Public Document Pack

Community & Children's Services Committee

INFORMATION PACK

Date: **TUESDAY, 24 NOVEMBER 2026**

Time: 11.00 am

Venue: **COMMITTEE ROOMS - 2ND FLOOR WEST WING, GUILDHALL**

Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Reports

8. ***COMMUNITY AND CHILDREN'S SERVICES (NON-HOUSING) REVENUE OUTTURN FORECAST AS AT QUARTER 2, 2026/27**

Joint report of the Executive Director, Community and Children's Services, and the Chamberlain and Chief Financial Officer.

For Information
(Pages 5 - 16)

Part 2 - Non-Public Reports

19. ***HOUSING - NEW DEVELOPMENTS UPDATE**

Report of the Executive Director Community and Children's Services.

For Information
(Pages 17 - 64)

20. ***FINAL RECOMMENDATIONS OF POLICY, GOVERNANCE AND ADMINISTRATION REVIEW: THE CITY OF LONDON ALMSHOUSES**

Joint report of the Managing Director, City Bridge Foundation, and the Executive Director, Community and Children's Services.

For Information
(Pages 65 - 70)

21. ***REPORT OF ACTION TAKEN - AMENDMENTS TO THE GOVERNING DOCUMENT OF THE CITY OF LONDON ALMSHOUSES**

Report of the Town Clerk.

For Information
(Pages 71 - 92)

22. ***HRA COMMERCIAL PROPERTY - ASSET MANAGEMENT STRATEGY, DEBT POSITION, PROGRESS AGAINST ARREARS RECOVERY AND VACANT UNITS**

Joint report of the Executive Director, Community and Children's Services, and the City Surveyor and Executive Director of Property.

For Information
(Pages 93 - 104)

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City of London Corporation Committee Report

Committee: Community and Children's Services Committee	**Dated:** 24 November 2026
Subject: Community and Children's Services (Non-Housing) Revenue Outturn Forecast as at Quarter 2, 2026/27	**Public report:** For Information
This proposal: • **provides statutory duties**	This report includes information on the City of London Corporation's statutory Community and Children services function
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Judith Finlay, Executive Director of Community and Children's Services, and Caroline Al-Beyerty, Chamberlain and Chief Financial Officer
Report author:	Mark Jarvis, Head of Finance, and Beatrix Jako, Finance Business Partner – Chamberlain's Department

Summary

This report sets out the Quarter 2 (Q2) estimated outturn for the Community and Children's Services Committee budget (excluding the ring-fenced Housing Revenue Account (HRA)) for the 2026/27 financial year.

The total local risk budget is forecast to overspend by £802,000 at Q2 (Q1: £984,000), representing an improvement of £182,000. The main pressures remain within Older People at £433,000 (Q1: £658,000), Adult Social Care at £156,000 (Q1: £156,000) and Children's Social Care at £83,000 (Q1: £174,000).

The most significant pressure relates to increases in client package costs within Older People, with the Department actively considering mitigating actions to reduce the forecast overspend.

The total central risk budget is forecast to overspend by £919,000 (Q1: £925,000), primarily reflecting pressures within Special Educational Needs and Disabilities (SEND) and Early Years of £664,000 (Q1: £670,000) and Housing Benefit Administration of £300,000 (Q1: £300,000), partially offset by an £83,000 forecast underspend within Asylum Seekers (Q1: £82,000).

Overall, the combined local and central risk position is a forecast overspend of £1.721 million at Q2 (Q1: £1.909 million), representing an improvement of £188,000. The Department continues to monitor financial pressures and pursue mitigating actions to manage the projected year-end position.

The financial pressures within Adult Social Care and Older People should also be considered in the context of wider national pressures across the sector.

While the City's relatively small client base means that local expenditure can be particularly sensitive to changes in the needs and costs of individual clients, the pressures experienced locally are consistent with the wider challenges facing the sector.

The internal audit dashboard for 8 October recorded three open Department of Community and Children's Services (DCCS) recommendations: two low-risk and one medium-risk (see Appendix A.) Service updates demonstrate progress, but formal closure by Internal Audit has not been confirmed.

