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|------------------------------------|--------------------------------|---|---------------------------------|
| Item No. 10. | Classification: Open | Date: 12 September 2023 | Meeting Name: Cabinet |
| Report title: | | Policy and Resources Strategy: revenue monitoring report, Month 4 2023-24 | |
| Ward(s) or groups affected: | | All | |
| Cabinet Member: | | Councillor Stephanie Cryan, Homes, Communities and Finance | |

FOREWORD – COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR HOMES, COMMUNITIES AND FINANCE

This report sets out the month 4 forecast position for the general fund, housing revenue account and dedicated schools grant for the 2023-24 financial year.

The General Fund is robust but we are seeing continued demand and cost pressures in homelessness services, for those who have no recourse to public funds, and in the costs of providing transport to SEND children.

We continue to see pressures on the Housing Revenue Account and we are currently reporting a potential £13.8m pressure due to the inflationary increases in the cost of repairs and maintenance plus additional commitments for damp and mould. The Housing Revenue Account has been impacted over recent years, firstly by the cumulative effect of the rent lost as a consequence of the 1% rent reduction from 2016-2020 as part of the Welfare Reform Act and by the 7% rent cap imposed by the Government this year. This has led to a reduced income base for future years rent uplifts and will continue to affect future rental income levels. Construction inflation which affects repairs and maintenance costs are currently running at 20%-30% and the additional borrowing requirement for the new homes programme and the impact of a three-fold increase in interest rates since December 2021 has driven up the revenue financing costs within the HRA.

The council is prioritising ways to maintain the financial sustainability of the HRA in both the short and longer term and we are committed to meeting our landlord requirements despite the challenges we are currently seeing.

Given the current uncertainty around the macroeconomic climate, and stubbornly high inflation the pressures on both the General Fund and the Housing Revenue Account are likely to continue throughout the year but we will be ensuring that we end the year in a balanced position.

RECOMMENDATIONS

That cabinet notes;

1. The adverse variance forecast of £2.1m for the General Fund in 2023-24;
2. The key General Fund variations and budget pressures;
 - (i) Budgetary pressure of £2.4m in Education, mainly driven by higher demand and cost pressures in home to school transport (paragraph 51);
 - (ii) £1.6m pressure in Environment, Neighbourhoods and Growth department, due mainly to significant increases in 'No Recourse to Public Funds' (NRPF) costs (paragraph 59);
 - (iii) The continuing budget pressure in homelessness (paragraphs 36-40);
3. The Housing Revenue Account forecast for 2023-24 is a deficit of £13.8m (Table 2, paragraphs 19 -31);
4. The ongoing inclement macro-economic environment, with inflation running at 7.9% in June 2023 and interest rates increased 14 times in row to 5.25%, the highest since 2008;
5. The ring-fenced Dedicated Schools Grant (DSG) is forecasting an unfavourable outturn of £0.6m which is mainly due to pressures within the high needs service (paragraphs 55-57);

That cabinet approves;

6. The interdepartmental budget movements that exceed £250k, as shown in Appendix A (noting those under this threshold);

BACKGROUND INFORMATION

7. This report sets out the forecast position for the General Fund, Housing Revenue Account and Dedicated Schools Grant for the 2023-24 financial year. The council agreed a balanced General Fund budget with the assumption that reserves of £2.5m would be used to support the budget.
8. The council also approved budget decisions which included efficiencies, savings and additional income generation of £16.4m within the General Fund for 2023-24. Performance on achieving these savings is closely monitored and any significant variances are included in departmental narratives.
9. The cabinet agreed a balanced housing revenue account (HRA) budget on 17 January 2023.

KEY ISSUES FOR CONSIDERATION

General fund overall position

10. The forecast outturn projections in this monitoring report remain subject to economic uncertainty. Rising prices have an adverse impact on local council budgets as the cost of providing services increases. Similarly, increases in food and energy prices for residents will have a larger impact on the poorest households. This in turn, will increase demand for council services to support those most vulnerable. Rising interest rates feed through to increasing interest repayments on borrowing to fund the capital programme.
11. The forecast outturn position for 2023-24, for the general fund is an adverse variance of £3.492m as set out in Table 1, after the use of planned contingency and a planned £2.5m contribution from reserves.

