

Meeting of the

OVERVIEW & SCRUTINY COMMITTEE

Monday, 23 September 2019 at 6.30 p.m.

SUPPLEMENTAL AGENDA 3


	PAGE NUMBER	WARD(S) AFFECTED
6 .4 Budget Monitoring – Presentation (Background Documents)		
This report presented to Cabinet on 31 st July, 2019 is being circulated to the Committee as back ground to the presentation and introduces the budget monitoring report for Quarter 1.	222 - 259	All Wards

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Agenda Item 6.4

Overview & Scrutiny 23 September 2019	 TOWER HAMLETS
Report of: Corporate Director of Resources	Classification: Unrestricted
Revenue and Capital Budget Monitoring Quarter 1 2019-20	

Lead Member	Councillor Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Allister Bannin, Head of Strategic and Corporate Finance
Wards affected	All Wards
Key Decision?	No

Executive Summary

This report introduces the budget monitoring report for Quarter 1. It includes details about General Fund revenue, Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and progress made against savings targets. It also includes capital approval requests to adopt new schemes into the Council's approved capital programme and to change existing capital schemes.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Council's projected outturn position against General Fund, Dedicated Schools Budget and Housing Revenue Account budgets agreed for 2019-20, based on information as at the end of June as detailed in the Appendices.
2. Adopt listed pipeline schemes as set out in Appendix 6 into the Council's approved capital programme.
3. Agree that approval to proceed to award contracts for works and services be delegated to the Corporate Director, Place in consultation with the Corporate Director, Governance, subject to tenders being within the capital estimate amount and scheme PIDs being approved at Capital Strategy Board.
4. Note and approve the capital exception and change note summary in Appendix 6.

5. Note that there are no equalities implications directly resulting from this report, as set out in Paragraph 4.

1. REASONS FOR THE DECISIONS

- 1.1. The Council could choose to monitor its budgetary performance against an alternative timeframe but it is considered that the reporting schedule provides the appropriate balance to allow strategic oversight of the budget by members and to manage the Council's exposure to financial risk. More frequent monitoring is undertaken by officers and considered by individual service directors and the Council's Corporate Leadership Team (CLT) including approval of management action.
- 1.2. To the extent that there are options for managing the issues identified these are highlighted in the report in order to ensure that members have a full picture of the issues and proposed solutions as part of their decision making.

2. ALTERNATIVE OPTIONS

- 2.1. The regular reporting of Revenue and Capital Budget Monitoring information through the year and the preparation of the provisional outturn position after the year end provides detailed financial information to members, senior officers and other interested parties on the financial performance of the Council. It sets out the key variances being reported by budget holders and the management action being implemented to address the identified issues.
- 2.2. Further information across the Council's key financial activities is also included to ensure that CLT and Members have a full picture to inform their consideration of any financial decisions set out in this report and also their broader understanding of the Council's financial context when considering reports at the various Council Committees.
- 2.3. Set alongside relevant performance information it also informs decision making to ensure that Members' priorities are delivered within the agreed budget provision.
- 2.4. It is important that issues are addressed to remain within the approved budget provision or where they cannot be contained by individual service management action, alternative proposals are developed and solutions proposed which address the financial impact; CLT and Members have a key role in approving such actions as they represent changes to the budget originally set and approved by them.

3. DETAILS OF THE REPORT

- 3.1. On 20 February 2019 the Council considered and agreed the Revenue Budget and Council Tax for 2019-20; and a capital programme showing resources available for investment in assets and infrastructure for ten years until 2028-29. The Council also agreed the Housing Revenue Account (HRA) budget from 2019-20 which includes rent setting and other charges.
- 3.2. The net budget requirement for 2019-20 has been set at £342.5m. The MTFP indicates a balanced budget for 2019-20, which includes delivering savings of £25.1m (£14.8m for 2019-20, and £10.3m slippage from previous years) and anticipates the Council will still need to deliver further annual savings of £14.6m and £8.2m in 2020-21 and 2021-22 respectively.
- 3.3. The General Fund is projecting a forecast overspend of £8.2m after the application of reserves and corporate contingency. Directorates are developing recovery plans to reduce this overspend and therefore reduce the requirement on General Fund reserves funding.
- 3.4. The Dedicated Schools Grant (DSG) is projecting a forecast overspend of £7.4m.
- 3.5. The Housing Revenue Account (HRA) is projecting a forecast underspend of £2.2m.
- 3.6. There are a number of new capital approval requests and these are detailed in Appendix 6. The Mayor in Cabinet is recommended to approve 5 new capital projects totalling £20.6m for inclusion in the Council's capital programme and approve additional resources totalling £46.6m for 10 existing capital schemes.

4. EQUALITIES IMPLICATIONS

- 4.1 There are no equality implications directly resulting from this report.

5. OTHER STATUTORY IMPLICATIONS

- 5.1. This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,
 - Crime Reduction,

- Safeguarding.

5.2 There are no other statutory implications contained in this report

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1. The attached report is primarily financial in nature and the financial implications of the issues raised have been included in the main report.

7. COMMENTS OF LEGAL SERVICES

7.1 The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council's chief finance officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets as set out in this report.

7.2 The report also requests the allocation of various sources of funds and the delegation of the authority to spend those funds. The Council has the legal powers to carry out the various items of work.

7.3 The Council has the duty to achieve Best Value in terms of economy, efficiency and effectiveness in the delivery of its services and the expenditure of its resources. The report details that the expenditure of the money will be based upon competitive exercises performed either individually or through the use of pre-existing framework agreements. The methodology of the particular framework to be used will need to be checked by Legal Services in order to ensure that the use of the particular framework satisfies the Council's European Law obligations, but ostensibly the award of contracts under a competitive procedure will demonstrate Best Value.

7.4 It is anticipated that the contracts resulting from the competitive exercises will include appropriate clauses to allow the Council to monitor the delivery of the contracts. This will allow the Council to ensure the quality of the Works and Services meets the tendered level and also safeguard Best Value.

7.5 It is clear that some of the schemes are likely to have an impact on people who have a protected characteristic for the purposes of the Equality Act 2010. Therefore, the Council will have to perform equality assessments in respect of each scheme whilst the decision making process as regards the detail of each scheme is still at a formative stage. It is likely in part at least, that it will be necessary for the Council to carry out consultation exercises in order to properly understand the impact of the schemes on persons with a protected characteristic and thereby to comply with the Council's Equality Act duties.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- A1 Budget Monitoring Report 2019-20 Q1
- A2 Capital Control Budget 2019-20 Q1
- A3 Revenue Control Budget 2019-20 Q1
- A4 Current Savings Performance 2019-22 Q1
- A5 Mayoral Priority Growth 2019-22 Q1
- A6 Capital scheme requests for approval 2019-20 Q1

Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

- None

Officer contact details for documents:

- N/A

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Corporate Budget Monitoring Report

Quarter 1 2019-20

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Circulated to	Cabinet
Date	31 July 2019
Classification	Unrestricted
Report of	Corporate Director of Resources
Lead Member	Clr Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Allister Bannin, Head of Strategic & Corporate Finance
Wards affected	All Wards
Key Decision?	No

General Fund forecast outturn variance £8.2m overspend

Dedicated Schools Grant (DSG) forecast outturn variance £7.4m overspend

Housing Revenue Account (HRA) forecast outturn variance £2.2m underspend

£m	2019-20 Forecast Outturn Variance			2019-20 Annual Figures		Figures to 30 June 2019	
	Estimated impact on General Fund GF/ DSG/ HRA	Variance before reserve adjustments	Contribution to /(from) Reserves	Current Budget ⁽¹⁾	Forecast Outturn Position	Budget to Date	Actual
Children & Culture (GF)	11.5	12.1	(0.6)	99.6	111.7	24.9	26.2
Resources	2.1	10.1	(8.0)	12.6	22.7	3.1	62.5
HA&C	5.2	5.2	-	139.9	145.1	35.0	26.1
Place	(0.1)	(0.1)	-	72.9	72.8	18.2	6.5
Governance	-	0.8	(0.8)	14.7	15.5	3.7	4.7
Corporate	(10.5)	(10.5)	-	2.8	(7.7)	0.7	2.9
General Fund	8.2	17.6	(9.4)	342.5	360.1	85.6	128.9
Ringfenced Items							
Children's (DSG)	-	7.4	(7.4)	-	7.4	-	41.5
Public Health	-	-	-	-	-	-	(0.7)
HRA	-	(2.2)	2.2	36.7	34.5	(19.8)	(32.3)
Overall Position	8.2	22.8	(14.6)	379.2	402.0	65.8	137.4

Conventions: The use of brackets denotes either an income budget or a positive variance (underspend).