Recommendations

Members are asked to:

- Note the Q2 projected outturn report for 2026/27.
- Note the progress on open Internal Audit actions set out in detail in Appendix A.

Main Report

Quarter 2 Projected Outturn

Table A summarises the DCCS budget. Table B gives the detailed forecast by service area.

Table A – Summary of DCCS budget and projected outturn (excluding the ring-fenced HRA budget) 2026/27			
	2026/27 budget £000	**Forecast outturn £000**	**Variation (underspend) / overspend £000**
Net local risk expenditure	12,994	13,796	802
Net central risk expenditure	4,977	5,896	919
DCCS local and central risk net expenditure	**17,971**	**19,692**	**1,721**

Table B – Forecast by service area				
Local Risk	**2026/27 budget £000**	**Forecast outturn £000**	**Variation (underspend) / overspend £000**	**Paragraph**
Supervision and Management	**1,773**	**1,747**	**(26)**	
Housing Services				
Other Housing Service	78	78	-	
Supporting People	571	569	(2)	
Service Strategy	5	5	-	
Total Housing	**654**	**652**	**(2)**	
People Services				
Older People	1,751	2,184	433	1
Adult Social Care	3,371	3,527	156	2
Occupational Therapy	402	416	14	
Housing Benefit	(104)	(104)	-	
Children's Social Care	1,970	2,053	83	3
Total People Services	**7,390**	**8,076**	**686**	
Education and Skills				
Early Years and Childcare	759	860	101	
Other Schools Related Activity	553	515	(38)	
Adult Community Learning	152	146	(6)	
Total Education and Skills	**1,464**	**1,521**	**57**	
Partnerships				
Commissioning incl. recreation	953	1,040	87	
Public Health	(28)	(28)	-	
Youth Service	183	186	3	
Community Safety Team	605	602	(3)	
Total Partnerships	**1,713**	**1,800**	**87**	
Total Local Risk City Fund	**12,994**	**13,796**	**802**	

Central Risk	2026/27 budget £000	Forecast outturn £000	Variation (underspend) / overspend £000	Paragraph
Supervision and Management	80	80	-	
Commissioning incl. recreation	(140)	(102)	38	
Homelessness and Rough Sleeping	3,391	3,391	-	
Early Years and Childcare	822	953	131	4
Other School Related Activity	(869)	(336)	533	4
Asylum Seekers	1,656	1,573	(83)	5
Delegated Budget	(30)	(30)	-	
Housing Benefit	67	367	300	6
Total Central Risk	**4,977**	**5,896**	**919**	
Total Local Risk & Central Risk City Fund	**17,971**	**19,692**	**1,721**	

1. Older People: The Q2 forecast overspend is £433,000 (Q1: £658,000), representing an improvement of £225,000. The £130,000 Capacity and Productivity Grant has been applied to partially offset the pressure. Increased client package costs remain the main underlying cause, and the service continues to review mitigating actions.

2. Adult Social Care: The forecast overspend remains £156,000, unchanged from Q1. Pressures continue to relate to temporary and agency staffing and direct payment arrangements, including costs associated with Penderels, which provides an independent direct payment and individual budget support service on behalf of the City to individuals managing their own care packages.

3. Children's Social Care: The Q2 forecast overspend stands at £83,000 (Q1: £174,000), a reduction of £91,000, primarily reflecting the use of available grant funding to offset expenditure and reduce the overall financial pressure. However, high-cost statutory placements continue to present a financial risk to the service.

4. Special Educational Needs and Disabilities (SEND) and Early Years: The Q2 central risk budgets are forecast to have a combined overspend of £664,000 (Q1: £670,000), representing a slight improvement of £6,000. Discussions with the Department for Education regarding the City's funding arrangements remain ongoing, with a more definitive response expected in the coming weeks. The outcome of these discussions will help inform the longer-term financial position, and the forecast will be reviewed accordingly.

