Cabinet 9 January 2019	TOWER HAMLETS
Report of: Neville Murton, Acting Corporate Director of Resources	**Classification:** Unrestricted
The Council's 2019-20 Budget Report and Medium Term Financial Strategy 2019-22	

Lead Member	**Councillor Candida Ronald, Cabinet Member for Resources and Voluntary Sector**
Originating Officer(s)	Damon Lawrenson, Interim Divisional Director, Finance, Procurement & Audit
Wards affected	All wards
Key Decision?	Yes
Forward Plan Notice Published	11th December 2018
Reason for Key Decision	To set the Council's Budget for 2019-20 and MTFS 2019-22
Strategic Plan Priority / Outcome	**1. People are aspirational, independent and have equal access to opportunities;** **2. A borough that our residents are proud of and love to live in;** **3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.**

Executive Summary

In February 2018 the Council agreed a 3 year budget and Medium Term Financial Strategy (MTFS) for the period 2018-21, including new savings of £10.788m that would need to be delivered to achieve a balanced budget over that period.

As part of the Council's annual budget cycle, this report reviews and updates the assumptions made in that report for the years 2019-21 and incorporates a new financial year, 2021-22, to maintain the Council's three year MTFS.

The assumptions set out in last year's MTFS for 2019-20 have been reviewed and updated to allow Members to agree a balanced budget and Council Tax requirement for that year.

2019-20 is the final year of the government's four year guaranteed funding settlement and also the second year of the London-wide business rates retention pilot scheme. The Council's decision to participate in the pilot will have an impact on

the resources the Council receives from Revenue Support Grant and Business Rates and the implications of this is considered in the report.

In addition, new demographic and inflationary budget pressures have also been identified and the action that is needed to meet these additional commitments over the existing MTFS assumptions is presented in this report.

The impact on the Council's MTFS of the Chancellor's Budget announcement of the 29th October 2018 and the 2019-20 Provisional Local Government Finance Settlement which followed on the 13th December 2018 are also considered in this report.

A summary of the projected General Fund budget for each of the three years 2019-22 is shown in Appendix 1A with a more detailed service analysis in Appendix 1B.

The report also includes revised assessments of the Dedicated Schools Grant (DSG); Housing Revenue Account (HRA) and a 10 year Capital Programme.

The report also includes the outcome of the 2019-20 budget consultation that ended on the 10th December 2018.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Propose a draft General Fund Revenue Funding Requirement of £342.560m subject to any changes arising from the Final Local Government Finance Settlement.

2. Propose a Band D Council Tax of £1,019.67 for 2019-20 to be referred to Full Council for consideration.

3. Confirm the Council's decision to participate in the 75% London Business rates pilot for 2019-20 and note the deadline of the 10th January 2019 for authorities wishing not to participate.

4. Agree the draft 2019-20 Housing Revenue Budget as set out in Appendix 8A.

5. Agree the draft 2019-20 Management Fee payable to Tower Hamlets Homes (THH) of £31.105m as set out in Table 6.

6. Note that, under section 23 of the Welfare Reform and Work Act 2016 the authority must implement a rent reduction of 1% for four years, starting in April 2016, and consequently to agree an average weekly rent reduction of 1% to take effect from the first rent week of April 2019. This equates to an average weekly rent reduction of £1.08.

7. Agree that the average weekly tenanted service charge will be increased by 3.4% from the first rent week in April 2019. This equates to an average weekly increase in tenanted service charge of approximately £0.28.

8. Consider and comment on the following matters:

General Fund revenue Budget for 2019-20 and Medium Term Financial Strategy 2019-20 to 2021-22
The initial budget proposals and Council Tax for 2019-20 together with the Medium Term Financial Strategy set out in Appendix 1A

Budget Consultation
The outcome of consultation with business ratepayers, residents and other stakeholders as set out in Section 3.13 and Appendix 10

Funding
The funding available for 2019-20 and the indications and forecasts for future years as set out in Section 3.4.

Growth and Inflation
The risks identified from the potential growth and inflation commitments arising in 2019-20 and future years as set out in Section 3.5 and Appendix 3.

Savings
New proposed saving items to be delivered in 2019-22 as set out in Section 3.6 and Appendix 4 of the report.