Note 1: The current budget reflects the original budget approved by Members in February 2019 adjusted for any subsequent approved budget virements. The budget history is included as Appendix 3.

In February 2019 the Council approved a revenue budget of £342.5m which was to be financed by external funding sources such as council tax, business rates, grants and drawdown from the Council's Earmarked and General Fund reserves.

The current position is estimated to be a £8.2m overspend on the general fund after the application of £9.4m from reserves.

The HRA is currently projected to show additional income of £2.2m. This is demonstrated by the income from dwelling rents being forecast to be higher than budgeted due to lower levels of Right to Buy sales than was assumed when the budget was set, and void rates are also lower than anticipated.

The MTFP outlined for 2019-20 approved savings of £14.8m in order to deliver a balanced budget. An additional £10.3m relating to slippage from previous years must also be achieved. Therefore in total £25.1m of savings are to be delivered.

Quarter 1 2019-20

This report shows the quarter 1 position (as at the end of June) for the financial year. Forecasts at quarter 1 demonstrate an overspend on the general fund of £8.2m. Directorates are developing recovery plans to reduce these overspends and therefore reduce the requirement on general fund reserves funding.

£8.2m Overspend on General Fund: after application of transformation reserves.

£25.1m Savings: our total savings requirement for the current year taking into account slippage from earlier years; we believe that £4.4m will slip into future years and that £3.4m is at risk.

£301m Approved Capital budget: original allocation of £261m, slippage from previous years of £17m and quarter 1 adjustments of £23m.

Forecast outturn variance £12.1m General Fund overspend

Forecast outturn variance £7.4m DSG overspend

£m	Forecast Outturn Variance			Annual Figures		Figures to 30 June 2019	
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to/(from) Reserves	Current Budget ⁽¹⁾	Forecast Outturn Position	Budget to Date	Actual
Children's (GF)	11.5	12.1	(0.6)	99.6	111.7	24.9	26.2
Children's (DSG)	-	7.4	(7.4)	-	7.4	-	41.5

The general fund is projected to be overspent by £12.1m. The overspend is as follows: Children's Social Care £2.9m, Special Educational Needs £1.6m, Youth Services & Commissioning £1.1m, Children's Resources £1.7m and Sports, Leisure and Culture £0.5m.

Unachievable savings of £3.3m (Early Years £2.4m and SEND £0.9m) and slipped savings of £1.0m (Youth Services and Commissioning) are included in the £12.1m overspend.

C&C have a recovery action plan in place that currently suggests a reduction in the forecast overspend to £10.2m before drawdown from reserves of £0.6m (£0.5m for Ofsted and £0.1m to fund one term of EMA as Mayor 3 year funding ended at the end of 2018/19).

Children's Social Care has recently received their Ofsted inspection and is currently awaiting formal notification of the Ofsted rating. Early indications are favourable.

The local growth in SEND, which is not matched by growth in funding, is resulting in budget pressures that are reflected nationally. A range of measures have been put in place to reduce the spending against the general fund as well as the High Needs Funding Block element of the DSG which will show impact over time and actions are being scoped to reduce pressures in the short term during the current financial year.

Details of the significant variances on the General Fund are shown below.

(in numerical descending order)	£m	Forecast variance commentary
Children's Social Care	2.9	Much work has been undertaken over the past 12 months to put in place arrangements to reduce the numbers of agency Social Workers and to recruit and retain our own staff. The launch of the Social Work Academy and our continuing work with regard to the recruitment of experienced staff have had a positive impact on ensuring that staff turn-over is much reduced. However we are still require a number of Agency Social Workers to maintain a level of experience and knowledge so that our more complex work can be allocated to those staff with the appropriate level of experience. Therefore, although staff cost pressures are reduced, they will continue for the next 12 months. £0.5m of this overspend relates to extra staffing spend for Ofsted improvement work and will be requested to be funded from transformation reserves.
1. CSC - Staffing £1.0m Agency workers – pressure reducing as permanent staff are recruited.		
2. CSC - Looked After Children (LAC) Placements £1.8m Work continues to reduce high cost placements		The forecast for the placement budget is based on LAC modelling and sufficiency strategy outcomes. There has been an increase of £0.6m in costs since 2018/19 outturn. Re-commissioning is expected to reduce costs. Reductions are being sought through the regular Panel that scrutinises receptions into care and prioritises placements within our own cohort of foster-carers. LAC Placements have increased by 19 from 305 in May 2018 to

324 in May 2019. The placements budget has 2019-20 savings of £0.3m allocated against Adoption & Fostering. This will be fully achieved.

**3. CSC – Leaving Care
£0.9m**

Additional demands

£1m one-off growth in 2018-19 has now ended. We will review the effectiveness of the "Through Care" team in September 2019. Cumulative funding pressure as a result of responsibilities for increase UASC and change in legislation for LA responsibilities for up to age 25. In addition responsibilities for providing accommodation for Dubbs Children.

**4. CSC – Mental Health
and Disability
Services (£0.8m)**

Forecast underspend

Underspends within Mental Health and Disability Services will be held to offset other pressures within CSC.

**Special Educational
Needs**

Continued increase of transportation costs. Includes £0.9m unachievable savings.

2.6 This is an ongoing pressure that is likely to increase. Grant Thornton has been commissioned to undertake a deep dive in order to understand the reasons and to recommend actions to address. Their recent report highlights the service is underfunded as there is no annual review to take account of demand, but alongside this during 2018-19 a retendering process resulted in an additional circa £0.8 pressure rather than a saving. Initial recommendations from GT have been discussed with elected members prior to moving forward on the final action plan to reduce cost, which will involve possibly controversial policy changes. No cost reductions are expected this financial year.

Early Years

Unachievable Savings

2.4 These savings are unachievable in 2019-20 due to pressures on Early Years budgets.

Contract Services

Full review of service

1.9 Options for the future delivery of Contract Services were presented to Cabinet in February 2019. The options included recommendations intended to reduce pressures on the budget for this service, including withdrawal of Secondary school catering, withdrawal from schools contract cleaning, a review of adults' welfare meals, and a review of primary schools SLAs. All recommendations were accepted by Cabinet; and an action plan is now in place to reduce pressures. However, the action plan will have a phased impact during 2019/20 with fully delivery from 2020-21.

Free School Meals

0.2 The Mayors Free School Meal Programme now has an agreed Memorandum of Understanding (MoU) between LBTH and Primary schools, which sets conditions for the programme. This is expected to reduce the £0.5m pressure in 2018/19 to £0.2m in 2019/20.

Sports Leisure & Culture

0.5 Recovery action plan proposes reducing spend against AEG income by £0.5m to offset pressures within this service. The action plan provides full details.

