	17,303	32,114	21,876	92,124

Economy, Culture & Skills	3,726	435	2,278	1,448	3,515
Total Sustainable Growth & Opportunity Programmes	68,200	19,580	44,875	23,324	96,039

Finance and Investment

Budgetary Performance

- 2.37 Finance and Investment is forecasting an overspend of £20.917m, and includes the additional costs (£20,382m) of the Redress scheme over and above the agreed capitalisation limit agreed with DLUHC and Treasury. We will be applying for additional capitalisation directions but there is no guarantee of approval or timescale. In the meantime we will need to cover this from Reserves and Balances.
- 2.38 There is an underlying overspend of £0.536m this year, mainly due to agency staff costs within Human Resources & Organisation Development.
- 2.39 There are agreed savings of £1.160m within the financial year of which £0.800m are forecast to be delivered with the remainder to be carried forward for delivery in the next financial year.

Revenue Monitoring:

Finance and Investment	2021/22 Budget	Forecast	Variance
	£'000	£'000	£'000
<u>Performance & Business Improvement</u>	-	-	-
Income	0	(66)	(66)
Expenditure	3,316	3,332	16
Net	3,316	3,265	(51)
<u>Human Resources & Organisational Development</u>			-
Income	(10)	0	10
Expenditure	2,958	3,596	638
Net	2,948	3,596	648
<u>Finance & Property (including Redress excess)</u>			-
Income	(6,617)	(6,766)	(149)
Expenditure	13,541	34,010	20,469
Net	6,924	27,244	20,320
<u>Finance & Investment</u>			-
Income	(6,627)	(6,832)	(205)
Expenditure	19,815	40,938	21,123
Net	13,188	34,105	20,917

Capital Performance

- 2.40 Capital budgets of £32.6m for 2021/22 relate mainly to the capitalisation of costs for the council's redress scheme. Applications closed in December and there was a large increase in claims in the final month. It is anticipated that £53m will be required to finalise all payments. This takes the total cost of the scheme beyond the agreed capitalisation level. The additional costs will need to be treated as revenue expenditure pending the outcome of application to the Secretary of State for additional capitalisation direction.

Capital Programme	21/22 Budget	21/22 Actuals	21/22 Forecast	21/22 Carry Forward	22/23-24/25
Finance and Investment	£'000	£'000	£'000	£'000	£'000
Lambeth Redress Scheme Capitalisation	31,896	0	31,896	0	0
Programme Management	729	0	6	723	0
Total	32,625	0	31,902	723	0

Strategy, Communication and Legal Services

Budgetary Performance

- 2.41 The overall variance within Strategy and Communication & Corporate is £0.106m. Legal Services are forecasting an overspend of £0.750m in the financial year due to additional staff to support legal work in the Children Services area, which is being offset by additional one of income from land charges leaving a pressure of £0.381m.
- 2.42 The savings target of £0.246m has nearly been met with £0.242m delivered and £0.004m to be delivered next year.
- 2.43 There is no Capital Programme within Strategy, Communication & Legal Services.

Revenue Monitoring

Strategy and Communications & Legal	2021/22 Budget	Forecast	Variance
	£'000	£'000	£'000
<u>Strategy and Communications</u>	-	-	-
Income	(170)	(255)	220
Expenditure	2,924	2,429	(495)
Net	2,754	2,174	(275)
<u>Legal Services</u>			
Income	(701)	(2,386)	(1,685)
Expenditure	6,041	8,107	2,066
Net	5,340	5,721	381
<u>Strategy, Comms & Legal</u>	-	-	-
Income	(871)	(2,641)	(1,465)
Expenditure	8,965	10,536	1,571
Net	8,094	7,895	106

Housing Revenue Account (HRA) - Forecast

2.44 The Housing Revenue Accounts is forecast to overspend its budgets by £5.194m, predominantly due to high volume of responsive repairs, residual works from previous repairs contracts and procurement costs associated with the new repairs' contracts, increased spend on void properties and an overspend on legal costs associated with disrepair.

Housing Services	2021/22 Budget	Forecast	Variance
	£'000	£'000	£'000
<u>Housing Services</u>	-	-	-
Income	(11,640)	(11,970)	(330)
Expenditure	77,255	83,835	6,580
Net	65,615	71,865	6,250
<u>Central HRA Budgets</u>			
Income	(163,930)	(163,940)	(10)
Expenditure	80,759	79,477	(1,282)
Net	(83,171)	(84,463)	(1,292)
Housing Services	2021/22 Budget	Forecast	Variance
	£'000	£'000	£'000
<u>Strategic Programmes</u>			
Income	0	0	0
Expenditure	17,556	17,792	236
Net	17,556	17,792	236
<u>Housing Revenue Account (HRA)</u>	-	-	-
Income	(175,570)	(175,910)	(340)
Expenditure	175,570	181,104	5,534
Net	0	5,194	5,194

HRA Capital Forecast

2.45 Capital The HRA has capital budgets of £77.9m and £35.7m is forecast to be spent in year and £42.2m to be carried forward.