Financial Risks: Reserves and Contingencies
The strategic budget risks and opportunities as set out in Section 3.7 and the assessment of risk as detailed in Appendix 6.

Reserves and Balances
The reserves policy and proposed approach to the strategic use of reserves as set out in Section 3.8 and the projected movement in Reserves as detailed Appendix 5 and 7.

Schools Funding
The position for schools' funding including the Dedicated Schools Grant as set out in Section 3.9.

Housing Revenue Account
The position of the Housing Revenue Account; proposals for Rent and Tenanted Service Charge Setting 2019-20 and Equalities impact assessment set out in Section 3.10 and Appendix 8

Capital Programme
The Capital Programme to 2018-29; including proposed revisions to the current programme as set out in Section 3.11 and detailed in Appendix 9.

9. To note the Equalities Impact Assessment / specific equalities considerations as set out in Section 4

1. REASONS FOR THE DECISIONS

1.1 The Council is under an obligation to set a balanced and sustainable budget and to set the Council Tax Levels for the financial year 2019-20 by 11th March 2019 at the latest. The setting of the budget is a decision reserved for Full Council. The Council's Budget and Policy Framework requires that a draft budget is issued for consultation with the Overview & Scrutiny Committee to allow for their comments to be considered before the final budget proposals are made to Full Council.

1.2 The announcements that have been made about Government funding for the Council in the Chancellor's Budget and the Provisional Local Government Finance Settlement require a robust and timely response to enable a balanced budget to be set.

1.3 The Council is in the final year of the 4 year 'guaranteed settlement' from the government. A Medium Term Financial Strategy (MTFS) covering the entirety of the resources available to the Council is considered to be the best way that resource prioritisation and allocation decisions can be considered and agreed in a way that provides a stable and considered approach to service delivery and takes into account relevant risks and uncertainty.

1.4 As the Council develops its detailed proposals it must continue to keep under review those key financial assumptions which underpin the Council's MTFS; in particular as the Council becomes ever more dependent on locally raised sources of income through the Council Tax and retained business rates these elements become fundamental elements of its approach and strategies.

1.5 The Mayor is required by the Local Government and Housing Act 1989 to determine a balanced Housing Revenue Account (HRA) budget prior to the start of the new financial year. The Council must also approve the Management Fee payable to Tower Hamlets Homes (THH) so that it can fulfil its obligations under the Management Agreement to manage the housing stock on behalf of the Council.

1.6 In accordance with Financial Regulations, capital schemes must be included within the Council's capital programme, and capital estimates adopted prior to any expenditure being incurred. This report seeks the adoption of the necessary capital estimates for various schemes in order that they can be progressed.

2. ALTERNATIVE OPTIONS

2.1 The Council is required to respond to the budget reductions in Government funding of local authorities and to set an affordable Council Tax and a balanced budget, while meeting its duties to provide local services. This limits the options available to Members. Nevertheless, the Council can determine its priorities in terms of the services it seeks to preserve and protect where possible, and to the extent permitted by its resources, those services it wishes to prioritise through investment, during a continued period of budget reductions.

2.2 The Council has a statutory duty to set a balanced HRA and provide THH with the resources to fulfil its obligations under the Management Agreement. Whilst there may be other ways of delivering a balanced HRA, the proposals contained in this report are considered the most effective, in realising all the Council's statutory duties having regard to the matters set out in the report.

3. DETAILS OF THE REPORT

3.1 BACKGROUND

3.1.1 In February 2018 the Council agreed a balanced budget for 2018-19 and a Medium Term Financial Plan (MTFP) to 2020-21 identifying additional savings of £10.788m to be delivered over the medium term period and a requirement to use £6.1m of general fund reserves. This was done in the context of some certainty over government grant funding levels afforded by signing up to the four year guaranteed funding settlement covering 2016-20.

3.1.2 Following this and as we enter into the final year of the 4 year funding deal, there have been a number of changes including the Chancellor's budget and provisional settlement announcement, the agreement by the government for the continuation of the London-wide business rates retention scheme, the addition of a further year to maintain a three year MTFS and revised assessments of growth, inflation and corresponding action that is required to maintain a balanced budget.

3.1.3 This report updates Members on the impact of all of these changes, and identifies the additional growth and savings proposals that will inform consideration of the budget package by the Overview and Scrutiny Committee.

