

City of London Corporation Committee Report

Committee: Community and Children's Services	Dated: 28/01/2026
Subject: Community and Children's Services (Non-Housing) Revenue Outturn Forecast as at Quarter 3, 2025/26	Public report: For Information
This proposal: <ul style="list-style-type: none"> • 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 3 estimated outturn for the Community and Children's Services Committee budget (excluding the ring-fenced Housing Revenue Account (HRA)) for the 2025/26 financial year.

The total local risk projected overspend for the full year is currently £447,000 (Q2: £481,000), mainly due to pressures within Other Housing and Children's Social Care services. All other service areas are reporting only minor variances.

The total central risk budget is forecast to overspend by £132,000 (Q2: £83,000 underspend), largely attributable to pressures within Homelessness services. Other central risk areas remain broadly in line with budget. Work is underway across the Department to reduce these pressures.

Recommendation

Members are asked to:

- Note the Q3 projected outturn report for 2025/26.

Main Report

Quarter 2 Projected Outturn

Table A summarises the Department of Community and Children's Services (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) 2025/26			
	2025/26 budget £000	Forecast outturn £000	Variation underspend / (overspend) £000
Net local risk expenditure	12,322	12,769	447
Net central risk expenditure	4,189	4,321	132
DCCS local and central risk net expenditure	16,511	17,090	579

Table B – Forecast by service area	2025/26 budget £000	Forecast outturn £000	Variation underspend / (overspend) £000	Paragraph
<u>Local Risk</u>				
Supervision and Management	1,706	1,706	-	
Housing Services				
Other Housing Service	(27)	93	120	1
Supporting People	556	556	-	
Service Strategy	5	5	-	
Total Housing	534	654	120	
People Services				
Older People	1,887	1,887	-	
Adult Social Care	3,044	3,125	81	2
Occupational Therapy	427	491	64	3
Housing Benefit	(104)	(104)	-	
Children's Social Care	2,042	2,180	138	4
Total People Services	7,296	7,579	283	
Education and Skills				
Early Years and Childcare	660	650	(10)	
Other Schools Related Activity	429	433	4	
Adult Community Learning	157	157	-	
Total Education and Skills	1,246	1,240	(6)	
Partnerships				
Commissioning incl. recreation	954	974	20	
Public Health	(28)	(28)	-	
Youth Service	187	217	30	
Community Safety Team	427	427	-	
Total Partnerships	1,540	1,590	50	
Total Local Risk City Fund	12,322	12,769	447	

	2025/26 budget £000	Forecast outturn £000	Variation underspend / (overspend) £000	Paragraph
<u>Central Risk</u>				
Supervision and Management	80	80	-	
Commissioning incl. recreation	(140)	(140)	-	
Homelessness and Rough Sleeping	2,594	2,772	178	5
Early Years and Childcare	778	778	-	
Other School Related Activity	(819)	(819)	-	
Asylum Seekers	1,659	1,613	(46)	6
Delegated Budget	(30)	(30)	-	
Other Housing Services	-	-	-	
Housing Benefit	67	67	-	7
Total Central Risk	4,189	4,321	132	
Total Local Risk & Central Risk City Fund	16,511	17,090	579	

1. The £120,000 adverse variance within the Other Housing Services local risk budget primarily reflects higher than planned Civica consultancy costs arising from additional support requirements.
2. The overspend in the Adult Social Care local risk budget has reduced from £248,000 at Quarter 2 to £81,000 at Quarter 3. The small variance continues to be driven by increased costs associated with client care packages and the use of temporary staff to support service delivery. Ongoing mitigation, including the application of available grant funding, has contributed to the improved financial position.
3. The £64,000 unfavourable variance in the Occupational Therapy local risk budget is primarily due to a legal fee of £50,000 incurred to facilitate the exit from a contract with a company that has entered liquidation, contributing to the overall overspend in this service area.
4. The Child Social Care service is reporting an overspend of £138,000. This is primarily due to increased residential placement costs, including the use of high-cost temporary placements for individual children. Additional pressures have also arisen from increased legal fees and significant contract price increases for the Emergency Duty Team and Youth Offending services, with some contracts having almost doubled in cost.
5. The Homelessness central risk budget is reporting an overspend of £178,000. This is largely attributable to a one-off dilapidation cost of £120,000 relating to

the Youth Hostel at Carter Lane. The remaining variance relates to contract uplifts.

6. The Asylum Seekers central risk budget is currently forecast to underspend by £46,000. This is due to steps taken to reduce financial pressures by swiftly accessing the National Transfer Scheme for all new Unaccompanied Asylum-Seeking Children (UASC), thereby minimising the number of UASC entering permanent care under the City of London. As a result, fewer young people are expected to transition into Care Leaver status.
7. The Housing Benefit Administration central risk budget was projecting an estimated overspend of £633,000 at the end of Quarter 1. This was largely attributable to a shortfall between housing benefits awarded for temporary accommodations and payments made by the Department for Work and Pensions. This shortfall is being met from the DCCS reserves, which were set aside to fund ongoing and future departmental commitments.
8. 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.
9. In general, it should be noted that both the social care and asylum budgets are very volatile and a small change in client numbers has a major effect on the eventual full year outturn.

Appendices

- None

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