Table 1: 2023-24 General Fund Forecast Month 4

| General Fund | Budget £0 | Forecast £0 | Reserve Movement £0 | Total use of Resources £0 | Variance after use of reserves £0 |
|--|----------------|----------------|---------------------------|---------------------------------|--|
| Children & Families | 62,612 | 63,193 | -99 | 63,094 | 482 |
| Adult Social Care | 78,294 | 77,875 | 0 | 77,875 | -419 |
| Commissioning & Central | 5,258 | 5,265 | 0 | 5,265 | 7 |
| Education | 20,678 | 24,110 | -981 | 23,129 | 2,451 |
| Public Health | 0 | 0 | 0 | 0 | 0 |
| Children & Adults total (excl. DSG) | 166,842 | 170,443 | -1,080 | 169,363 | 2,521 |
| Environment, Neighbourhoods and Growth | 94,342 | 95,962 | 0 | 95,962 | 1,620 |
| Housing | 22,807 | 24,001 | 0 | 25,378 | 2,571 |
| Finance | 44,199 | 45,350 | 0 | 45,350 | 1,151 |
| Governance and Assurance | 21,918 | 22,547 | 0 | 22,547 | 629 |
| Strategy and Communities | 5,647 | 5,647 | 0 | 5,647 | 0 |
| Support Cost Reallocations | -42,423 | -42,423 | 0 | -42,423 | 0 |
| Contribution from Reserves | -2,500 | -2,500 | 0 | -2,500 | 0 |
| General Fund Service Outturn Forecast | 310,832 | 319,027 | -1,080 | 319,324 | 8,492 |
| General Contingency | 4,000 | 0 | 0 | 0 | -4,000 |
| TA Contingency | 1,000 | 0 | 0 | 0 | -1,000 |
| Outturn | 315,832 | 319,027 | -1,080 | 319,324 | 3,492 |

12. The adverse general fund variances include service pressures:
 - Higher demand and cost pressures in home to school transport (paragraph 51);
 - £1.3m increased costs for those who have 'No Recourse to Public Funds' (NRPF) costs (paragraph 60);
 - Temporary accommodation (TA) demand pressures which will not be fully contained within the planned TA contingency (paragraph 36-40);
13. There is an ongoing impact of pressures relating to high levels of inflation particularly in relation to contractual obligations. The budget was set with an assumption of 6% inflation in 2023-24 but current (July 2023) inflation is above this at 6.8%.
14. Officers will put in place mitigations to minimise the impact of areas that are forecasting demand led and inflationary pressures, however it is recognised that the impact of the prevailing macro-economic climate may continue to make cost management more difficult.
15. The housing revenue account (HRA) outturn is a forecast overspend of £13.8m. HRA reserves as at 31 March 2023 are £19.5m. The impact of this forecast adverse position is set out in Table 2 and discussed in paragraphs 19-31.
16. The 'High Needs' funding element of the Dedicated Schools Grant (DSG) supports provision for pupils with Special Educational Needs and Disabilities (SEND). The DSG is forecasting an unfavourable variance of £0.6m, mainly due to the cost and demand pressures within the SEND service.
17. Paragraphs 32-68 outline the general fund outturn in more detail by directorate.
18. Appendix A attached to this report provides more detail on the in-year budget movements by each department

HOUSING REVENUE ACCOUNT (HRA) Overall Position

Overview

19. The current forecast on the HRA is an adverse variance of £13.8m (Table 2). This position is the result of a number of factors some of which are outside of the council's control such as government policy and macro-economic factors impacting energy, employee costs and construction industry inflation;
 - Rents capped by central government in 2023-24 at 7% when formula rent would have yielded 11.1%, having the impact of reducing rental

income by £9m in the current year which will lead to a reduced income base for future years rent uplifts

- The cumulative effect of the rent lost as a consequence of the 4 year 1% rent reduction for the period 2016-17 to 2019-20
- Construction inflation affecting repairs and maintenance costs running at 20%-30%
- The additional borrowing requirement for the new homes programme and the impact of a three-fold increase in interest rates since December 2021 has driven up the revenue financing costs within the HRA.