3.1.4 The main body of the report is in twelve sections:

- Strategic Approach (Section 3.2)
- Medium Term Financial Strategy & Proposed Budget (Section 3.3)
- Financial Resources (Section 3.4)
- Budget Pressures and Growth Allocations (Section 3.5)
- Savings Proposals (Section 3.6)
- Risks and Opportunities (Section 3.7)

- Reserves (Section 3.8)
- Schools' Funding (Section 3.9)
- Housing Revenue Account (Section 3.10)
- Capital (Section 3.11)
- Treasury Management Strategy (Section 3.12)
- Budget Consultation (Section 3.13)

3.1.5 The key planning assumptions that support the draft budget proposals are set out in the body of the report and in the attached appendices.

3.1.6 In developing these proposals the Council has taken account of the government's measure of the total resources that it believes are available to each Council. This is known as Core Spending Power (CSP) and reflects the government's assumptions for a number of key grants, retained business rates and Council Tax.

3.1.7 The Council's CSP calculation is attached as Appendix 2; the most recent calculation reflects the following changes:

- The impact of changing the New Homes Bonus methodology;
- Council Tax Requirement (base and levels of growth)
- The additional announcement of one off funding for Adult winter pressures and to support pressures in adults and children social care;
- And revised assumptions on the level of assumed Council Tax increases for inflationary purposes.

3.2 STRATEGIC APPROACH

3.2.1 The Council continues to implement an Outcomes Based Budgeting approach to delivering its MTFS for the period 2019 to 2022. This approach puts the Council's Strategic Priorities and outcomes for its residents at the heart of financial planning and decision making and aims to directly link how resources are allocated through budgeting mapped to the strategic priorities of the Council.

3.2.2 An outcomes based approach considers the efficiency and effectiveness of the Council's services by evaluating comparable information such as financial benchmarking and outcome performance measures. This information provides the starting point for critically reviewing the Council's relative performance and provides the basis and evidence for its budget decisions.

Strategic Plan 2018-21

3.2.3 In July 2018 Cabinet agreed a three year Strategic Plan focusing on improving outcomes for local people and delivering sustainable improvements in the way the Council operates. The Strategic Plan is being designed to reflect and deliver the Mayor's manifesto. The Plan is refreshed annually to ensure it is aligned with emerging priorities for the organisation and borough. As part of the annual review Cabinet agreed to endorse the proposals for an improved outcome based performance framework from 2019-20 onwards and the interim measures in the 2018-19 plan.

3.2.4 In line with this approach the revised priorities and outcomes are set out in the table below:

Table 1 – Strategic Priority Outcomes

Priority 1: People are aspirational, independent and have equal access to opportunities	
Outcomes we want to achieve	People access a range of education, training, and employment opportunities.
	Children and young people are protected so they get the best start in life and can realise their potential.
	People access joined-up services when they need them and feel healthier and more independent.
	Inequality is reduced and people feel that they fairly share the benefits from growth.

Priority 2: A borough that our residents are proud of and love to live in	
Outcomes we want to achieve	People live in a borough that is clean and green.
	People live in good quality affordable homes and well-designed neighbourhoods.
	People feel safer in their neighbourhoods and anti-social behaviour is tackled.
	People feel they are part of a cohesive and vibrant community.

Priority 3: A dynamic, outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough	
Outcomes we want to achieve	People say we are open and transparent putting residents at the heart of everything we do.
	People say we work together across boundaries in a strong and effective partnership to achieve the best outcomes for our residents.
	People say we continuously seek innovation and strive for excellence to embed a culture of sustainable improvement.

3.2.5 The Council's approach to delivering services going forward are underpinned by the following transformation principles;

- Achieve the best outcomes for our residents by integrating services across the council and partners to make the most of the money we have.
- Become a modern council with new ways of working and an agile workforce that is supported by the necessary infrastructure now and at our new home in Whitechapel.
- Use technology and information to provide better services and empower our citizens so they take a more active role in their area and co-design services.
- Reduce future demand on the council through measures including better forecasting of need, supporting independent living and providing early intervention to prevent problems escalating in later life.
- Harness economic growth that benefits our residents by making it simple for businesses to set up and invest in our borough.

