CABINET	DATE 18 September 2024	ITEM NO 11
TITLE 2024/25 Q1 Budget Monitor	**WARD (S)** All	
CHIEF OFFICER Director of Finance	**CABINET MEMBER** Finance, Resources and Social Value	
DECISION CLASSIFICATION Non Key Non exempt appendix	**IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING?** Yes	

1. Decision required

This report makes the following recommendations to the decision maker:

1.1 Cabinet is requested to note the Council's revenue position as at the end of Quarter 1 2024/25 (30 June 2024).

2. Links to Our Greenwich missions

2.1 This report relates to the Council's agreed missions as follows:

- Our Council works in the most efficient and effective ways possible.

Effective financial management ensures resources are used efficiently, effectively, and economically and helps to facilitate the running of Council services.

2.2 This report is in relation to the revenue forecast position for 2024/25 and therefore relates to the delivery of all of the high-level objectives contained within the Royal Greenwich Strategy.

3. Purpose of Report and Executive Summary

3.1 The report provides an overview of the departmental budgetary position at the end of Q1 2024/25.

4. Introduction and Background

4.1 The Budget for 2024/25 was set at Council on 6th March 2024. This report provides summary information on the forecasted revenue outturn position for the financial year.

4.2 The summary position is outlined in Table 1.

Table 1 – Revenue Forecast as at Q1

Actual Spend versus Budget	**Overspend / (Underspend)**	
	2024/25 Forecast at Q1 £m	**2023/24 Outturn £m**
Departmental		
Children's	5.1	8.6
Communities, Environment & Central	0.5	5.4
Finance & Legal	0.9	(0.9)
Health & Adults (incl. Nil Recourse)	1.0	11.2
Housing & Safer Communities	0.5	7.8
Regeneration, Enterprise & Skills	0.6	(1.1)
Service Total	**8.6**	**31.0**
Corporate		
Treasury Management	1.3	(9.2)
Other Resources	-	(8.3)
Resources to meet pressures from Fuel, Energy, Climate and Rethinking	-	(3.1)
Business Rates Additional Income	-	(2.9)
Council Tax and Business Rates Credits	-	(0.7)
Programmed savings that will not be delivered	0.3	-
Programmed savings at risk of non-delivery in 2024/25:		
delayed due to timing issues	6.3	
delayed due to delivery issues	2.4	
over-programming of savings in budget	(3.3)	-
Corporate Total	**7.0**	**(24.2)**
Net Position	**15.6**	**6.8**
Utilisation of Risk Reserves	-	(6.8)

Net General Fund (GF) Position	**15.6**	**0.0**
Dedicated Schools Grant (DSG)	**0.9**	**1.5**
Housing Revenue Account (HRA)	**0.8**	**0.5**

4.3 The table below sets outs projected under delivery against the £33.7m savings agreed by Cabinet. Further details are provided in Appendix A.

Table 2 – Savings Slippage

Reason for Slippage	**Timing Issue £m**	**Delivery Issue £m**	**Not Possible £m**	**Total Under delivery £m**
Childrens Services	3.6	-	-	**3.6**
Communities, Environment & Central	1.2	-	0.3	**1.5**
Finance & Legal Services	-	0.4	-	**0.4**
Health & Adult Social Care	1.1	1.6	-	**2.7**
Housing & Safer Communities	0.4	-	-	**0.4**
Regeneration, Enterprise & Skills	-	0.4	-	**0.4**
Total	**6.3**	**2.4**	**0.3**	**9.0**

4.4 The table below sets out the allocations for price & contract inflation, demand inflation, structural deficit and savings by department as part of the MTFS.