**Building and Technical
services**

0.1 This overspend is the cost of providing security and NNDR charges for vacant buildings.

PFI

A successful bid was made for a new senior level PFI post which would ensure full compliance and integration with the range of council services which have a bearing on PFI. This post is in the Procurement Service structure, in Resources directorate and will be recruited to in the near future. School leaders are reporting pressures to budgets as a result of the payments due for the PFI. Detailed work around the extent of the pressures across Grouped Schools is currently being undertaken. One of the key drivers for the pressures relates to pupil numbers coming in lower than had been originally forecast. This drove the design specification of the PFI sites, therefore resulting in a situation where a number of schools are receiving lower than forecast pupil funding, whilst having unoccupied PFI buildings/classrooms which need to be paid for.

The Dedicated Schools Grant (DSG)	£m	The key impact on the DSG is the significant overspend in the High Needs Funding Block element. The actions being taken to address this are outlined below.
High Needs Block (HNB)	7.0	<p>The Council are required to provide to the DfE a recovery plan that articulates how the overspend on the High Needs Funding Block (HNFB) will be addressed over the period 2019 – 2022 through:</p> <ul style="list-style-type: none"> - significantly reducing the funding retained by LBTH to deliver support services, - reducing the demand for centrally retained funding for Alternative Provision, - reducing the rate of increase in EHC plan numbers, - a reduction across all school top-up payments <p>All of the above are also fully detailed in the C&C Recovery Action Plan.</p>
Local Authority Day Nurseries (LADN)	0.4	A proposal to close the LADNs was agreed by Cabinet on 27/9/18. There is a £0.2m pressure in 2019-20 for residual staff costs to implement closure of the nurseries and £0.2m for building costs.

Forecast outturn variance £2.1m overspend

£m	Forecast Outturn Variance			Annual Figures		Figures to 30 June 2019	
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to/(from) Reserves	Current Budget ⁽¹⁾	Forecast Outturn Position	Budget to Date	Actual
Resources	2.1	10.1	(8.0)	12.6	22.7	3.1	62.5

The Resources directorate has a net budget of £12.6m. It is currently forecasting an outturn of £22.7m of which £8.0m of funding has been previously approved from the ICT Transformation Reserve leaving a potential directorate overspend of £2.1m.

The Resources directorate leadership team is reviewing all savings delivery across the directorate to identify mitigating actions to fully eliminate the estimated overspend.

Actual spend to date includes costs relating to Housing Benefit which will be offset by income.

Details of the areas at risk of overspending are summarised below.

(in numerical descending order)	£m	Forecast variance commentary
Customer Access Savings slippage	1.0	Savings slippage due to delayed implementation of the Customer Access model.
Human Resources Phase 2 review slippage	0.7	Savings slippage on phase 2 of the HR review.
Business Support Phase 2 review slippage	0.4	Phase 2 of the business support review will take place one year after the full implementation of phase 1 which is in the recruitment and implementation stage.

Other comments

Use of Reserves	Approximately £8.0m will be required from the ICT Transformation reserve to fund ICT Transformation projects which were agreed by Cabinet in 2017-18.
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Forecast outturn variance £5.2m overspend on the General Fund

£m	Forecast Outturn Variance			Annual Figures		Figures to 30 June 2019	
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to / (from) Reserves	Current Budget ⁽¹⁾	Forecast Outturn Position	Budget to Date	Actual
HA&C	5.2	5.2	-	139.9	145.1	35.0	26.1
Public Health	-	-	-	-	-	-	(0.7)

The Health, Adults and Community directorate forecast outturn for 2019-20 is for a £5.2m overspend once the ring-fenced nature of the Public Health grant is taken in to account. This position is driven by pressures in adult social care. The main variances are summarised below.

The 2019-20 budgets include £3.4m of savings, including £0.7m of savings from prior years. The directorate is forecasting to achieve £2.9m (84%) of these savings in 2019-20.

A recovery plan is being developed to address the pressures being faced by the directorate, which will focus on opportunities to make sustainable changes that will lead to an ongoing reduction in expenditure, as well as one-off activities that can be undertaken.

(in numerical descending order) £m

Forecast variance commentary

Adult Social Care & Integrated Commissioning

An over spend due to demand for residential and community-based care services for disabled, mental health and older people.

5.5 The forecast outturn variance is a £5.5m overspend against a net budget of £139.9m.

The forecast overspend is caused by pressures in demand led residential and community based services supporting service users. These overspends are a continuation of the pressures seen and reported in the 2018-19 Outturn report. Further growth of £1.5m for homecare and £1.1m for residential/nursing care has been forecast for 2019-20, in addition to the overspends reported in last year's outturn.

Following the issues around outstanding payments to providers in relation to homecare that were reported in the 2018-19 Outturn report, a time-limited "Unpaid Invoice Hub" has been created to quickly work through the outstanding issues, including brokerage, social work and payment staff to enable a joined-up approach. This is providing a much greater level of oversight of outstanding payments, and a more rigorous regime for accruals.

Work is being undertaken to review all income streams and recharging arrangements with partner organisations to ensure activity levels are in-line with budgeted expectations, and where not, mitigating actions put in place to resolve.

A recovery plan to reduce the forecast level of over spend is being developed. This will be investigating where levels of expenditure can be reduced across a wide range of areas including homecare, transport, time-limited projects and the potential to hold vacancies across the directorate.

Community Safety

An underspend due to delays in police deployment of officers

(0.3) The forecast outturn variance is a £0.3m under spend against a net budget of £3.5m. This is after the allocation of an expected £0.4m funding for the Partnership Task Force.

The majority of the under spend is in relation to the general fund element of the Partnership Task Force (PTF) (£0.2m), due to delays in police deployment

of officers.

Public Health

Breakeven position with the grant forecast

- It is currently forecast that the public health grant will be fully utilised in 2019-20. Consideration is being given to how the public health grant may be further utilised to support the directorate's recovery plan e.g. more targeted prevention to help better manage demand.
-

Forecast outturn variance £0.1m underspend

£m	Forecast Outturn Variance			Annual Figures		Figures to 30 June 2019	
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves	Current Budget ⁽¹⁾	Forecast Outturn Position	Budget to Date	Actual
Place	(0.1)	(0.1)	-	72.9	72.8	18.2	6.5

The overall forecast variance for the Place directorate is an underspend of £0.1m. There are a number of projected underspends and overspends within the directorate that make this up. The main variances and risks are detailed below:

(in numerical descending order)	Variance £m	Forecast variance commentary
Corporate Property & Capital Delivery Reduction in income from occupation of Jack Dash House; costs of holding vacant premises awaiting disposal; Increased staffing costs in delivering the asset management programme; Delivery of saving proposals	1.1	<p>An income pressure of £0.8m resulting from lost rents following Tower Hamlets Homes move from Jack Dash House in July 2018. This budgetary pressure will continue until a new tenant is secured.</p> <p>Costs are being incurred in relation to ensuring the security of vacant buildings whilst decisions and processes are completed around their disposals resulting in a forecast overspend of £0.2m</p> <p>Accruals totalling £0.1m for agency staff within the Asset Management team were not completed at the end of 2018/19. Timesheets were submitted to the agent but not charged back to the Council until after the deadline for inclusion in the accounts. As a result these costs will have to be met in 2019/20.</p> <p>Staff costs for asset management are forecasting to overspend by £0.6m based on current expenditure levels. This is primarily the result of the high usage of agency staff within the service. At present this is being highlighted as a risk whilst agreements are reached regarding the recharging of these costs to the HRA and capital schemes.</p>
Resources Reduced income at Kemnal Park Cemetery	0.2	<p>Budget pressure of £0.2m in respect of Kemnal Park Multi-Faith Cemetery as a result of demand for burial plots not meeting originally estimated levels. Marketing continues to take place to highlight the availability of plots but is not effectively increasing uptake.</p>
Planning & Building Control Fees in relation to Planning Appeals	0.5	<p>One off legal fees and costs currently estimated at £0.5m relating to an appeal following refusal of planning application for the Westferry Printworks site.</p> <p>Current income projections for planning and building control are forecast to be in line with budget. There is a background concern Brexit will impact on income but this is not showing in planning activity at present. This will continue to be monitored throughout the year.</p>
Growth & Economic Development Breakeven position expected	-	<p>The Growth and Economic Development restructure is due for implementation on 1 July 2019. The budget is based on the new structure and as a result any delays in implementation will result in additional cost and overspend. This will be modelled and the impact reported in future months.</p>

outcomes to be delivered Mayoral Priority Growth was incorporated within the budget in 2018-19. Due to the re-profiling of projects, the funding was not fully spent. It is assumed that this £1.2 million will be made available for use in the delivery of these mayoral outcomes in 2019-20, enabling the costs to be contained within available funding streams.