3.2.6 The Council's approach to strategic and financial planning has been informed by an understanding of the opportunities and potential in the borough. This includes:

- Ongoing economic growth and a rising employment rate;
- A vibrant population with a high proportion of young people;
- An active voluntary and community sector; and
- A partnership committed to collaborative working around priority outcomes.

3.2.7 It also recognises that there are longer term challenges emerging which include:

- Growth and development impacting on local infrastructure and services;
- Lower employment levels, particularly for women and some ethnic minorities;
- Significant child poverty and the impact of welfare benefit reductions;
- Local people priced out by spiralling housing prices, and the danger of a polarised community;
- Low levels of health and life expectancy; and
- The need to be vigilant and tackle the potential for radicalisation and extremism.

3.3 MEDIUM TERM FINANCIAL STRATEGY & PROPOSED BUDGET

3.3.1 The revised Medium Term Financial Strategy is set out at Appendix 1a, and the detail by service area at Appendix 1b. The detailed figures and assumptions incorporated in these tables are explained more fully in this report. The figures assume a Council budget requirement of £342.560m for 2019-20; a Council Tax at Band D of £1,019.67 and a net transfer to reserves of £2.7m over the MTFS period to 2019–22.

Provisional Settlement 2019-20

3.3.2 Nationally, the provisional settlement confirms that Core Spending Power for Local government is forecast to increase from £45.1 billion in 2018-19 to £46.4 billion in 2019-20, a cash-increase of 2.8% and a real-terms increase in resources available to local authorities.

3.3.3 The settlement includes £650m for adults and children's social care in 2019-20. Of this, £240m will go towards easing winter pressures, with the flexibility to use the remaining £410m for either adult or children's services and, where necessary, to relieve demands on the NHS. This is in addition to the £240m announced in October to address winter pressures this year. This will mean an additional £4m for Tower Hamlets in 2019-20 as detailed in table 3 under section 3.4.26. As in previous years' the Council will identify appropriate interventions in consultation with the Clinical Commissioning Group (CCG) and other partners to ensure that the outcomes for service users are maximised consistent with any conditions associated with these resources.

3.3.4 In addition, the Budget pledged an extra £84m over the next five years to expand Children's Social Care programmes to support more Council's with high or rising numbers of children in care. This builds on the good work through the Troubled Families programme to improve all services for families with complex problems. There is very little detail currently available on how this will be allocated and whether Tower Hamlets will receive a share. Thus, no assumptions are currently built into the budget proposals in this report.

3.3.5 The Budget also provided a boost for high streets via a £1.5bn package of support; including a business rates discount worth almost £900m and a £675m Future High Streets Fund to help them adapt and thrive in changing times. A prospectus is due to be published sometime in 2019 to confirm proposals and allocations or bidding arrangements. Therefore no specific assumptions are currently built into the MTFS.

Wider Local Government Funding Issues

3.3.6 In addition to the Core Spending Power amounts, the following information was also published as part of the Provisional Settlement information.

Fair Funding Review

3.3.7 Fair Funding is due to be implemented in 2020-21. The government has published a further technical paper on the "Review of local authorities' relative needs and resources", which consults on the assessment of relative needs, relative resources and transitional arrangements.

3.3.8 The consultation outlines further:

- Proposals to simplify the assessment of local authorities' relative needs by introducing a simple Foundation Formula, alongside several 'service-specific' formulas. This includes a focus on the structure of the needs assessment, the weighting between services, weighting of cost drivers, Area Cost Adjustments and future proofing the needs assessment;

- The type of adjustment that will be made to an authority's relative needs assessment to take account of the relative resources available to them to fund local services, such as council tax; and
- A set of principles that will be used to design transitional arrangements and examines how the baseline for the purposes of transition should be established.

3.3.9 This consultation will last for 10 weeks from 13 December 2018 to 21 February 2019. The outcomes of the Fair Funding review will have on impact on the Council's MTFS and this will need to be monitored and MTFS assumptions updated accordingly.

3.4 FINANCIAL RESOURCES

Council Tax

3.4.1 Council Tax income is a key source of funding for Council Services. The amount generated through Council Tax is principally determined by the Council Tax Base (the number of properties adjusted for exemptions and discounts) and the rate of charge per property.