Table 3 – 2024/25 Budget Resource changes to ongoing budget

Department £m	Structural Deficit	Price/ Contract Inflation *	Demand Inflation	Savings**	New Growth	Net Change
Childrens Services	5.0	3.3	0.1	(7.7)	1.3	**2.0**
Communities, Environment & Central	9.0	1.9		(5.8)		**5.1**
Finance & Legal Services		0.4		(4.6)		**(4.2)**
Health & Adult Social Care	12.0	4.0	6.2	(6.1)	0.1	**16.2**
Housing & Safer Communities	4.6			(1.3)		**3.3**
Regeneration, Enterprise & Skills		1.4		(2.4)		**(1.0)**
Other (Treasury Management etc)	(9.6)					**(9.6)**
Total	**21.0**	**11.0**	**6.3**	**(27.9)**	**1.4**	**11.8**

* excludes pay inflation of £8.0m held back pending pay award
** excludes one off departmental savings of £5.8m bringing total to £33.7m (total inclusive of £3.3m overprogramming)

5 Departmental Forecast

Health & Adults (incl. Nil Recourse)
+£1.0m departmental
+£2.7m savings slippage
(2023/24: +£11.2m)

5.1 The projected outturn for Health and Adult Services (HAS) at Quarter 1 indicates a forecast position of £1m overspend in the current year, plus savings slippage of £2.7m (total £3.7m). (Please refer to Appendix A for further details of all MTFS savings proposals and slippage).

5.2 The Q1 figures include additional net base budget resources totalling £12.7m to help off-set some of the underlying budget pressures driven by more people presenting and needing higher levels of support at the same time as inflationary pressures which impact prices paid for care and support provision (please refer to Table 3 for a breakdown of resources). These pressures were mitigated by one-off non-recurrent funding in 2023/24.

5.3 There continues to be an increase in the level of expenditure for the provision of care packages and the £1m projected overspend is attributable to this. However, the trajectory of increase is currently projected to be a less steep than in previous years and in line with demand and inflation projections from the Directorate. Despite front door contacts increasing by 8% on average compared to the previous year, there have been some decreases in the number of people needing long-term care (for the 65+ client group), which has reduced the impact of the increased demand, this has been as a result of the work to make sure that preventative and reablement offers are maximised.

5.4 The highest projected increases are for the Supported Living, Homecare and Direct Payment service types across most client groups; but particularly for the Learning Disability (LD) and Physical Disability (PD) clients. The resulting cost pressure is being partially mitigated by projected reductions in Residential and Nursing services.

5.5 On-going pressures in the social care market are leading to providers charging higher rates for the provision of care services as they require more financial support in order to stabilise their own workforce pay and sustain the market as a whole. As in the previous financial year, the Government grant for Market Sustainability & Improvement (MSIF) will be utilised to cover the cost of uplifting and sustaining fee levels. There is also an increased allocation of ASC Discharge Funding which will be partly utilised to help mitigate additional internal workforce and other expenditure incurred in supporting hospital discharges. The directorate is working with providers to negotiate on placement costs and to enhance strategic partnerships with providers to mitigate cost pressures.

5.6 Work to deliver the HAS Vision and Forward-Thinking continuous improvement programme is on-going in 2024/25 and beyond as is work on increasing collaboration with Children's Services and integration with SEL ICB. The programme will deliver and track 2024/25 MTFS proposed savings, and it is expected that these initiatives will support better outcomes and increase productivity. This is expected to lead to even more efficient and effective service delivery going forwards and contribute to alleviating some of the financial pressures previously outlined.

5.7 Presently, there is a £2.7m slippage in MTFS savings; £1.6m is attributable to delivery issues and £1.1m to timing issues. The main delivery issues include lack of operational and change capacity to fully implement some proposals, the need to increase activity and productivity across relevant service areas, challenges in establishing baselines for some savings and the requirement to change procedure, whereas the timing issues are mostly due to delays in implementing projects, policies and practices resulting in full savings not being achieved in the current financial year. The Service is working on addressing some these issues by re-structuring staffing teams, establishing working groups and appointing programme/project leads to drive the necessary change in culture, policies and practices needed to implement the MTFS savings and potentially explore the scope for further savings.

5.8 In previous years, expenditure incurred due to vulnerable persons with no recourse to public funds approaching the council for assistance, as a last resort, was funded by corporate resources. However, as part of the 2024/25 budget process, £3m of revenue has been specifically allocated as a budget for the Nil Recourse service area, within the Health & Adults department, which should allow for improved monitoring and accountability of service expenditure.