5. Asylum Seekers: The Q2 forecast underspend of £83,000 (Q1: £82,000) remains broadly unchanged. The forecast reflects savings arising from one client moving into social housing.

6. The Housing Benefit Administration central risk budget is forecasting an overspend of £300,000 at the end of Q2 (Q1: £300,000). This is largely due to a shortfall between Housing Benefit subsidy received from the Department for Work and Pensions and the cost of Housing Benefit awarded for temporary accommodation.

   The DCCS is exploring opportunities to mitigate this pressure through increased provision of longer-term leased accommodation, reducing reliance on more expensive nightly-rate temporary accommodation and the associated Housing Benefit subsidy shortfall. This is expected to provide longer-term cost avoidance benefits rather than immediate cashable savings.

   In addition, the City has been allocated £1.384 million of new Rough Sleeping Programme funding for 2026/27. This funding will require additional service commitments, and Finance is working with the service to assess the associated financial implications. The grant conditions and payment are still awaited, and the impact on the projected outturn will be assessed and reflected in future monitoring reports once confirmed.

7. The Homes for Ukraine Scheme continues during the year. The costs involved with this programme are fully met from government grants and have no impact on the Directors' overall net forecast outturn.

8. It should be noted that both Social Care and Asylum budgets are inherently volatile, with relatively small changes in client numbers or individual client needs potentially having a significant impact on the full-year outturn.

Mitigating Actions

9. The DCCS is actively managing the forecast pressures and is progressing a range of mitigating actions. These actions are intended to strengthen oversight of high-cost care, maximise appropriate external funding and income recovery, and contain staffing and other service pressures where possible. The key actions currently being taken are set out below:

- Robust oversight of high-cost care and support through the Complex Needs Panel.
- The City is working with other North East London local authorities to review health funding for Continuing Healthcare and Section 117 mental health cases. Although the City has relatively few cases, individual costs can have a significant impact on the budget. Existing cases are being reviewed to identify opportunities to recover costs from health partners where shared funding is applicable.
- Continued focus on early intervention and prevention to reduce, delay or prevent the need for long-term support.
- Reducing reliance on agency workers and using short-term contracts where required.

- Seeking to recoup approximately £48,000 of unreleased funds from the previously commissioned Direct Payments provider. This is not currently reflected in the forecast.
- Implementation of updated financial practices, including around client contributions, which has already increased income and is expected to continue during the year.
- Reviewing existing funding allocations and exploring further grant funding which may provide an offset to some pressures.

10. The effectiveness and financial impact of these measures will continue to be monitored through the year and reflected in future forecast updates as the position becomes clearer.

Further analysis of six-year trends in Adult Social Care and Older People client numbers, budgets and expenditure is provided at Appendix B.

Appendices

- Appendix A - Internal Audit Recommendations – Progress Update
- Appendix B - Adult Social Care and Older People – Six-Year Trend Graphs

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APPENDIX A

Internal Audit Recommendations – Progress Update

Department of Community and Children's Services (DCCS) | Quarter 2, 2026/27

Reporting basis: Internal Audit dashboard dated 8 October 2026, supplemented by service updates received up to 27 October 2026.

The DCCS Safeguarding Internal Audit review received a Substantial Assurance opinion in April 2026. The 8 October dashboard recorded three open recommendations: two low-risk and one medium-risk. Service updates demonstrate progress, but formal closure by Internal Audit has not been confirmed.

1350 Terms of Reference – Governance Forums

Original Internal Audit recommendation	a. The format for terms of reference used by DCCS (and People's Directorate) should be reviewed and a template provided, which includes version control. b. The terms of reference listed should be brought up to date. c. A central record should be maintained of all terms of reference and key version information, to help manage review and update. d. Departmental Leadership Team (DLT) should include annual review on the forward plan agenda to confirm that terms reference have been subject to update and approval. e. A consistent template for recording and monitoring service development action plans should be introduced.
Risk / original target	Low | 30 July 2026
Reporting status	Open – subject to audit confirmation
Latest service update	On 9 October, the service submitted completed actions and available supporting evidence to Internal Audit. The service also advised that a standard service development plan format is not practicable in all cases because governance and regulatory requirements differ. Acceptance of the evidence and any closure remain unconfirmed.
Outstanding action	Confirm which elements Internal Audit has accepted as complete; agree the position on service development plan standardisation and any revised completion dates.