3.4.2 The borough has seen a year on year increase in the number of new homes over the last few years and this continues to be a key priority area for growth for both central government and the Council. Previous trends coupled with current projections for growth means that the Council Tax Base is expected to grow in line with the forecast made previously for 2019-20.

3.4.3 The Mayor in Cabinet has been asked separately on this agenda to approve a Council Tax base of 98,396 (Band D equivalent properties) for 2019-20 and this has been used in the financial projections included within this report.

3.4.4 The Council can, subject to legislative constraints, increase its Council tax rate through two mechanisms; the Adult Social Care precept and general inflationary increases. Each 1% increase in the Council Tax rate generates around £970k per annum, which equates to approximately 19 pence per week for the average Band D property. In the provisional settlement, the Chancellor announced that in line with inflation, the referendum limit will remain at the 2018-19 level of up to 3%.

3.4.5 In 2016-17 and for the remainder of the Spending Review period, the government introduced an Adult Social Care (ASC) precept to allow local authorities to raise additional Council tax to help in addressing the growing adult social care funding crisis. In 2017-18 the precept was limited to a maximum of 3% in any one year and to a maximum of 6% over the three year period 2017–20.

3.4.6 In respect of the ASC precept, in February 2017 the Council agreed to implement increases of 3%, 2%, and 1% respectively for the years 2017-18, 2018-19 and 2019-20.

3.4.7 Council Tax rises not associated with the ASC precept are governed by referendum principles that limit the level of increases. For this Council the amount that the Council Tax can be increased without undertaking a referendum has been set such that a 3% or higher increase would trigger a referendum. This limit reflects the government's broad view of inflation and an assumed rise of 2.99% which is also now reflected in their calculation of Core Spending Power (CSP).

3.4.8 The outcome from the Council's consultation exercises with residents has also demonstrated support for Council Tax rises where they support the continuation of key services. Around half of respondents support a 3% increase in Council Tax and residents were significantly more likely to support the proposal (58%) compared to businesses (23%).

3.4.9 Currently Tower Hamlets has one of the lowest Council Tax rates across the 33 London Boroughs. It is likely that even after implementing the proposed increase for the ASC precept this year, the Council would continue to have one of the lowest Council Tax rates in London.

3.4.10 A general inflationary increase of 2.4% is proposed over the MTFP. This equates to 46 pence per week for the average Band D property. Taking all of these factors into account it is proposed to increase the Council Tax by 3.4% in 2019-20. This equates to an increase of 65 pence per week (1% ASC and 2.4% Inflation).

3.4.11 Taking into account the forecast growth in tax base and decisions around rate increases referred to above, a total of £100.332m Council Tax income is estimated for the year 2019-20.

Local Council Tax Reduction Scheme

3.4.12 There is a statutory requirement to approve the Local Council Tax Reduction Scheme (LCTRS) by Full Council before the 31st January each year if changes are being proposed. A separate report outlining the proposed scheme for 2019-20 which reflects minor changes to the scheme adopted in 2018-19 will be presented to Cabinet and Council in January 2019. The cost of LCTRS is approximately £25m and this is built into our Council Tax assumptions.

3.4.13 The changes proposed include:

- to limit the maximum disabled non-dependant deduction to £4 per week.
- to adjust the minimum level of income for self-employed under 25's to reflect age rules.
- to enhance the support available to increase earnings and income for self-employed claimants.

- to increase backdating provision for the scheme from 4 weeks to 52 weeks.
- to use the same child allowances in the Local Council Tax Reduction scheme assessments as those used in Child Tax Credit, Universal Credit, Housing Benefit and the Local Council Tax Reduction assessments for pensioners and to apply this in respect of third or successive children born after April 2019.

Settlement Funding Assessment

3.4.14 Settlement Funding Assessment (SFA) reflects the government's current approach to funding most local authorities through Revenue Support Grant (RSG) and retained business rates.

3.4.15 Each authority's SFA is based on a needs assessment established at the beginning of the funding arrangements and thereafter reflecting the impact primarily of government funding reductions. The Baseline Funding Level represents the amount of retained business rates that the government expects each local authority to generate assuming no increase in the tax base since the scheme inception (i.e. it continues to increase only in line with the increase in the relevant business rate multiplier).