20. Whilst there is currently a forecast deficit for the year, the council are collectively assessing options for reducing in-year spending and actions are underway to moderate the impact of this through, for example, the repairs improvement programme, an end to end review of void properties and the refresh of the asset management strategy. It remains a council strategic priority to consider how the HRA can be managed in the longer term to ensure financial sustainability. The pressures on the HRA are not unique to Southwark. The impact of rent capping policy and rent increases below inflation, coupled with above inflation running costs, are impacting on all councils responsible for social housing.
21. Consideration will need to be given as to how any deficit (after the council's actions to reduce in year spending) will be covered at year-end. The council has available reserves which would cover this estimated deficit and will consider using a prudent share of these, together with assessing the required revenue contribution to housing investment.

Table 2: 2023-24 Housing Revenue Account Forecast Month 4

| Category | Budget | Forecast | Variance |
|---|----------------|-----------------|-----------------|
| Expenditure | £000 | £000 | £000 |
| Resident Services | 59,637 | 65,311 | 5,674 |
| Asset Management | 69,629 | 77,888 | 8,259 |
| New Homes | 670 | 986 | 316 |
| Customer Services | 5,272 | 5,755 | 483 |
| Directorate | 1,902 | 1,867 | (35) |
| Total Customer Facing Services | 137,110 | 151,807 | 14,697 |
| Capital, Financing and Support Services | 157,128 | 159,238 | 2,110 |
| Tenant and Homeowner Charges | (294,238) | (297,234) | (2,996) |
| Housing Revenue Account Forecast Outturn | 0 | 13,811 | 13,811 |

2023-24 Tenant facing services

22. For 2023-24, additional budget provision of £11.4m was made across tenant facing services. Despite this, the costs being incurred have outstripped these additional resources, leading to the further forecast overspend of £14.7m.
23. Notwithstanding a budget increase of £4.4m, it is forecast that Resident Services will overspend by £5.7m. The main pressure areas comprise HRA estate voids being made ready for temporary accommodation use (which is offset by increased rental income recorded elsewhere within the HRA and which alleviates some of the pressure on the general fund), increases in the contract cleaning and grounds maintenance costs provided through the Environment, Neighbourhoods and Growth Department, the 2023-24 pay award, and energy cost increases and council tax losses on long term voids along with planned maintenance on Tenant Resident Association (TRA) Halls.
24. The Asset Management budget was increased by £6.4m. Despite this, the initial forecast is an overspend of £8.3m arising from additional costs of repairs and maintenance, particularly communal works, disrepair, voids

and Southwark Repairs which includes additional commitments for damp and mould.

25. An unbudgeted in year commitment has also arisen for the Repairs Transformation programme, initially assessed at £0.75m for 2023-24. This will be funded from a specific reserve set aside for the repairs improvement programme.
26. Whilst new homes has a relatively small HRA revenue budget (£0.67m in 2023-24), there remains a risk that re-phasing the new build capital programme will incur additional costs. This has been assessed as potentially approximately £300k, depending upon the value and timing of capital schemes.
27. Customer Services is another relatively small HRA revenue funded service with a budget of £5.3m for 2023-24. There are emerging risks of approximately £0.5m related to additional staffing costs which will become clear once the 2023-24 pay award is finalised.

Capital & financing and Support services

28. Capital and financing is reported on being largely on budget with the exception of the non-dwellings depreciation charge which has historically underspent and contributes to reducing the overall deficit. As mentioned above, there remains some flexibility to reduce the revenue contribution to capital in order to ensure a balanced HRA at year end should this become necessary. This would however add to the pressure on the borrowing requirement to fund the housing capital programme.
29. The projected overspend within support services arises from an estimated £1.9m overspend on the heating account, mostly from gas (to be finalised once Government support to the sector is confirmed); £3.6m additional cost of homeowners building insurance; £0.4m estimated reduction in commercial income based on previous year's performance, offset by £2.0m provisions and contingency plus £0.3m other small variances across the service.