1351 Procedures Update

Original Internal Audit recommendation	a. The Adult Social Care Safeguarding Process should be brought up to date. b. A future review date should be added to the Adult Social Care (ASC) Prevention and Early Intervention procedure. c. DLT should include annual review on the forward plan agenda to confirm that policies and procedures have been subject to update and approval in accordance with the stated review dates.
Risk / original target	Low | 30 June 2026
Reporting status	Open – partially progressed
Latest service update	Following the Care Quality Commission (CQC) report, the service is rewriting ASC safeguarding policies and procedures, with completion anticipated by February 2027, followed by the relevant governance approvals. A March 2027 review date has been added to the ASC Prevention and Early Intervention procedure. The annual DLT review action remains assigned within the service and depends on completion of the policy updates.
Outstanding action	Provide evidence of the revised procedure review date; confirm governance approval arrangements and the DLT forward-plan action; agree revised completion dates.

1352 Training Log – System Implementation

Original Internal Audit recommendation	a. The reporting functionality of the new training log system should continue to be explored to assess the monitoring data available with regards to mandatory and refresher safeguarding training completion. b. The reporting required by each governance forum should be agreed.
Risk / original target	Medium | 30 September 2026
Reporting status	Open – in progress
Latest service update	The SAP training log reporting functionality is not yet fully available. Work with Corporate Learning and Organisational Development is ongoing to confirm access and reporting requirements. Reporting arrangements between the Workforce Development Board and management forums are still being considered, including whether these should be reflected in the forums' terms of reference. An overview is expected once SAP functionality permits; no timescale has been confirmed.
Outstanding action	Confirm system access and reporting capability, agree reporting to governance forums, provide supporting evidence and confirm a revised target date.

Note: The original target dates are retained from the 8 October dashboard. No recommendation is presented as closed until confirmed by Internal Audit. Revised completion dates and supporting evidence remain subject to confirmation.