3.4.16 The difference between SFA and the Baseline Funding Level is the amount of RSG an authority receives. For Tower Hamlets this calculation is shown below.

Table 2 – Settlement Funding Assessment 2018 - 2020

	2018-19	2019-20	Change
Headline Settlement Funding Assessment	**151.071**	**143.015**	**-5.3%**
Adjusted Settlement Funding Assessment for pilots	151.071	143.015	-5.3%
Of which:			
Revenue Support Grant	0.000	0.000	
Baseline Funding Level	151.071	143.015	

Revenue Support Grant (RSG)

The core RSG allocations for 2019-20 previously announced in the 2016-17 settlement remain unchanged and a sum of £33.281m is included in the budget proposal.

Business Rates Retention Scheme

3.4.17 In 2018-19, the Council participated in the 100% London-wide Business Rates Pilot and gained a one off sum of £10.4m reflecting its share of the growth in business rates income. For 2019-20, the Secretary of State confirmed a 75% Business Rates Pilot for London in the provisional settlement. The Council is estimated to receive a further one off sum of £4m in 2019-20 for its share of the growth. This is in addition to the sum of £139.555m built into the budget for the Council's share of core Business Rates income.

3.4.18 The deadline for any authority wishing not to participate in the London-wide business rates pilot scheme is 28 days after the provisional settlement, by 10th January.

Business Rates Retention: Inflation

3.4.19 It was government's original intention to change the basis of determining the annual increase to the business rates multiplier in 2020-21. This would have seen the CPI inflation figure used instead of RPI. In the 2017 Autumn Budget, the Chancellor announced that this change would be brought forward to 2018-19. For 2019-20 (as in 2018-19), in order that this change remained revenue neutral for local government, there has been an offsetting increase to S31 grant payments. This is through the additional line on the Core Spending Power figures "Compensation for the under indexation of business rates", which also includes funding for previous years' caps on the RPI increases.

Business Rates Levy Account

3.4.20 An additional £180m was announced by the Secretary of State. This has been provisionally allocated via the 2013-14 Settlement Funding Amount allocations. It has been funded from the surplus on the Business Rates Retention levy/safety net account.

3.4.21 MHCLG have confirmed that this funding is not shown in the Core Spending Power figures and therefore will be in addition to the amounts shown. The omission from the 2019-20 Core Spending Power figures may be because MHCLG do not want to include this "one-off" funding; as this would make 2019-20 a higher "base position" for the eventual 2020-21 amounts to be compared against.

3.4.22 The Council will receive an additional £1.684m in 2019-20 only. This has been included within the budget for 2019-20.

Consultation paper

3.4.23 The government has published the consultation paper "Sharing risk and reward, managing volatility and setting up the reformed system", a technical consultation which seeks views on proposals for sharing risk and reward, managing volatility in income and setting up the reformed business rates retention system.

3.4.24 The consultation outlines further proposals to:

- Update the balance of risk and reward to better reflect the wider context for local authorities in 2020. It suggests a future approach to the resetting of the business rates tax base that would smooth potential ‘cliff edges’ in income, proposes reforms to the levy that would allow more authorities to keep more of their business rates growth, and reaffirms the Government’s commitment to a safety net to protect authorities from sudden reductions in income;
- Mitigate volatility in income and simplify the system; and
- Set up the new business rates retention system in April 2020 – specifically, inviting views from local authorities on the operational steps that may be necessary to set accurate Business Rates Baselines.

3.4.25 This consultation will last for 10 weeks from 13 December 2018 to 21 February 2019.

Core Grant

3.4.26 In addition to Revenue Support Grant (RSG), the Council receives a number of other grants to support specific service priorities. These are summarised in the table below and further details on how they have been treated in the MTFS are provided in the sections that follow:

Table 3 – Summary Core Grants 2019-22

Core Grants	2019-20 £m	2020-21 £m	2021-22 £m
New Home Bonus	19.202	16.521	16.521
Improved Better Care Fund	14.851	12.777	12.777
Public Health Grant	34.124	34.124	34.124
Strategic School Improvement	0.200	0.200	0.200
Local Lead Flood Grant	0.036	0	0
Winter Pressures Grant	1.465	0	0
Social Care Support Grant	2.535	0	0
BR Levy Returned	1.684	0	0
Total Core Grants	**74.097**	**63.622**	**63.622**
NHB allocated for Capital Investment	(16.020)	(13.339)	(13.339)
Total Core Grants (Revenue)	**58.077**	**50.283**	**50.283**

New Homes Bonus

3.4.27 The New Homes Bonus (NHB) scheme was introduced in 2011-12 as a means to help tackle the national housing shortage. The scheme was designed to reward those authorities who increased their housing stock either through new build or by bringing empty properties back into use.