Children's Services
+£5.1Departmental
+£3.6m Savings Slippage
(2023/24 +£8.6m)

5.9 The Children's Services Directorate is reporting an outturn overspend of £5.1m for the 1st quarter of 2024/25. This includes the MTFS under delivery of savings amounting to £3.6m. This is a £0.1m increase on the outturn of £8.6m for 2023.24.

The budget for 2024/25 has been uplifted to address structural deficits and new funding for demographic growth in the Children's SEND transport and placement budgets. This amounted to £5.0m and £3.5m respectively, a total of 8.5m. This was offset by a directorate contribution of £7.6m to overall savings by the Council to balance the budget for 2024.25.

The Directorate focus is on achieving the 2024.25 savings proposals as much as possible, demand management, reducing agency, spot purchasing and other discretionary spend and work is ongoing to achieve these initiatives.

A breakdown of the overspend of £5.1m is shown in the Table 4 below.

Table 4 – Breakdown of Children's Services Projected Overspend

Service Area (£m)	**Variance**
Placements	7.0
Transport	0.8
Inclusion, Learning and Achievement	0.8
GF Central Budget	(0.1)
Quality Improvement	(0.4)
Early Help	(0.6)
Children's & Families Social Care (Staffing)	(1.2)
Integrated Commissioning	(1.2)
Total	**5.1**

The overspend of £5.1m is primarily attributable to the Placements budget which has an overspend of £7.0m, the Inclusion Learning and Achievement Budget which has an overspend of £0.8m and the transport budget transport budget which has a pressure of £0.8m. These pressures are offset by underspends in other Children's Services staffing budgets. The position for Integrated Commission is before the under delivery of the £2m MTFS saving.

5.10 Children's Placement budget

- There has been a net increase of 16 children in our care (CioC) from April 24 to June 24 with numbers moving from 420 to 436, an increase of 4%. Most of the movement is within the Inhouse foster placements at a cost of £0.9m.

- As at Q1, there are 57 children in residential placements equating to 13% of CioC (436). There were 49 children in residential placements as of March 23 increasing to 57 by March 24, an increase of 16%. The 1st quarter of 2024/25 has also seen an increase in the costs of some of our residential placements which include 2 costly secure welfare unit placements costing approximately £25,400 and £17,000 per week. Whilst the £17,000 has recently ended, the other costly placement is being reviewed with options including a transfer to the AARRC (RBG'S in house Children's Home) or another step down placement which could lead to a reduction in the forecast of approximately £177,000.

- The Deputy Director continues to manage demand by chairing a multi-agency weekly Entry to Care Panel (ETCP). The ETCP scrutinises all cases of children accommodated in planned or unplanned ways and hears requests to accommodate children in the first place. The Panel ensures that only the right children come into the care system at the right time. The Deputy Director also chairs a fortnightly high-cost resource panel to review the highest costing placements.

- The Panel acts as a decision- making forum to agree to all new requests for residential placements and any other placement that will cost more than £1,400 per week. The Panel obtains a full breakdown of the costs and provides support and challenge to relevant teams including placement commissioning and social work teams as well as providers to ensure the best value for money.

- A recently established Kinship Care Team aims to explore family options for children in care and increase the number of children in kinship placements. This is a relatively new team which is expected to assist in reducing the number of children in care in the long run.

5.11 SEND Transport

- The other main driver of the overspend in Children's Services over the last few years has been SEND Transport which has seen a steady increase. A deficit recovery sum of £5m has been factored into the budget for 2024/25 reflecting inflationary increases and demographic growth and the projection for Q1 is an overspend of £0.8m.

- There will be an inflationary increase for the 2024/25 academic year which is an increase of 4.96% on the 2023/24 contract value and an increase of 3.52% on the Management fee.