APPENDIX B

Adult Social Care and Older People – Six-Year Trend Graphs

Chart 1 – Adult Social Care (18–64): client package budget vs outturn/forecast

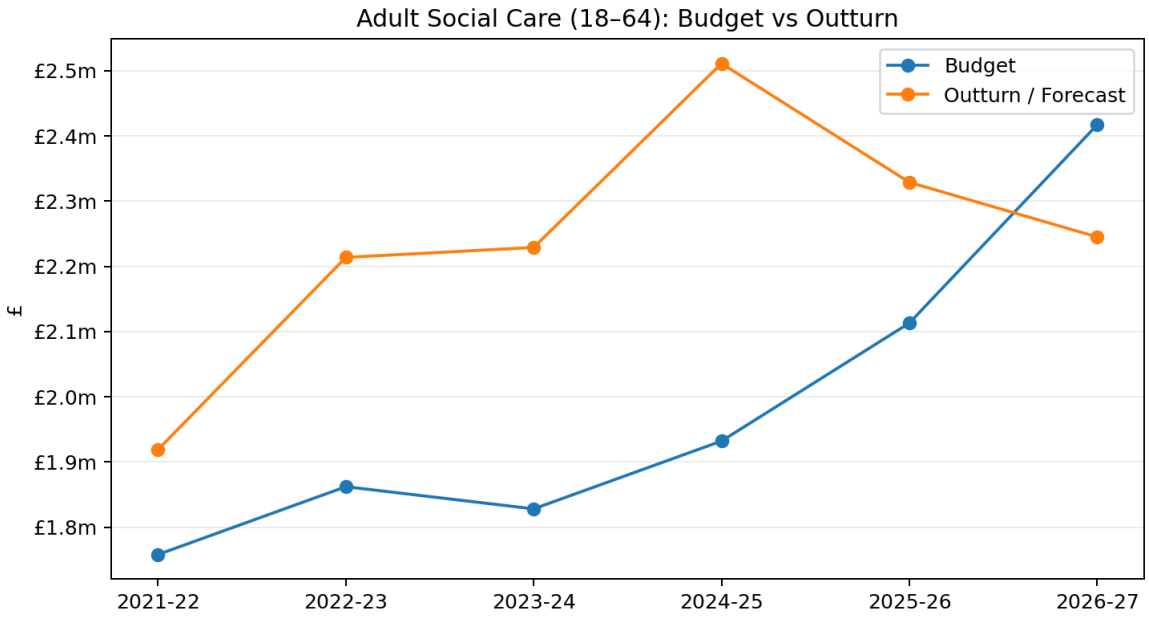


Chart 2 – Older People (65+): client package budget vs outturn/forecast