Public Realm (1.5) Parking income is projected to over achieve budgeted levels by £1.5m which will be utilised through the corporate processes for the General Fund and Parking Reserve Account in line with Section 55 requirements. Corporate decisions will be taken at year end relating to any parking surpluses

Over achievement of parking income from bay suspensions, pay & display charges and parking enforcement

The retendering of the waste disposal contract has resulted in a reduced budget provision of £1m. This saving has been delivered and based on current tonnages the waste service is forecasting to breakeven.

In 2020-21 Waste services will be brought in-house and the costs associated with the waste mobilisation process will be met from £2.5m of corporate reserves. Current forecasts indicate the project will be delivered in line with this funding.

Additional income from Landlord Licensing and HMO (House in Multiple Occupation) is being profiled to be allocated over the life of each licence issued. Income is received up front and drawn down over the five years it is valid to cover costs incurred. No variance is forecast.

Housing & Regeneration (0.4) A £0.3m savings target within the Housing options lettings service will not be delivered in 2019/20. This saving is predicated on the improved utilisation of I.C.T and will slip into 2020/21 creating a budget pressure. This pressure is forecast to be partially offset through £0.1m of additional income from registered providers using the Council maintained common housing register.

Slippage of savings proposal through improved utilisation of I.T. Over recovery of income relating to T.A. acquisitions

Based on current activity and unit cost data, the Homelessness and Temporary Accommodation services are forecasting to underspend by £0.6m. This is predominantly the result of additional income relating to acquisitions. This forecast includes drawing down rough sleepers grant monies as it has to be repaid if not used in year. No other grant income is included in this forecast.

Forecast breakeven position after reserves drawdown

£m	Forecast Outturn Variance			Annual Figures		Figures to 30 June 2019	
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves	Current Budget ⁽¹⁾	Forecast Outturn Position	Budget to Date	Actual
Governance	-	0.8	(0.8)	14.7	15.5	3.7	4.7

The Governance directorate estimated impact on the general fund is nil, subject to the expected drawdown of £0.6m transformation reserve transitional funding for Strategy, Policy and Performance (SPP) and a further estimated £0.2m from the Children's Services Ofsted Improvement budget for strategic improvement work carried out by SPP.

The 2019-20 budgets include £0.05m of savings which the directorate is forecasting to achieve in full.

Other comments

Electoral Services

The European elections in May 2019 were grant funded. The costs of any by-elections would require use of identified corporate contingency funds.

Registrar Services

The move to St George's Town Hall in early 2020 will provide increased income earning opportunities.

Legal Services

The use of external legal services is being reviewed to reduce costs. The Council has joined a framework for barristers and is looking into joining a framework for solicitors.

Communications

The communications division is reviewing the potential for street advertising income.

Forecast outturn variance of £10.5m underspend

£m	Forecast Outturn Variance			Annual Figures		Figures to 30 June 2019	
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves	Current Budget ⁽¹⁾	Forecast Outturn Position	Budget to Date	Actual
Corporate and financing costs	(10.5)	(10.5)	-	2.8	(7.7)	0.7	2.9

The corporate and financing costs area is forecasting an underspend of £10.5m. This is demonstrated by the centrally held non-recurrent social care support grant, non-pay inflation budget and corporate contingency.

Details of the variances are summarised below:

(in numerical descending order)	£m	Forecast variance commentary
Social Care Support Grant Grant to support adult and children's social care	(4.0)	The non-recurrent social care grant to support both adult and children's social care is held centrally, pending agreement of allocation to social care support areas.
Non-pay inflation Budget for contractual inflation in directorates	(3.4)	The budget for contractual (non-staffing) inflation is held centrally, pending the evidencing of pressures by directorates.
Corporate contingency Budget to cover unforeseen circumstances	(3.1)	The centrally held budget (£3.1m) is forecast to help offset current overspend pressures across the Council.

Forecast outturn variance for HRA £2.2m underspend

£m	Forecast Outturn Variance			Annual Figures		Figures to 30 June 2019	
	Contribution to / (from) HRA	Contribution to / (from) Reserves	Outturn Variance before Adjustments	Revised Budget	Forecast Outturn Position	Budget to Date	Actual
HRA	2.2	-	(2.2)	36.7	34.5	(19.8)	(32.3)

The overall forecast for the Housing Revenue Account is a £2.2m underspend. The main component of this is from £1.6m additional dwelling rent income above budget.

(in numerical descending order)	Variance £m	Forecast variance commentary
Dwelling rent income	(1.6)	Rental income is currently forecast to be higher than budget due to lower void rates than assumed when this budget was set, along with a lower level of Right to Buy sales.
Additional income recovered		
Other Issues		
Capital Financing charges	(0.6)	The 2019/20 budget assumes that there will be a large Revenue Contribution to Capital Outlay (RCCO) made from HRA revenue resources to finance the 2019/20 HRA capital programme. If all this budget is not required to fund the HRA capital programme in 2019/20 then the resulting underspend will carry forward in HRA balances and be earmarked to fund capital in future years.
Tower Hamlets Homes (THH) Delegated: Special Services, Rents, Rates & Taxes/ Supervision & Management/ Repairs & Maintenance		Although small net variances are currently being projected on the delegated budgets managed by Tower Hamlets Homes, some large demand led services are managed within this area, including the Repairs and Maintenance budget outlined above. These budgets are closely monitored in order that demand pressures are identified and financial implications addressed.

Capital expenditure:

	Spent to date vs Budget		2019-20 (£m)	
	This year (Q1)	Last year (Q1)	Annual budget	Spent to date
	% B = F/E	% C	£m E	£m F
Housing Revenue Account	5%	2%	112.1	6.0
Corporate	0%	-1%	50.4	-
Children's Services	8%	24%	43.8	3.5
Place	37%	36%	78.6	29.4
Health, Adult, Communities	-3%	0%	13.5	(0.45)
Resources	2%	0%	2.3	0.1
Total	13%	14%	300.6	38.5

We have spent 13% of budget as at quarter 1, compared to 14% at quarter 1 last year.

Capital receipts from sale of Housing and General Fund assets

Capital receipts:

	This year
	£m
Dwellings sold under Right to Buy (RTB)	
Receipts from RTB sales	1.6
Less: poolable amount paid to DCLG	(0.4)
Sale of other HRA assets	
Preserved Right to Buy receipts	0.4
20 Alton Street	0.4
Sale of General Fund assets	
	-
	-
Total	2.0

Receipts shown gross before costs of sale are deducted

Current projections will :

This table shows the balance on the general fund, HRA and useable reserves held for the previous 2 years as well as showing the projected impact on reserves for 2019-20.