Tenant and homeowner charges

30. Tenant rents and service charges are broadly tracking to budget despite the effects of the cost of living crisis on resident's ability to pay. However, this remains a risk going forward. The budget also includes assumptions around new build stock coming on stream as planned.
31. Homeowner service charge billing is forecast to be higher than planned due to the costs for energy and buildings insurance, both of which have increased substantially this year. In contrast, the major works billing is likely to be lower than budget due to projects being delayed.

DEPARTMENTAL NARRATIVES

32. The departmental narratives for month 4 2023-24 are as follows:

- Housing General Fund (Table 1 and paragraphs 33-40)
- Children and Adults Services (Table 1 and paragraphs 41-58)
- Environment, Neighbourhoods and Leisure (Table 1 and paragraphs 59-65)
- Finance (Table 1 and paragraph 66)
- Governance and Assurance (Table 1 and paragraph 67)
- Strategy and Communities (Table 1 and paragraph 68).

HOUSING – GENERAL FUND

Overview

33. The outturn forecast for 2023-24 shows an unfavourable variance of £2.6m. This is predominantly caused by the continuing budget pressure in homelessness, offset by modest positive variations elsewhere.

Asset Management - Private Sector Building Safety

34. The Private Sector Building Programme was established during 2021 to undertake inspections and enforcement on high rise residential blocks with specific focus on Aluminium Composite Material (ACM) cladding. Subsequently, the scope of the programme has increased beyond cladding due to the legislative requirements of the Housing Act 2004. Funding is through a combination of base budget and grant from the Department for Levelling Up, Housing and Communities (DLUHC). The council has received £366k grant for 2023-24 which will enable the service to meet programme commitments this year and augment reserves for future years' requirements, without the need for any additional budget commitment.

Resident Services - Hostel Accommodation and Support

35. In April 2023, the council in-sourced three hostels which are now managed by the Resident Services division. It is anticipated that the rent and service charges will cover the operational costs, assuming that void loss is maintained at a reasonable level.

Resident Services - Temporary Accommodation and Housing Solutions

36. There remains a strong underlying demand pressure in Southwark for temporary accommodation, which is exacerbated by the current cost of living crisis. In addition, there is an emerging and more serious pressure on the supply-side as providers are exiting the private rental market due to rising interest rates impact on the financial return. As there are no

effective controls to prevent private sector rent rises and continued restrictions on Local Housing Allowance (LHA) rates, many who are on welfare benefits and those on low incomes will find themselves struggling to pay rents. This in turn will increase the demand for local authority provision.

37. The numbers of those homeless and seeking support has remained relatively stable over recent months. However, supply-side costs and availability are causing an increase in spend, including those under the Inter-Borough Accommodation Agreement (IBAA), (a Pan London agreement that ensures rent costs remain at consistent levels across London) where rates have risen by 10% since March 2023. Where providers are maintaining relationships with the council, incentive expectations are greater and there is a shift to more expensive nightly-paid agreements, over which the council has little control if it wishes to retain supply.
38. Within the Housing Solutions service, which administers the wider service including the prevention of homelessness, additional temporary staffing resources have been agreed, to increase case management capacity and drive forward new processes designed to increase efficiency.
39. Whilst the council remains fully cognisant of its statutory homeless duties, these obligations continue to be managed in the most cost effective and sustainable way. To date the Budget Recovery Board (BRB) has and continues to review all aspects of temporary accommodation provision which has brought about improvement, but further work is required around the council's policy framework and procurement strategies.
40. Overall, the outturn temporary accommodation service is forecast to spend £1.6m above the £1m earmarked contingency sum.

CHILDREN'S AND ADULTS' SERVICES

Overview

41. Children's and Adults' services is forecasting an unfavourable variance of £2.5m. The key areas of concern affecting the general fund include increased pressure on Special Education Need (SEN) services, especially SEN transport; and pressures in Children's Social Care and Adult Social Care placements.
42. The Dedicated Schools Grant (DSG) is forecasting an adverse variance of £0.6m as the service is working to mitigate the increased demand on the High Needs Block.