Capital Programme	21/22 Budget	21/22 Actuals	21/22 Forecast	21/22 Carry Forward	22/23- 24/25
	£'000	£'000	£'000	£'000	£'000
Housing Revenue Account					
Housing Services (HRA)	2,036	48	599	1,437	204
Strategic Programmes (HRA)	75,867	8,784	35,129	40,738	132,300
Total HRA Programmes	77,903	8,832	35,728	42,175	132,505

FINANCE

3.1 Section 2 of this report concerns the Council's financial position as at Q3 2021-22. Any business improvement activity to address performance will be delivered from within existing budgets.

LEGAL AND DEMOCRACY

4.1 Section 30 of the Local Government Finance Act 1992 requires Councils to set a balanced budget for each financial year. Section 28 of the Local Government Act 2003 requires Councils to monitor budget outturn periodically throughout the year and where an overspend is forecast against budget, to set out the process followed to address such issues. This is outlined in section 2.10 of this report.

4.2 There are no further comments from Democratic Services

CONSULTATION AND CO-PRODUCTION

5.1 The completion of the performance report relies on service managers / Heads of Services to provide performance data and commentary on progress and management actions, particularly if the indicators is not achieving target.

RISK MANAGEMENT

6.1. There are no risk implications arising from this report.

EQUALITIES IMPACT ASSESSMENT

7.1. The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:

- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- Advancement of equality of opportunity between people from different groups
- Fostering of good relations between people from different groups

7.2. The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy and maternity; race; religion or belief; sex and sexual orientation.

7.3. In order to assist in meeting the duty the council:

- Tries to understand the diversity of our customers to improve our services
- Considers the impact of our decisions on different groups to ensure they are fair
- Mainstreams equalities into business and financial planning

7.4. Reflecting this, we aim to ensure that equalities considerations are integrated into the Council's Corporate Performance Framework. Accordingly, we report against a number of KPIs aligned to Borough Plan priorities concerned with ensuring that growth in the borough is inclusive and that inequality is reduced, as well as other KPIs concerned with how we deliver our services and meet the needs of residents. In this way, performance data can play a role in determining whether there is any differentiation in residents' experience of, or satisfaction with, Council services.

COMMUNITY SAFETY

8.1 There are no community safety implications arising from this report.

ORGANISATIONAL IMPLICATIONS

Environmental

9.1 Not applicable

Health

9.2 Not applicable

Corporate Parenting

9.3 Not applicable

Staffing and accommodation

9.4 Not applicable

Responsible Procurement

9.5 Not applicable

Good Quality Jobs with Fair Pay and Decent Working Conditions

9.6 Not applicable

Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group

9.7 Not applicable

Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030

9.8 Not applicable

Single Use Plastics

9.9 Not applicable

Positive Health and Wellbeing

9.10 Not applicable

Other Offers (Innovation)

9.11 Not applicable

TIMETABLE FOR IMPLEMENTATION

10.1 Not applicable

Audit Trail				
Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Andrew Wilson	Cabinet Member for Finance and Performance	22/02/2022	22/02/2022	
Andrew Travers, Chief Executive		11/02/2022	11/02/2022	
Andrew Eyres, Strategic Director	Integrated Health and Care	11/02/2022	11/02/2022	
Merlin Joseph, Strategic Director	Children's Services	11/02/2022	11/02/2022	
Bayo Dosunmu, Strategic Director	Resident Services	11/02/2022	11/02/2022	
Eleanor Purser, Co-Strategic Director	Sustainable Growth	11/02/2022	11/02/2022	
Sara Waller, Co-Strategic Director	Sustainable Growth	11/02/2022	11/02/2022	
Fiona McDermott, Strategic Director	Finance and Investment	11/02/2022	11/02/2022	
Fiona Connolly, Executive Director	Adults and Health	11/02/2022	11/02/2022	
Christina Thompson, Director	Finance and Property	11/02/2022	11/02/2022	
Paul Bates, Director	Strategy and Communications	11/02/2022	11/02/2022	
Sarah Keeble, Democratic Services	Legal and Governance	11/02/2022	11/02/2022	

Report History	
Original discussion with Cabinet Member	22/02/2022
Report deadline	
Date final report sent	10/03/2022
Part II Exempt from Disclosure/confidential accompanying report?	Not applicable.
Key decision report	Not applicable.
Date first appeared on forward plan	Not applicable.
Key decision reasons	Not applicable.
Background information	None
Appendices	Savings tracker