Reduce our General Fund Reserve by £8.2m**Increase our HRA by £2.2m****Reduce our Earmarked Reserves by £9.4m**

	Balance at 31 March 2018	Balance at 31 March 2019	Contribution (to) / from Reserve	Projected Balance 31 March 2020
	£m	£m	£m	£m
General Fund Reserve	33.3	27.0	8.2	18.8
Housing Revenue Account (HRA)	47.6	54.6	(2.2)	56.8
Earmarked Reserves	141.9	140.3	9.4	130.9
Total Usable Reserves	222.8	221.9	15.4	206.5

	Balance at 31 March 2018	Balance at 31 March 2019	Contribution (to) / from Reserve	Projected Balance 31 March 2020
£m	£m	£m	£m	£m
Earmarked reserves consist of				
Transformation	15.0	8.4	1.4	7.0
ICT / Finance Systems	21.0	16.3	8.0	8.3
Other	0.9	0.9		0.9
Parking Control	3.3	3.3		3.3
Building Control	0.2	0.2		0.2
Land Charges	0.7	0.7		0.7
Insurance	21.2	21.2		21.2
Public Health Grant	1.3	1.7		1.7
Schools Balances	23.4	23.4		23.4
New Civic Centre	17.2	17.2		17.2
New Homes Bonus	12.1	28.9		28.9
Free School Meals	4.0	4.0		4.0
Mayor's Investment Priorities	7.0	4.6		4.6
Risk Reserve	8.8	4.4		4.4
Revenue Grants	1.7	1.7		1.7
Mayor's Tackling Poverty Reserve	4.1	3.4		3.4
Totals	141.9	140.3	9.4	130.9

Target for year £25.1m

£m	Saving Target	19-20 Target	Prior Year Slippage	Forecast Savings	Slippage	Under Recovery	Over recovery
	A = B + C	B	C	(D = E + F + G) = A	E	F	G
				✓	✗	✗	✓
Children and Culture	5.1	3.5	1.6	0.8	1.0	3.3	-
HA&C	3.4	2.7	0.7	2.9	0.5	-	-
Place	2.9	2.4	0.5	2.5	0.3	0.1	-
Governance	0.1	0.1	-	0.1	-	-	-
Resources	2.8	0.5	2.3	2.1	0.7	-	-
All	10.8	5.6	5.2	8.9	1.9	-	-
Total	25.1	14.8	10.3	17.3	4.4	3.4	-

tick: a higher level of confidence that savings are on track to be delivered.

cross: either timing issues, i.e. slippage into future years, or at risk of non-delivery.

Total savings target for 2019-20 is £25.1m (£14.8m relates to approved savings as part of the 2019-20 budget setting process, and £10.3m as a result of previous year savings not delivered)

- £17.3m is identified as being on track to deliver savings;
- A net position of £4.4m is forecast to slip into future years due to timing issues;
- £3.4m has been identified as unachievable; this is mainly in the Children and Culture areas of Early Years and Special Educational Needs & Disabilities (SEND).

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Capital Control Budget 2019-20	Total	Health, Adults & Community	Children & Culture	Place	Resources	Corporate	Housing Revenue Account
	£	£	£	£	£	£	£
Original Budget (Council, February 2019)	261,057,283	11,997,589	35,444,430	63,463,309	1,888,000	63,324,000	84,939,955
Slippage from 2018-19	16,419,159	1,369,011	4,914,929	(15,488,617)	384,134	(2,007,270)	27,246,972
Cabinet Approvals							
Condition & Improvement Works in Schools (June 2019)	3,000,000		3,000,000				
Gascoigne Greening Project - Culture (June 2019)	301,000		301,000				
Building Fabric Works for Various Sites - Investment works to LBTH Assets (June 2019)	931,000			931,000			
Mechanical and Electrical Works for Various Sites - Investment works to LBTH Assets (June 2019)	1,305,000			1,305,000			
Interim Depot Provision - Public Realm Improvements (June 2019)	615,000			615,000			
Waste and Cleansing IT Systems - Public Realm Improvements (June 2019)	750,000			750,000			
Budgets Re-profiled							
Underground Refuse Service Vehicles	25,086					25,086	
Purchase of properties for use as Temporary Accommodation and purchase of s106 properties	26,910,000			26,910,000			
Other Adjustments							
William Cotton Place - Fit Out - Public Health (adjustment to slippage from 2018-19)	104,633	104,633					
Arnhem Wharf - Expansion (adjustment to slippage from 2018-19)	13,700		13,700				
Bow School - Expansion (adjustment to slippage from 2018-19)	12,256		12,256				
George Green's - 6th form Expansion (adjustment to slippage from 2018-19)	20,830		20,830				
Woolmore Primary School Expansion (adjustment to slippage from 2018-19)	19,823		19,823				
Provision for 2 year olds	(500,000)		(500,000)				
- Children's House Nursery School - Additional Accommodation	500,000		500,000				
Schools Urgent Works - Conditions and Improvement	(485,235)		(485,235)				
- Beatrice Tate - Replace Default Pipework	23,128		23,128				
- Cyril Jackson (North) - Replace Boiler and Calorifier	39,033		39,033				
- George Green's - Hygiene Room	1,080		1,080				
- Halley - Intruder Alarm & Fire Alarm Upgrade	11,000		11,000				
- Halley - Toilet Refurbishment	2,427		2,427				
- Ian Mikardo High Special Needs School - Roofing	188		188				
- Seven Mills - Hygiene Room	15,000		15,000				
- Seven Mills - Roof Phase 1	(45,000)		(45,000)				
- Seven Mills - Roof Phase 2	300,000		300,000				
- Shapla - Replace H&C controls	116,480		116,480				
- Smithy Street- Fire Door Works	20,000		20,000				
- Smithy Street School - Lead Pipework Replacement	1,901		1,901				
Improve the look and feel of Tower Hill Terrace - Culture (adjustment to slippage from 2018-19)	9,732		9,732				
Langdon Park BMX - Culture (adjustment to slippage from 2018-19)	33,464		33,464				
Mile End Stadium Astro-turf Development - Culture (adjustment to slippage from 2018-19)	6,208		6,208				
Victoria Park - Pools Playground Improvement - Culture (adjustment to slippage from 2018-19)	9,348		9,348				
Christ Church Gardens - Parks (adjustment to slippage from 2018-19)	(1,125)		(1,125)				
King Edward Memorial Park - Parks (adjustment to slippage from 2018-19)	(1,665)		(1,665)				
Millwall Park & Langdon Park - Parks (adjustment to slippage from 2018-19)	2,400		2,400				
The Oval Space - Parks (adjustment to slippage from 2018-19)	3,933		3,933				
Victoria Park Sports Hub - Parks (adjustment to slippage from 2018-19)	2,482		2,482				
Asset Maximisation	194,586			194,586			
- Artichoke Pub Site	4,400			4,400			
- Harpley School - Additional Accommodation	6,014			6,014			
- Berner Centre Demolition	(217,000)			(217,000)			
- PDC Bethnal Green - Local presence	12,000			12,000			
Tree planting - Isle of Dogs - Public Realm Improvements (adjustment to slippage from 2018-19)	(12,342)			(12,342)			
TfL Schemes	(564,401)			(564,401)			
- Ben Johnson Neighbourhood	100,000			100,000			
- Bus Stop Accessibility Programme	6,920			6,920			
- Chrisp St Corridor	100,000			100,000			
- Cycle Strategy 2017	100,000			100,000			
- Housing Zone - Complementary Measures	503			503			
- Improving Air Quality	50,000			50,000			
- Legible London 2017	50,000			50,000			
- Local Accessibility	15,000			15,000			
- Motor Cycle Parking	10,000			10,000			
- Motor Cycles in Bus Lanes	10,990			10,990			
- Quietway 6: Bancroft Road / Warley Street	6,050			6,050			
- Quietway 6: Holton Street / Grantley Street	294			294			
- Quietway 6: Old Ford Road / Armagh Road	59,546			59,546			
- Quietway 6: Roman Road / Cardigan Road / Arbery Road	98			98			
- Sustainable Drainage Scheme	15,000			15,000			
- Tackling ASB Driving	40,000			40,000			
Bethnal Green Town Centre - TfL Schemes (adjustment to slippage from 2018-19)	(3,003)			(3,003)			
Boroughwide Road Safety - TfL Schemes (adjustment to slippage from 2018-19)	6,720			6,720			
Road Safety 2017 - TfL Schemes (adjustment to slippage from 2018-19)	107,298			107,298			
TfL Local Transport - Various - TfL Schemes (adjustment to slippage from 2018-19)	(11,990)			(11,990)			
Bus Improvement - 21 Wapping Lane - Transport S106 Funded Schemes (adjustment to slippage from 2018-19)	21,292			21,292			
Limehouse Cut / St Annes Row - Transport S106 Funded Schemes (adjustment to slippage from 2018-19)	(3,000)			(3,000)			
Provision for New Schemes	(10,986,000)					(10,986,000)	
1-4-1 Leaseholder Buybacks (adjustment to slippage from 2018-19)	(59,396)						(59,396)
Short Life Properties (adjustment to slippage from 2018-19)	15,792						15,792
Quarter 1 Total Adjustments	23,148,476	104,633	3,432,385	30,615,976	-	(10,960,914)	(43,604)
Revised 2019-20 Budget	284,205,759	13,471,233	43,791,745	78,590,668	2,272,134	50,355,816	112,143,322