Adult Social Care

43. Adult social care is forecasting a favourable variance of £0.4m. The service continues to experience rises in expenditure especially in nursing, homecare and supported living placements due to higher acuity of need as residents are impacted by NHS waiting lists and inflationary increases. The costs are driven by the increased complexity of client need on discharge from hospital, as well as the higher than expected inflationary increases as a result of rising inflation. This is more prevalent in nursing and residential care costs, which have risen significantly over the last 18 months.
44. Adult Social Care continue to work with the NHS to ensure a comprehensive and coordinated approach to support the well-being of residents. Adult Social Care and the Integrated Care Board (ICB) have reached agreement in regards to historical complex funding arrangements for mental health placements, which provides for a sustainable way forward.
45. The All Age Disability Team continue to reduce demand for out of borough residential care placements by managing the needs of service users locally in the community.

Children's Social Care

46. Children's Social Care is forecasting an unfavourable variance of £0.5m. The service has experienced a number of years of improved outturn which can be attributed to purposeful early help work to better support children and families rather than the more costly statutory social care system, as well as some reduced cost pressure from staffing. While the shortage in the supply of children's social workers is still a major challenge, new recruitment and retention initiatives are improving the position.
47. The overall improved financial position, in comparison to previous years, is also the result of a well-managed reduction in demand for statutory social care services, i.e. lower numbers of children in care, and this is somewhat offset by increased numbers of care leavers, higher cost placements due to inflation and higher numbers of unaccompanied asylum seeking children. The service is also working hard with commissioning and corporate colleagues to address the lack of sufficient placements through opening two children's homes in the next 12 to 18 months, and increasing the capacity of commissioned semi-independent accommodation providers within the borough through use of capital assets. Management action will continue to address the forecast unfavourable variance.

Commissioning

48. The Commissioning division will achieve a balanced position. The increase in permanent staffing and reduction in the use of agency staff contribute to achieving this position.
49. The division has posts that are joint funded by the Council and Integrated Care Board (ICB), and further integration is progressing positively with the agreement to jointly recruit and fund a Place Executive Lead for Southwark.
50. The division continues to implement the Southwark Residential Care Charter and is using the Southwark Supplement to support payments for the workforce in relation to London Living Wage, Occupational Sick Pay, and other benefits. Implementation within the borough's care home sector means that already nearly 70% of our care home workforce are benefitting from this policy.

Education

51. The education division is forecasting an unfavourable variance of £2.4m. Home to school transport remains the key driver for financial pressures on the education general fund. The expenditure has increased in comparison to the last financial year which is due to the higher demand pressures as well as the high inflationary increases within the taxi and bus contracts. Implementation of the independent travel training programme, promoting direct payments and further reviews of the 16-25 transport commitments are a current priority in mitigating the pressure on the budget. This sits within a wider review of SEND and strategic work to better manage costs and demand for SEND provision. Management action will continue to address the forecast unfavourable variance.

Public Health

52. The Public Health Public Health will achieve a balanced position for 2023-24. The public health grant is a ring fenced grant paid to local authorities from the Department for Health and Social Care (DHSC). It is used to provide preventative and early help services that help to support the health and wellbeing of our residents.
53. This includes smoking cessation, preventive cardiovascular health checks, drug and alcohol services, children's health services and sexual health services, as well as broader public health support across the Council and NHS.
54. The current cost of living crisis is having wide-ranging negative impacts on mental and physical health and well-being, and public health plays a vital role in mitigating these effects. Initiatives include introducing free targeted secondary school meals, building on the successful free healthy

primary school meal offer, an extensive holiday activity and food programme and outreach health promotion activities including programmes to increase HIV diagnosis and take up of cancer screening and vaccinations.