- Private contractor costs remain broadly in line with last year. Actual spend to date for Q1 is £1.079m (£1.105m for the same period in 2023/24). There is scope to achieve efficiencies in this area and this is currently being reviewed.

- As can be seen from Table 2, the total of undeliverable savings for Children's Services is £3.6m of which £1.8m is tied into contracts with the Children's Centres until 2025.26 making this savings target a challenge for 2024/25 however the service is working to achieve some savings this financial year. £1.2m of the unachievable savings relate to the placement budget of which £0.7m relates to provision of RBG housing which is a cross-cutting initiative and is delayed due to timing issues. £0.5m is not achievable due to numbers of children increasing (the proposal was based on numbers decreasing). £0.3m of unachievable savings relate to the PDC and the other £0.3m is a combination of spot purchasing and family support contracts and work is being done to improve management of quality and cost which should lead to efficiency savings.

5.12 Dedicated Schools Grant (DSG)

- The current spend position of the 2024-25 DSG in Q1, is an overall deficit of £0.9m.

- The DSG consists of 4 blocks:

    - £141.8m Schools Block
    - £66.1m High Needs
    - £44.9m Early Years Block
    - £3.6m Central School Services

- The total 2024/25 DSG allocation is £256.4m compared to £236.5m allocated in 2023/24. The main increase in funding is within the Early Years Block, which has increased by £16.5m for the 2-year-old and under 2-year-old initiatives introduced in 2024/25.

- There has been full spend projected within the Schools, Central and Early Years blocks. The High Needs block (HNB) is projecting a £0.9m overspend. The increased demand for Independent SEN placements across all sectors has contributed to the overspend within the HN block.

- Children Services continue to introduce strategic plans and initiatives to meet the increased demand and manage resources within the High Needs funding envelope.

- The current financial year will be a transitional year in terms of expenditure within the HNB. The plan is to reduce the number of independent placements and explore provision "in borough" by:

    - recognising EHCP (Education Health Care Plans) band uplifts.
    - recognising CYP who are awaiting a place in a special school.
    - recognising the need for additional DSP places within the borough.

- reviewing the method of allocating SEN support to schools/academies.
- reviewing the costs of all independent placements when renewal is due.

- This will provide clearer guidelines to schools around how the budget is spent and around managing expectations to avoid ongoing overspends in the HNB. The ongoing deficit is funded by DSG reserves. This cannot be relied upon as it has diminished considerably over the years.

Communities, Environment & Central
+£0.5m Departmental
+£1.5m Savings Slippage
(2023-24 £5.4m)

5.13 The projected outturn for Communities, Environment & Central at Q1 is an overspend of £2.0m. This balance includes £1.5m of slippage in MTFS savings and £0.5m of departmental overspends. There is an underspend of £0.8m against concessionary fares and this has been badged against the slippage in delivery of Parking Savings.

5.14 The department received funding of £9m in 2024/25 to address structural deficit pressures in Transport and Parking, and a further £1.9m for Price/Contract inflation across areas such as Waste and Leisure/Libraries provision.

5.15 The £0.5m departmental overspend is due to:

Breakdown of Projected Overspend

Service Area (£m)	Variance
Transportation & Parking	0.6
Various underspends	(0.1)
Total	**0.5**

The overspend of £0.6m is primarily attributable to a £0.6m overspend/unachieved income in Transportation & Parking (£1.4m offset by concessionary fares underspend of £0.8m) and underspends elsewhere across the Directorate resulting in a projected £0.5m overspend outturn position.

5.16 The Transportation & Parking overspend includes £1.7m Parking shortfall against the previous MTFS and reflects the realigning of previously unachievable income budgets. This has been partly offset by £0.3m underspends within Transportation due to vacancies pending recruitment following staff restructuring.

5.17 The Transportation Strategy is being used as the basis for a number of initiatives within the Parking service, including:

- Expansion of Parking Controls
- Neighbourhood Management Programme
- Sustainable Streets initiatives
- Optimisation of Enforcement activities

5.18 The remaining overspend reflects delay in the rollout of these programmes, this is mainly due to more extensive community engagement. Traffic levels and general vehicle activity remains depressed on pre COVID levels, with twin key impacting factors being:

- the general slow return to the workplace across all industry sectors
- cost of fuel

5.19 This is readily visible across many of our paid for parking sites and in activity on Traffic Enforcement Cameras where congestion is an impacting factor on non-compliance.