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CONTROL BUDGET 2019-20

	Total General Fund	Health, Adults & Community	Children's Services	Place	Governance	Resources	Corporate Costs and Central Financing
Gross Expenditure Budget	825,397,342	170,574,338	153,824,619	181,385,602	23,011,988	282,802,146	13,798,649
Gross Income Budget	(482,837,038)	(30,639,665)	(54,145,545)	(108,489,017)	(8,314,523)	(270,265,288)	(10,983,000)
Nex Expenditure Budget	342,560,304	139,934,673	99,679,074	72,896,585	14,697,465	12,536,858	2,815,649
Growth Reallocation - PFI Enforcement Officer	0		(85,000)			85,000	
Total Adjustments	0	0	(85,000)	0	0	85,000	0
Revised Net Expenditure Budget	342,560,304	139,934,673	99,594,074	72,896,585	14,697,465	12,621,858	2,815,649

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MTFS Savings Tracker 2019-22 as at 30 June 2019 - Summary

2019-20						
Savings target	Slippage from previous year	Revised Savings target	Delivered / cashed	Forecast savings	Variance - Slippage	Variance - Under / (over) delivery
£'000	£'000	£'000	£'000	£'000	£'000	£'000

2020-21					
Savings target	Slippage from previous year	Revised Savings target	Forecast savings	Variance - Slippage	Variance - Under / (over) delivery
£'000	£'000	£'000	£'000	£'000	£'000

2021-22					
Savings target	Slippage from previous year	Revised Savings target	Forecast savings	Variance - Slippage	Variance - Under / (over) delivery
£'000	£'000	£'000	£'000	£'000	£'000

Directorate

Health, Adults & Community	2,752	679	3,431	703	2,870	561	-
Children and Culture	3,483	1,590	5,073	450	725	1,000	3,348
Place	2,416	490	2,906	1,351	2,556	300	50
Governance	50	-	50	50	50	-	-
Resources	525	2,250	2,775	-	2,075	700	-
Cross-Directorate	5,619	5,248	10,867	258	8,917	1,950	-

	1,190	561	1,751	1,751	-	-	-
	1,500	1,000	2,500	2,250	250	-	-
	3,380	300	3,680	3,680	-	-	-
	-	-	-	-	-	-	-
	2,770	700	3,470	3,470	-	-	-
	5,750	1,950	7,700	7,700	-	-	-

	1,700	-	1,700	1,700	-	-	-
	300	250	550	550	-	-	-
	329	-	329	329	-	-	-
	-	-	-	-	-	-	-
	200	-	200	200	-	-	-
	5,630	-	5,630	5,630	-	-	-

Total	14,845	10,257	25,102	2,812	17,193	4,511	3,398
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Total	14,590	4,511	19,101	18,851	250	-	-
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Total	8,159	250	8,409	8,409	-	-	-
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Savings Achievement Status

Savings Delivered / On Target	6,067	319	6,386	2,461	6,386	-	-
Savings Slipping but Achievable	6,959	8,359	15,318	351	10,807	4,511	-
Not Deliverable / Not Achievable	1,819	1,579	3,398	-	-	-	3,398

	14,590	-	14,590	14,590	-	-	-
	-	4,511	4,511	4,261	250	-	-
	-	-	-	-	-	-	-

	8,159	-	8,159	8,159	-	-	-
	-	250	250	250	-	-	-
	-	-	-	-	-	-	-

Total	14,845	10,257	25,102	2,812	17,193	4,511	3,398
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Total	14,590	4,511	19,101	18,851	250	-	-
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Total	8,159	250	8,409	8,409	-	-	-
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Reference	PMO Project Reference	Directorate	Service Area	Title	Savings Achievement Status	Year Approved	2019-20											2020-21						2021-22							
							Savings target	Slippage from previous year	Revised Savings target	Delivered / cashed	Forecast savings	Variance - Slippage	Variance - Under / (over) delivery	Forecast Savings RAG	Project Status RAG	Status update	Savings target	Slippage from previous year	Revised Savings target	Forecast savings	Variance - Slippage	Variance - Under / (over) delivery	Savings target	Slippage from previous year	Revised Savings target	Forecast savings	Variance - Slippage	Variance - Under / (over) delivery			
							£'000	£'000	£'000	£'000	£'000	£'000	£'000				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Not Deliverable / Not Achievable																															
D&R008/16-17		Place	Corporate Property & Capital Delivery	Generating more income from council assets	Not Deliverable / Not Achievable	2016-17		50	50						50	Red	Red	1. The saving related to potential revenues generated from the rental of street furniture that was anticipated from the exclusive concession award for Wi-Fi and small cell. This approach has now been abandoned based on legal advice received and the Wi-Fi project put on hold. The digital connectivity programme now concerns itself primarily with delivering broadband into social housing and this has been ratified by the Digital Portfolio Board. This saving will not be delivered and to date discussions have not taken place to identify any alternative measures to deliver the planned savings target.													
CHI005/17-18	FS05-SEN	Children and Culture	Learning & Achievement	Better targeting of services for children with special educational need and disabilities (SEND)	Not Deliverable / Not Achievable	2017-18	740	200	940						940	Red	Red	1. This saving is unachievable.													
CHI003/17-18		Children and Culture	Learning & Achievement	Increasing the involvement of partners in Early Years services	Not Deliverable / Not Achievable	2017-18	1,079	1,329	2,408						2,408	Red	Red	1. IEYS savings for LADN cannot be made due to the budget being funded by DSG.													
Not Deliverable / Not Achievable							1,819	1,579	3,398	-	-	-	-	-	3,398																
Total							14,845	10,257	25,102	2,812	17,193	4,511	3,398								14,590	4,511	19,101	18,851	250		8,159	250	8,409	8,409	