Dedicated School Grant

55. The ring-fenced Dedicated Schools Grant (DSG) is forecasting an unfavourable outturn of £0.6m which is mainly due to pressures within the high needs service. The High Needs Block remains the main risk area for the DSG. In order to bring the service to a sustainable footing, officers need to continue to pursue savings and efficiencies. In particular, through commissioning work focussed on Independent Non-Maintained Special Schools, a focus on 16-25 pathways and Alternative Provision, as well as increasing in-borough provision.
56. In order to manage the accumulated DSG deficit the Council entered into a Safety Valve Agreement with the Department of Education (DfE). The DfE programme was established by Government in recognition of their historic underfunding of need. Key to this programme is the agreement to ensure a balanced position within the timeframes agreed. In exchange of this achievement, the DfE will provide additional funding to eliminate the accumulated deficit. The first instalment from the DfE was received in 2022-23. The accumulated deficit currently is £14.5m.
57. The achievement of key milestones will be challenging and will mean all aspects of service provision need to be reviewed. The division in conjunction with the High Needs sub-group of the School's Forum, HR, Finance and Commissioning developed detailed action plans. There is close oversight of this work by Strategic Directors, and political oversight by the Deputy Leader and Cabinet Member.

Public Health

58. The Public Health directorate is expected to forecast a favourable variance of £1m this will be transferred into the Public Health Reserve to provide a reserve to deal with future financial uncertainties. The favourable variance is due to a number of staff carrying out pandemic related duties to enable the service to respond to Covid 19 in a timely manner. The current cost of living crisis, increasing inflation and economic climate will have an impact on the demand for public health services as they respond to the widening inequalities as a result of the pandemic.

ENVIRONMENT NEIGHBOURHOODS AND GROWTH

Overview

59. The projected outturn, after a proposed net transfer to reserves of £3.36m, for the Environment, Neighbourhoods and Growth Department is an adverse variance of £1.6m.
60. The overspend is mainly due to significant increases in 'No Recourse to Public Funds' (NRPF) costs amounting to an overspend of £1.3m overspend. The cost of living crisis has increased the pressure on families subject to no recourse to public funds, which has resulted in significant increases in client payments and accommodation costs.
61. Leisure services were brought back in-house in June 2023. This supported the council's strategy to tackle health inequalities and promote community wellbeing. The council have launched a dedicated website for our leisure services, to assist community access to leisure facilities.

Leisure

62. The Directorate is currently reporting an adverse variance of £2m mainly due to the mobilisation costs of in-sourcing leisure services. This is to be funded from set aside earmarked reserves.

Communities

63. Data from the 'No Recourse to Public Funds (NRPF) Network' for 2021-22 highlighted that 72 councils were providing accommodation and financial support for 3,423 households at a cost of £64 million per annum. Southwark supported 435 households at a cost of £6.2m in 2022-23.
64. Southwark has seen a 15% increase in the number of households supported between 2021-22 to 2022-23, together with rising costs for accommodation, utilities and care costs resulting in an over spend last year. Year to date figures for the first quarter of 2023-24, suggest a similar pattern of cost pressures with increased accommodation and support costs risk leading to yet another expected overspend of about £1.3m.

Planning & Growth

65. The directorate is currently reporting an adverse variance of £1m. This is mainly due to lower than expected income in commercial property due to vacant properties and the legal costs relating to the public enquiry of the New City Court case which is expected to be fully funded from corporate reserves.

FINANCE

66. The Finance department is projecting an adverse variance of £1.1m. The main pressures are in IT services with a £0.3m adverse variance, due to the expected additional costs of the council's contribution to the shared service together with the additional costs of new users through the insourcing of leisure services. Exchequer Services continues to have a significant administrative burden, from the increases in benefit caseloads, which has created an expected adverse variance of £0.7m.

GOVERNANCE AND ASSURANCE

67. Governance and Assurance are showing a small adverse variance of £0.6m due to difficulties in recruiting and retaining professional and specialist staff and inflationary pressures in Facilities Management.

STRATEGY AND COMMUNITIES

68. Strategy and Communities department currently comprises of the Chief Executive office, local economy, strategy and change, emergency planning, communications, policy, performance and partnerships and support to the Leader and Cabinet. The forecast across the department is currently that there will be a balanced budget by the end of the year.