5.20 The CEC directorate, Finance and Change & Improvement Teams are working together to keep this area under constant review, including the establishment of a focussed Financial Management Board, to scrutinise and provide support to the Transport Service and is likely to lead to an improved position at Quarter two.

5.21 The £1.5m slippage in savings is comprised of:

- £1.2m of MTFS savings which are projected to be unachieved due to timing differences. This is made up of: £0.7m relating to the proposed new methodology for street sweeping frequency, the delay is due to the consultation requirements.
- This has caused the project to be significantly delayed with planned roll-out moved from mid-September 2024 to mid-February 2025, subject to decision not being called in and any outcome of public consultation.
- £0.3m re the review of the Councils Library & Leisure Offer, including VAT changes, the delay is due to on-going negotiations and complexities in amending the contract. Slippage expected this year is approx. 50%, but likely to achieved next year.

- £0.1m re Parks & Open Spaces savings delay is related to staff reorganisation consultation requirements and delays in condition surveys for Park cafes.
- £0.1m Optimisation of Parking Enforcement Operations. A consultant has been appointed to deliver an option appraisal and a recommendation report is being produced. In the interim the Civil Enforcement Officers provision has temporary increased to help close the gap for the current year.
- Unachievable £0.3m MTFS saving relating to an uplift of PCN charges. Increases in PCN charges can only be levied by the Secretary of State for Transport.

Housing & Safer Communities
+£0.5m Departmental
+£0.4m Savings Slippage
(2023-24 £7.8m)

5.22 The projected outturn for the Directorate of Housing & Safer Communities at Qtr. 1 is an overspend of £0.9m. This balance includes £0.4m of slippage in MTFS savings and £0.5m of departmental overspends.

5.23 The department received funding of £4.6m in 2024/25 to address structural deficit pressures in Temporary Accommodation (TA). This figure was based on the predicted overspend position for 2024/25 and was identified through work carried out by the TA budget recovery board.

5.24 The £0.5m departmental overspend is due to:

Breakdown of Projected Overspend

Service Area (£m)	**Variance**
Safer Communities	0.6
Various underspends	(0.1)
Total	**0.5**

5.25 The outturn forecast variance of £0.5m, made up of £0.6m for Safer Communities and (£0.1m) across the remainder of the Housing General Fund. The Homelessness Prevention & TA service has seen significant cost reductions compared to forecasts at this stage in 2023/24. It should be noted that the current balanced position is highly sensitive to future TA demand and future social housing supply, and benefits from £4.6m demand pressure support in the 2024/25 budget. In the first quarter of 2024/25, TA demand was higher than our baseline model reflecting the continuing extreme market stress in the private rented sector, but the benefits of new supply on TA and hotel placement reduction were also higher. It remains a high priority to bring forward further in-year cost reduction proposals around direct offers, social housing and lease acquisitions, income maximisation and challenging the unit costs of our hotel placements. It is anticipated that the service is unlikely to be in a balanced position for Q2, based on calculations currently underway on hotel cost and latest demand data.

5.26 The Safer Communities division made several significant savings proposals in the 2024/25 budget – particularly around the rationalisation of the service, higher enforcement income, additional HMO licensing enforcement income, commercial opportunities in the digital evidence service, along with a review of the cost model of the digital evidence service. The first two are forecast to deliver the savings and the latter three have taken longer to mobilise, leading to slippage of £0.4m. In particular, as new capacity comes through, the service changes will be made in-year leading to partial in-year savings and income, and the reported forecast overspend. This slippage will not however lead to an ongoing base pressure into 2025/26.