Mayoral Priority Growth 2019-22 as at 30 June 2019

Reference	Directorate	Title	Strategic Priority Outcome	Revenue (One Off)				Revenue (Ongoing)				Capital				Housing Revenue Account				Status update
				2019-20 £'000	2020-21 £'000	2021-22 £'000	Total £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	Total £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	Total £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	Total £'000	
MGRO CHI 2-17	Children's Services	Children's Centre commissioning of voluntary and community sector (VCS) organisations	2. Children and young people are protected so they can realise their potential	120			120													Outreach service provided by the Voluntary Sector for 'hard to reach' families, including the summer programme.
MPG / ALL 002 / 19-20 (b)	Children's Services	Community Safety, Violence, Exploitation and Serious Organised Crime	7. People live in safer neighbourhoods and anti-social behaviour is tackled					182	4	4	190									
MPG/ CHI 03 / 18-19	Children's Services	Continuing to provide universal free school meals	2. Children and young people are protected so they can realise their potential	2,000	2,000		4,000													£2m for free school meals for primary schools.
MPG/ CHI 001 / 19-20	Children's Services	Early Years - Conception to Age 13	4. Inequality is reduced and people feel that they fairly share the benefits from growth					1,000			1,000									
MPG/ CHI 02 / 18-19	Children's Services	Early Years Provision Victoria Park and St Hilda's Community Centre	2. Children and young people are protected so they can realise their potential	31	31		62													
MGRO CLC 5-17	Children's Services	Provision of four new outdoor gyms to improve health outcomes to all parts of the community	3. People access joined-up services when they need them and feel healthier and more independent							27		27								
Children's Services Total				2,151	2,031	-	4,182	1,182	4	4	1,190	27	-	-	-	27	-	-	-	-
MPG/ HAC 02 / 18-19	Health, Adults and Community	Additional Police officers for Neighbourhoods	7. People live in safer neighbourhoods and anti-social behaviour is tackled	800	800		1,600													The Metropolitan Police Service is recruiting extra police officers to work directly in response to residents' concerns around community safety. This is a partnership initiative between the Council and Tower Hamlets Police, and replaces the previous partnership taskforce (PTF) agreements.
MPG/ PLA 06 / 18-19	Health, Adults and Community	ASB & Crime Neighbourhood Management	7. People live in safer neighbourhoods and anti-social behaviour is tackled	200	200		400													
MPG / ALL 002 / 19-20	Health, Adults and Community	Community Safety - Enforcement Review	7. People live in safer neighbourhoods and anti-social behaviour is tackled					121			121									
MPG/ HAC 02 / 18-19	Health, Adults and Community	Community Safety, ASB & Crime	7. People live in safer neighbourhoods and anti-social behaviour is tackled	273	277		550													All the new posts are now employed against, and the cost of the new IT system was less than initially estimated.
MPG / ALL 002 / 19-20 (a)	Health, Adults and Community	Community Safety, Violence, Exploitation and Serious Organised Crime	7. People live in safer neighbourhoods and anti-social behaviour is tackled							113	113									
Health, Adult & Community Total				1,273	1,277	-	2,550	121	-	113	234	-	-	-	-	-	-	-	-	-
MPG/ PLA 04 / 18-19	Place	Air Quality Assistant	5. People live in a borough that is clean and green	50	50		100													
MPG/ PLA 05 / 18-19	Place	Bursary for Environmental Health Trainees	5. People live in a borough that is clean and green	30	30		60													
MPG / ALL 001 / 19-20	Place	Community Safety - Enforcement Review	7. People live in safer neighbourhoods and anti-social behaviour is tackled					451			451									
MGRO D&R 1-17	Place	Creating community hubs and regularising the usage of community buildings to provide high quality, low cost space for community groups	10. The Council works collaboratively across boundaries in strong and effective partnerships to achieve the best outcomes for residents							1,581		1,581								
MPG/ PLA 01 / 18-19	Place	Enabling Unemployed Parents to Move into Childcare Jobs	1. People access a range of education, training, and employment opportunities	451	451		902													
MGRO D&R 2-17	Place	Enhancing services to support people in overcoming the barriers to accessing skills and toward employment	1. People access a range of education, training, and employment opportunities	226			226													
MGRO D&R 6-17	Place	Helping women to progress from unemployment into health care careers.	1. People access a range of education, training, and employment opportunities	705			705													
HRA Budget report	Place	HRA funding set aside for ASB Initiatives	7. People live in safer neighbourhoods and anti-social behaviour is tackled											736						Police officers funded by the HRA, and match funding by MOPAC to provide additional police officers (free of charge).
MGRO CLC 3-17	Place	Improving Air quality in Tower Hamlets	5. People live in a borough that is clean and green							26		26								
MGRO CLC 4-17	Place	Incentivising better waste collection arrangements on housing estates	5. People live in a borough that is clean and green	250			250													Links to 2 year plan for the estates recycling, communications and interventions projects.
MGRO D&R 3-17	Place	Introducing new off-street parking arrangements in our housing estates due to changes in national legislation	5. People live in a borough that is clean and green	(80)			(80)			1,478	1,450	326	3,254	(250)						

Reference	Directorate	Title	Strategic Priority Outcome	Revenue (One Off)				Revenue (Ongoing)				Capital				Housing Revenue Account				Status update	
				2019-20 £'000	2020-21 £'000	2021-22 £'000	Total £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	Total £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	Total £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	Total £'000		
MPG / PLA 001 / 19-20	Place	Invest in Graffiti Removal	5. People live in a borough that is clean and green	450	450		900														
MGRO CLC 17	Place	Investing in public realm to improve the local environment for residents	5. People live in a borough that is clean and green				-						2,401	1,000	1,000	4,401					
MPG / PLA 002 / 19-20	Place	Regeneration Vision	6. People live in good quality and affordable homes and neighbourhoods	400	200		600														
MGRO D&R 5-17	Place	Supporting residents aged 50 and above through training and support to help them access employment opportunities	1. People access a range of education, training, and employment opportunities	101			101														
MGRO D&R 4-17	Place	Supporting young people realise their potential through the Mayor's Apprenticeship Fund	1. People access a range of education, training, and employment opportunities	199	104		303														Target delivery of creating 1000 apprenticeship opportunities by 2020 is on course.
MGRO RES 2-17	Place	Tackling Poverty Fund - Tackling poverty in Tower Hamlets by creating a Welfare Support Scheme to support residents	3. People access joined-up services when they need them and feel healthier and more independent to support residents	1,667	1,667		3,334														Outreach with various partners have successfully contributed to the number of apprenticeship creations.
MPG / PLA 003 / 19-20	Place	Tackling Poverty Programme	4. Inequality is reduced and people feel that they fairly share the benefits from growth				-			700	700										Ongoing tackling poverty initiatives.
MPG/ PLA 02 /18-19	Place	Watney Market Shop Front for 'Young WorkPath'	2. Children and young people are protected so they can realise their potential	60	60		120						16			16					
Place Total				4,508	3,012	-	7,520	451	-	700	1,151	5,502	2,450	1,326	9,278	486	-	-	486		
MGRO RES 1-17	Resources	Providing free Wi-Fi in Tower Hamlets for all	9. The Council is open and transparent putting residents at the heart of everything we do				-					500	500	500	1,500						
Resources Total				-	-	-	-	-	-	-	-	500	500	500	1,500	-	-	-	-		
Total				7,932	6,320	-	14,252	1,754	4	817	2,575	6,029	2,950	1,826	10,805	486	-	-	486		