CONTINGENCY

69. The £4m contingency budget is assumed to be fully utilised to offset in-year budget pressures.

Community, equalities (including socio-economic) and health impacts

70. This report monitors expenditure on council services, compared to the planned general fund budget agreed in February 2023 and HRA budget agreed in January 2023. Although as a monitoring report, this report has been judged to have no direct impact on local people and communities, the expenditure it is reporting reflects plans designed to have an impact on local people and communities. Community impact was considered at the time the services and programmes were agreed. It is important that resources are efficiently and effectively utilised to support the council's policies and objectives.

Climate change implications

71. There are no climate change implications arising directly from this report, which provides an update on the revenue outturn for 2023-24.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|--|---|----------------------------|
| Policy and Resources Strategy 2022-23 – revenue budget: Council Assembly 22 February 2023 | 160 Tooley Street PO Box 64529 London SE1P 5LX | Tim Jones 020 7525 1772 |
| Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/b50015276/Supplemental%20Agenda%20no.%201%20Wednesday%202022-Feb-2023%2019.00%20Council%20Assembly.pdf?T=9 | | |
| Housing Revenue Account: Final Rent-Setting and Budget report 2022-23: Cabinet 17 January 2022 | 160 Tooley Street PO Box 64529 London SE1P 5LX | Ian Young 020 7525 7849 |
| Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/b50015162/Supplemental%20Agenda%20No.%202%20Tuesday%202017-Jan-2023%2011.00%20Cabinet.pdf?T=9 | | |

APPENDICES

| No. | Title |
|------------|---|
| Appendix A | Interdepartmental budget movements to be approved to Month 4 |

AUDIT TRAIL

| | | |
|---|--|--------------------------|
| Cabinet member | Councillor Stephanie Cryan, Homes, Communities and Finance | |
| Lead officer | Clive Palfreyman, Strategic Director of Finance | |
| Report author | Tim Jones, Departmental Finance Manager | |
| Version | Final | |
| Dated | 31 August 2023 | |
| Key Decision? | Yes | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments included |
| Assistant Chief Executive, Governance and Assurance | N/a | N/a |
| Strategic Director of Finance | N/a | N/a |
| Cabinet Member | Yes | Yes |
| Date final report sent to Constitutional Team | | 31 August 2023 |

APPENDIX A

Interdepartmental Budget Movements months 1 to 4 2023-24

Interdepartmental movements to be approved months 1 to 4 2023-24 (Over £250K)

| | Department from | Amount £ | Department to | Amount £ | Description of the budget movement |
|---------|---|-------------|--------------------------------|-------------|---|
| Approve | Housing - General Fund | (306,857) | Governance and Assurance | 119,700 | Budget Movement to reflect senior management restructure |
| | | | Finance | 187,157 | |
| Approve | Governance and Assurance | (3,159,360) | Strategic Finance | 3,159,360 | |
| Approve | Finance | (336,462) | Governance and Assurance | 336,462 | Reallocation of pay award |
| Approve | Environment Neighbourhoods and Growth | (276,223) | Finance | 276,223 | Centralising IT costs |
| Approve | Housing - General Fund | (333,358) | Governance and Assurance | 333,358 | Budget Movement to reflect senior management restructure |

Interdepartmental movements to be noted months 1 to 4 2023-24 (Under £250k)

| | Department from | Amount £ | Department to | Amount £ | Description of the budget movement |
|------|--|---------------------|---|---------------------|---|
| Note | Strategic Finance | (185,000) | Environment Neighbourho ods and Growth | 185,000 | Parks contract London Living Wage commitment |
| Note | Children and Adults | (70,000) | Housing - General Fund | 70,000 | Correction of 2023-24 budget upload |
| Note | Finance | (223,579) | Children and Adults | 223,579 | Transfer budgets for five staff in the Payments team |
| Note | Environment Neighbourhoods and Growth | (162,229) | Strategy and Communities | 87,229 | Budget Movement to reflect senior management restructure |
| | | | Governance and Assurance | 75,000 | |
| Note | Environment Neighbourhoods and Growth | (125,575) | Governance and Assurance | 222,079 | Budget Movement to reflect senior management restructure |
| | Strategy and Communities | (96,504) | | | |