Finance & Legal Services
£0.9m Departmental
£0.4m Savings Slippage
(2023-24 –£0.9m)

5.27 The projected outturn for Finance & Legal Services at Qtr. 1 is an overspend of £1.3m. This balance includes £0.4m of slippage in MTFS savings and £0.9m of departmental overspends.

5.28 The department received funding of £0.4m in 2024/25 to address Price/Contact pressures in Customer Services.

5.29 The £0.9m departmental overspend is due to:

Breakdown of Projected Overspend

Service Area (£m)	Variance
Advice & Benefits	0.8
Legal Services	0.5
Staffing underspends	(0.4)
Total	**0.9**

Legal services are projecting an overspend of £0.5m, due in the main to interim staff filling permanent, difficult to fill vacancies and there is a £0.8m pressure in Benefits payments. This has resulted in a projected £0.9m department overspend at Q1.

5.30 The £0.4m slippage in savings is due to delivery issues in proposals submitted by Digital Services for reduction in spend across Telephony. Miscellaneous IT and Software and includes:

- Mobile Phones, including handsets and connections where services have been reluctant to hand back devices and the Service has been unable to reduce mobile connection lines (currently around 5000). To mitigate the resulting slippage, Digital Services are shortly to begin tightening controls for mobile devices which will start to yield the savings proposed.
- In addition, two major iPhone models have come to their end of support, meaning far higher costs than anticipated for handsets.
- Also, the digital switchover delay has led to significant extra work above what was anticipated, plus extra costs which were anticipated to have ended in this financial year.

Regeneration, Enterprise, and Skills
+£0.6 Departmental
+£0.4m Savings Slippage
(2023-24 -£1.1m)

5.31 The projected outturn for Regeneration, Enterprise & Skills at Quarter 1 is an overspend of £1m. This balance includes £0.45m of slippage in MTFS savings and £0.6m of departmental overspends.

5.32 The department received funding of £1.386m in 2024/25 to address contract inflation pressures.

5.33 The £0.6m projected departmental overspend is due to:

Breakdown of Projected Overspend

Service Area (£m)	**Variance**
Planning & Building Control	0.6
Capital Projects & Property Management	0.2
Business Engagement	0.1
Staffing underspends	(0.3)
Total	**0.6**

5.34 The overspend of £0.6m is primarily attributable to external legal support for two planning enforcement cases which are estimated to cost up to £600k based on the current position and attendance at Planning board. Premises and energy costs exceeding the allocated budget allowance with a projected overspend of £230k and temporary additional capacity in Employment and Skills which is time limited. These pressures are partly offset by underspends in other DRES staffing budgets:

- External legal support for two planning enforcement cases which are estimated to cost up to £600k based on the current position and attendance at Planning Board.
- Premises and energy costs exceeding the allocated budget allowance with a projected overspend of £230k.
- Temporary additional capacity in Employment & Skills which is time limited.

5.35 The £0.4m slippage in savings is relating to the optimisation of the Woolwich Centre which will involve the refiguration of the space. A Project Manager has been appointed and project initiation and delivery underway.

Housing Revenue Account
+£0.8M

5.36 The Housing Revenue Account is forecasting a £0.8m overspend at Quarter 1. This overall variance is made up of a number of significant variations.

The main reasons for the forecast £0.8m overspend are:

- Repairs and Asset Management overspend of £1.4m due to high costs in our Direct Labour Organisation (DLO) for repairs where productivity is below benchmark.
- Electricity costs for communal lighting (£0.6m overspend) due to high energy costs – the overspend is currently projected to be lower than last year due to relative reductions in prices.

These overspends are largely offset by underspends in other areas and include:

- Reduced general departmental costs of £0.4m; a number of smaller favourable variances amounting to £0.3m and, staffing cost underspends in tenancy and caretaking services of £0.4m.
- There is also a favourable variance of £0.5m for income including rents and service charges. The rent income projection assumes the delivery of around 400 new dwellings in the current financial year and is consequently reliant on the timely delivery of these units to meet the current year rent budget target.

5.37 The HRA Balance/Reserves at the end of 31st March stood at £9.8m. Any overspend at the year will need to be contained within these one-off transformation reserves.