New Pipeline Schemes for Cabinet Approval - 31 July 2019

Scheme	Summary	Strategic Priority Outcome	Directorate	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget	Total Budget £m
New Approvals:								
Roman Road West Regeneration	<p>The purpose of this Project is to seek approval for capital funding to deliver the Roman Road West (RRW) Regeneration programme, which aims to address weaknesses and improve the competitiveness and performance of this key local town centre.</p> <p>The RRW Regeneration programme addresses weaknesses in this town centre, particularly very low footfall, by carrying out improvements to: the public realm and Market Square to relaunch the market, wayfinding & signage, planters on the high street, shopfronts, equipment for commercial waste & recycling, converting lock-ups into workspace and create a new walking route from Queen Mary University London (QMUL) campus in Mile End to RRW.</p>	6. People live in good quality and affordable homes and neighbourhoods	Place	0.705	0.830	0.141		1.676
Local Infrastructure Initiatives (LIF)	<p>This PID sets out the Local Infrastructure Interventions Programme approach for the management and expenditure of Local Infrastructure Fund</p> <p>The PID seeks approval for the allocation of LIF funds to the value of £10.2m to two sub – programmes that will deliver the outputs of the LIF programme:</p> <p>The PID seeks approval for the allocation of LIF funds to the value of £10.2m to two sub – programmes that will deliver the outputs of the LIF programme:</p> <ul style="list-style-type: none"> • Delivery of Public Nominated Projects (£7.7m) • Enabling Delivery of Housing and Infrastructure (£2.4 m) 	9. The Council is open and transparent putting residents at the heart of everything we do	Place	1.900	4.500	3.700		10.100
Middlesex Street Regeneration Programme	<p>This scheme is to secure approval for capital funding to deliver the Middlesex Street High Street Regeneration programme, which aims to improve the competitiveness and performance of this key local high street.</p> <p>The Middlesex Street Regeneration programme will address weaknesses and complete improvements to: public realm, shopfronts, Petticoat Lane Street Markets, signage & wayfinding, commercial waste management & recycling facilities and equipment and bring Leyden Street toilet block back into use as a public convenience and workspace to generate income for the council.</p>	5. People live in a borough that is clean and green	Place	0.403	0.985	0.985	0.327	2.700
Early Learning for 2 Year Olds Capital Funding 2018-20	<p>The Early Learning for 2 Year Olds (EL2) Capital Funding 2018-20 programme is an allocation of £1.9 million of capital funding to create 600 new Early Learning for 2 Year Olds (EL2) early education places to benefit some of the most disadvantaged families with 2 year olds in the country.</p> <p>The programme also enables the London Borough of Tower Hamlets to fulfil a significant part of its statutory duty under the Childcare Act 2006 to ensure the sufficiency of early education and affordable childcare and to maximise the take-up of the Free Early Education Entitlements.</p>	1. People access a range of education, training, and employment opportunities	Children and Culture	1.000	0.900			1.900

Scheme	Summary	Strategic Priority Outcome	Directorate	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget	Total Budget £m
New Approvals:								
ICT End User Computing (EUC) Transformation Project	<p>This project aims to facilitate improvements to efficiency, collaboration, engagement, user-experience and mobility by providing improved end-user computing platforms.</p> <p>The deliverables associated with this PID delivers the EUC Devices workstream. This workstream's objectives are to:</p> <ul style="list-style-type: none"> • Evaluate and analyse requirements • Quantify the device requirement • Specify hardware devices • Procure the specified devices • Deliver the procured devices to the desktop • Test and set in motion the ongoing support of the devices 	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement	Resources	4.200				4.200
Total				8.208	7.215	4.826	0.327	20.576

Existing Capital Schemes Additional Funding for Cabinet Approval - 31 July 2019

Scheme	Summary	Strategic Priority Outcome	Directorate	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	Total Budget £m
Additional funding:									
Carbon Offsetting Programme	This Scheme delivers Carbon Offsetting via finances secured through S106 which include: • Affordable Warmth Programme • Schools Energy Retrofit Project • Community Tree Planting Project • Bio-Solar Installation Project • SME Carbon Reduction Project • Community Energy Efficiency projects • Residential Boiler Replacement Programme	2.1 People live in a borough that is clean and green	Place	0.740	0.700	0.300			1.740
Inclusive Play	This scheme provides for with inclusive play opportunities for children with disabilities. We propose to reanimate a number of run down playgrounds in key areas of the borough. The final identification of sites will be subject to analysis of the most recent play equipment inspection in the borough, and will present opportunities to create inclusive play in areas where the borough has little or no inclusive play equipment. Potential sites will be in heavily used areas and cater for children for disabilities as well as able bodied children.	2. Children and young people are protected so they can realise their potential	Children and Culture	0.538	0.300	0.250			1.088
Improvements to Sports Facilities in Parks	As part of the drive to enable affordable and accessible sport / leisure provision for local residents, this programme is to improve sports facilities in parks, such as tennis courts, and multi-use games areas (MUGA's). The programme will include establishing and enhancing some outdoor gyms building on the successful programme from 2017-18. Over the coming years, £1,000,000 will be spent, linking when possible to improvements to playgrounds and park infrastructure.	8. People feel they are part of a cohesive and vibrant community	Children and Culture	0.155	0.240	0.350	0.180		0.925
South Dock Bridge	This scheme sets out the delivery of South Dock Bridge a new footbridge between South Quay and Canary Wharf in the Isle of Dogs. Approval is sought for £15m to deliver the bridge and the associated landscaping works (part of this funding has already been sourced as set out in section 9). The South Dock Bridge Project builds on the work undertaken by an earlier feasibility study into a new pedestrian and cycling link across South Dock (Isle of Dogs – South Dock Bridges Feasibility Study, May 2016).	6. People live in good quality and affordable homes and neighbourhoods	Place	0.110	6.760	6.760			13.630
Aberfeldy Health Centre (Exception/Change Report)	This change note has been developed to reflect the following changes to the programme of works: 1. Poplar Harca are in the process of taking over the freeholder arrangements and will take over the head lease arrangements, replacing NHS Property Services. 2. The East London Foundation Trust is taking over responsibility of fitting out the premises, replacing NHS Property Services. 3. Due to delays with the programme, the change note reflects more accurate timescales for delivery. 4. Revised project costs	3. People access joined-up services when they need them and feel healthier and more independent	Health, Adults & Community			0.749			0.749
Brick Lane Regeneration (Exception/Change Report)	On the 19th December 2017, Cabinet approved Phase 2 of the Brick Lane regeneration Scheme. Due to an oversight, this budget increase was not subsequently included in the overall Councils capital programme. We have been informed that in order to reflect this decision in the capital programme, a change control form must be submitted to the Asset Management and Capital Delivery Working Group.	6. People live in good quality and affordable homes and neighbourhoods	Place	0.157					0.157
Phoenix School Expansion - Using Bow Boys Site (Exception/Change Report)	The sum of £9.1 M included in the programme which was to use the ex Bow Boy's School Site to create a 3 forms entry primary school. Following review of the demand for primary school places, the need for primary school places in the Bow area meant that the 3fe school was no longer required. The new proposal to use the site to create an upper school for Phoenix special school will cost £16m.	2. Children and young people are protected so they can realise their potential	Children and Culture	10.700	3.900	1.600			16.200
Accelerated Street Lighting and LED Replacement Programme (Exception/Change Report)	The Mayor for Tower Hamlets in support of his 'Love your Neighbourhood' initiative and a number of manifesto commitments, has already made a commitment and invested £1m per annum over a period of 4 years. The aim of this project is to accelerate this programme from 2019/20 onwards to £5m per annum from 2019/22, totalling £21m over the programme period, and includes £1.5m in 2019/20 for the implementation of a full Central Management System (CMS) on the circa 10,600 lanterns in the borough.	5. People live in a borough that is clean and green	Place		2.059	5.000			7.059
Community Hubs/Buildings	The scheme costs have exceeded the budget allocation of £3,145,000. Cabinet Members originally provided the allocation in November 2016 and issued a revised Capital Programme Report Appendix 9 in January 2018. The allocation of £3,145,000 was to source the Community Hub Programme. The allocations would have been based on estimated figures as the full extent of the projects would have been unknown at that time.	3. People access joined-up services when they need them and feel healthier and more independent	Place	1.498	0.304				1.802
Disabled Facilities Grant	Tower Hamlets have been offered and accepted an additional amount of £297,848 from the Ministry of Housing, Communities and Local Government as an additional Disabled Facilities Grant. There are various constraints but generally the additional grant is more flexible than the regular grant. The funds must be committed and work in completion by the end of March 2019. Projects that can be delivered by 31st March are works at Bethnal Green Library and works to toilet blocks at Mile End Pavilion and Bromley by Bow Centre. At the Budget 2018 the Chancellor announced an additional £55 million capital funding for the Disabled Facility Grant (DFG). The amount has been distributed to all Local Authorities, and each Authority must be able to spend all or most of their allocation by 31st March 2019.	6. People live in good quality and affordable homes and neighbourhoods	Place	0.298	-	-	1.500	1.500	3.298
Total				14.196	14.264	15.009	1.680	1.500	46.649

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