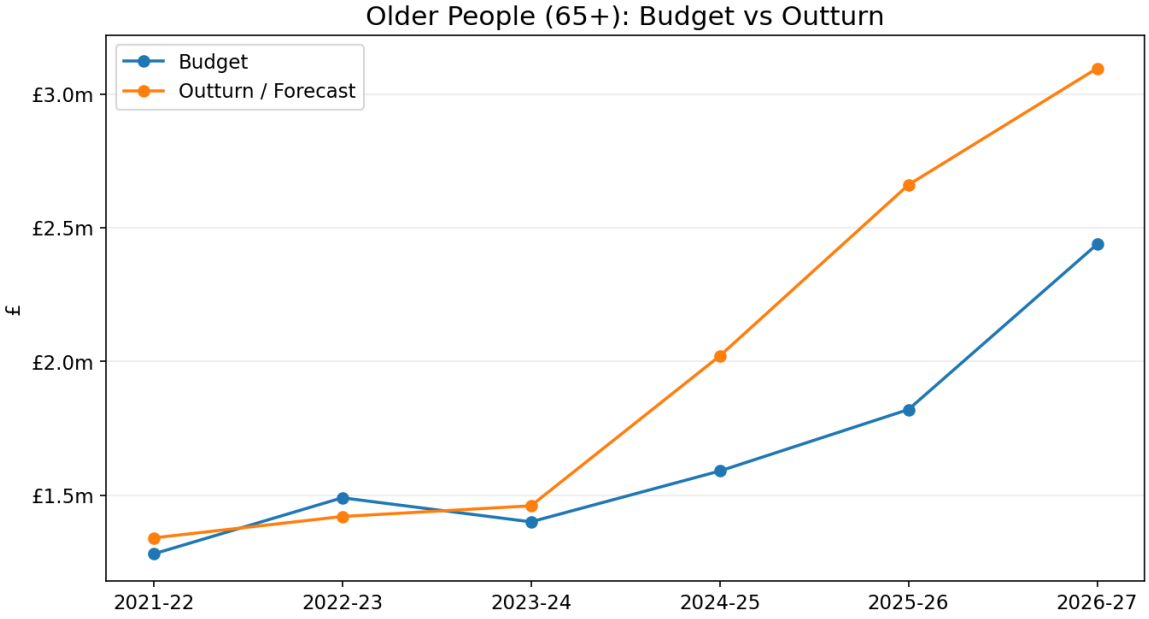


Chart 3 – Client numbers by age group

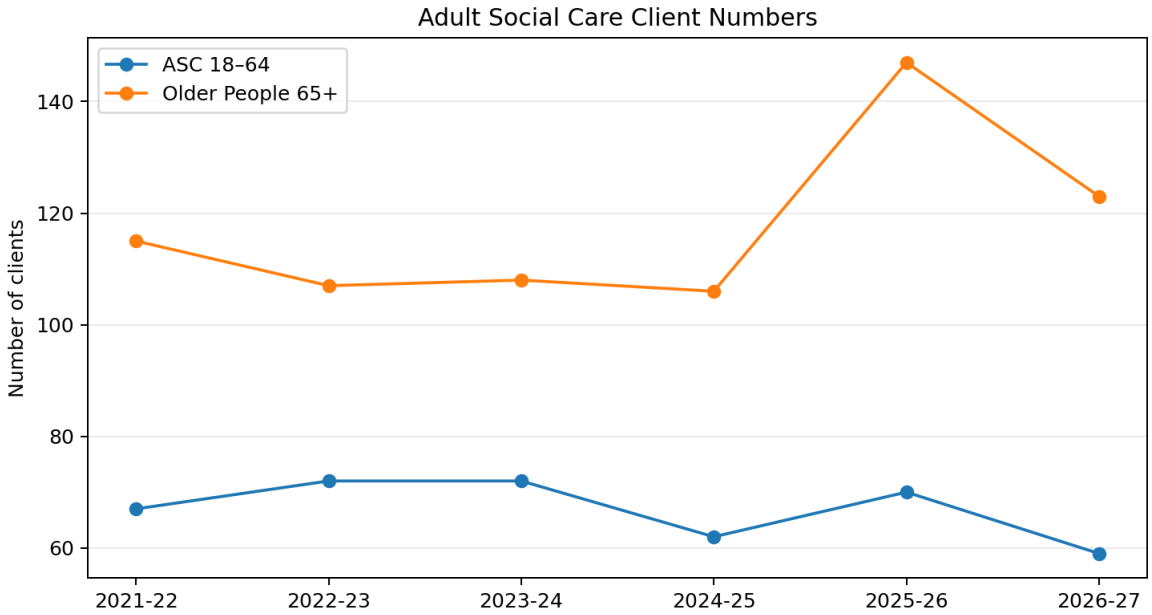
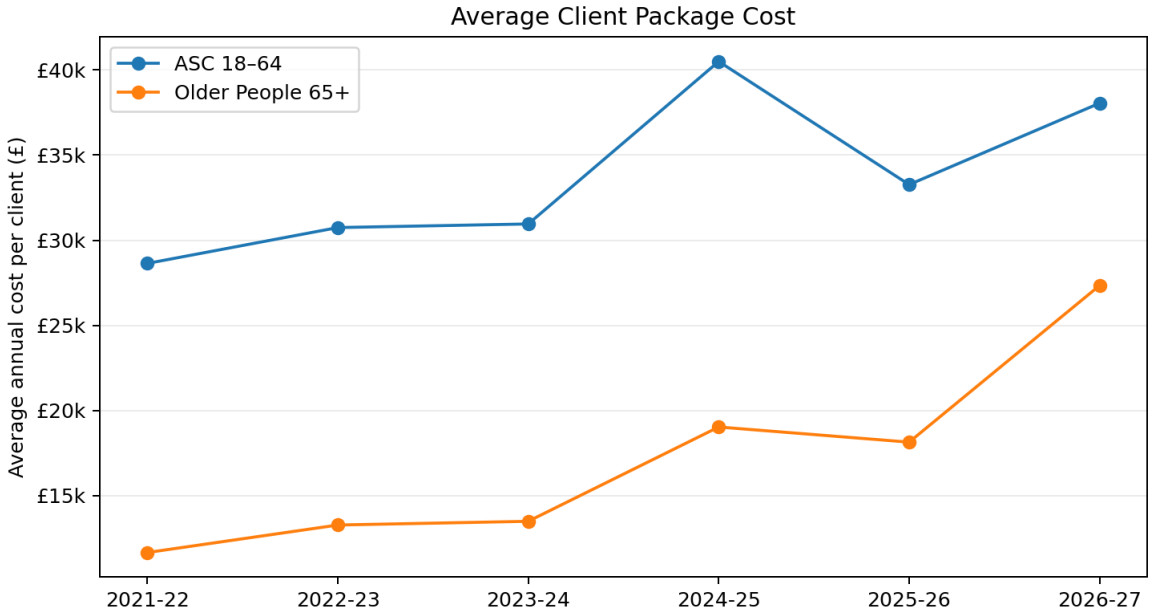


Chart 4 – Average annual client package cost by age group



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