Treasury Management

5.38 The Council has pursued a policy of internal borrowing, which is the use of existing reserves and balances to fund capital expenditure. Thus, minimising unnecessary external borrowing costs. The level of internal borrowing has increased to £384m at the end of 2023/24.

5.39 This approach has always been viewed as time limited and has allowed the Council to delay borrowing while surplus cash was available. Given the increased borrowing requirement from the capital program all new borrowing will need to be external.

5.40 The current treasury position is reporting an overspend of £1.3m in 2024/25. This is due to a combination of factors including an increase in the Council's Capital Financing Requirement (borrowing need) arising from the historic and projected funding deficit within the approved Capital Programme and lower investment returns due to forecast reductions in the Bank of England interest rates. Projected reductions in investment income is compounded by declining internal reserve balances that also increases the need to externalise borrowing for both treasury management and capital investment purposes, as noted at 5.26

Other

5.41 This report is assuming no use of risk reserves as the Council needs to reduce reliance on one off reserve for ongoing expenditure to ensure financial sustainability in a challenging environment. The Council and management are taking action to reduce the forecast overspend. This includes in year spend control measures in relation to agency staff and recruitment whilst following the principles of not putting service delivery below acceptable levels and not making the financial position worse by not recruiting. This will be reviewed on a quarterly basis to ensure it is delivering spend reductions and not having any unintended consequences.

6 Conclusion and Risk

6.1 The Council still faces significant risks in terms of its future financial position, with issues affecting ongoing funding including:

- Local authorities have seen significant reductions in their spending power, which has coincided with increasing demand for their services and inflationary pressures exceeding those in the wider economy. Recent funding settlements, while increasing in cash terms, have not kept pace with these pressures leading to a downward spiral. Any further real terms funding cuts is likely to exacerbate existing concerns about systemic underfunding.

- Significant price increases arising associated with:
  - Social Care
  - Temporary Accommodation
  - Waste Services
  - Inflationary pressures
  - Cost-of living

6.2 Any use of risk reserves beyond £5m would mean reducing the Council General Reserves (£18.9m) or reducing other specific earmarked reserves and thereby depriving other key areas of resources needed to deliver key outcomes.

6.3 Consumption of revenue reserves to support day to day revenue expenditure erodes the budget principle of a maintenance of reserves at a prudent level. This is not a strategy that should be relied upon in the medium to long-term.

7. Available Options

7.1 This report asks the Cabinet to note the Council's forecast outturn position as such, there are no further options.

8. Preferred Option

8.1 Cabinet to note the Council's outturn position.

9. Reasons for Recommendations

9.1 Cabinet should note the forecasted revenue outturn position for the financial year 2024/25.

10. Consultation Results

10.1 Not applicable

11. Cross-Cutting Issues and Implications

Issue	Implications	Sign-off
Legal including Human Rights Act	Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the Authority, including securing effective arrangements for financial management.	Davidaire Horsford Interim Director of Legal Services 27th August 2024
Finance and other resources	This report has been produced by the Director of Finance and as such there are no additional financial implications.	Hitesh Jolapara Assistant Director of Finance 14th August 2024
Equalities	The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users. Further, given the nature of the report it has a remote or low relevance to the Councils Equity and Equality Charter and the Council's Equality Objectives 2020-2024.	Hitesh Jolapara Assistant Director of Finance 14th August 2024
Climate change	This report does not make any direct contribution to the Greenwich Carbon Neutral Plan agreed by Cabinet on 18 November 2020.	Hitesh Jolapara Assistant Director of Finance 14th August 2024

Risk Management	The Royal Borough, as a local authority, is responsible for ensuring that it conducts its business in accordance with the Law and that public funds are properly accounted for, used economically, efficiently, and effectively.	Hitesh Jolapara Assistant Director of Finance 14th August 2024

12. **Report Appendices**

12.1 The following documents are to be published with and form part of the report:

- Appendix A: Q1 Savings Tracker

13. **Report Appendices**

None

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