3.4.28 Tower Hamlets is a high growth area, and has attracted the highest level of NHB in the country. The technical consultation on the 2019-20 Local Government Finance Settlement published in September 2018, suggested there would be an increase to the deadweight for the 2019-20 "in-year" allocations. However, through an additional £18m added to the funding of the scheme, no increase to the deadweight has been necessary.

The Council had already started to reduce its reliance on NHB as a funding source in support of its revenue budget from 2016-17 instead choosing to provide for increasing capital investment on affordable housing and infrastructure in line with its strategic priority of better quality homes for all. Of the £19.2m NHB the Council expects to receive in 2019-20 only £3.1m will be used support the revenue budget and the balance will be used for capital investments in housing and infrastructure.

Improved Better Care Fund

3.4.29 The Better Care fund (BCF) was introduced in the 2013-14 spending review. The Fund is a pooled budget, bringing together local authority and NHS funding to create a national pot designed to integrate care and health services.

3.4.30 In addition to this, an Improved Better Care Fund (IBCF) was announced in the 2016-17 budget to support local authorities deal with the growing health and social care pressures during the period 2017-20. This funding takes into account local authorities' ability to raise resources locally through the Adult Social Care precept.

3.4.31 The funding amounts are in line with those previously announced and assumed in the MTFS. The Council budget for 2019-20 includes a sum of £14.851m from IBCF.

Public Health Grant

3.4.32 The Public Health Grant allocation for 2019-20 has not been confirmed as this funding source does not form part of the government's four year guarantee. The MTFS continues to assume the levels announced for 2019-20 as set out in the 2016-17 final settlement and an amount of £34.124m is included in the budget for 2019-20.

3.4.33 The provision for free school meals to all primary aged children over and above the current government policy of funding for Key Stage 1 pupils will continue to be partly supported from the public health grant. The total cost to the Council is estimated to be approximately £3.300m per annum and £1.000m has been included in the MTFS to be funded from the Public Health grant with the balance to be funded from an earmarked reserve in line with the Council's strategic priorities to support our young people.

Strategic School Improvement Fund

3.4.34 In November 2016, the government announced a £50m fund for local authorities to "continue to monitor and commission school improvement for low-performing maintained schools". This is allocated to local authorities on the basis of the number of maintained schools, an area cost adjustment and top-up to ensure each local authority receives a minimum. The Council has successfully secured £0.285m for 2018-19 and assumes a prudent sum of £0.200m in the MTFS for 2019-20 onwards.

3.4.35 This replaced the former Education Services Grant which previously secured the authority £3.8m in 2016-17 and £2.7m in 2017-18 and therefore is not additional funding. This change represented a further reduction in government grant funding.

Winter Pressures Grant

3.4.36 In the Chancellor's Budget, £240m of additional funding was announced for Council's to spend on adult social care services to alleviate winter pressures on the NHS. This Winter Pressures Grant funding will be allocated in 2019-20 using the existing Adult Social Care Relative Needs Formula. The authority is expected to receive a one off sum of £1.465m in 2019-20. This funding is ring-fenced and will be pooled into the Better Care Fund. As in the previous year the Corporate Director for Health, Adults and Communities will identify appropriate interventions in consultation with the Clinical Commissioning Group (CCG) and other relevant partners.

Social Care Support Grant

3.4.37 In the Chancellor's budget, £410m of additional funding was announced in 2019-20 for use for adult and children's social services. The government believes there is not a single bespoke needs formula that can be used to model relative needs for both adult and children's social care fund therefore the existing Adult Social Care Relative Needs Formula will also be used to distribute this Social Care Support Grant funding.

3.5 BUDGET PRESSURES, GROWTH AND INFLATION

Budget pressures

3.5.1 A key part of the annual budget setting process is the review of growth pressures across the Medium Term Financial Planning period arising from demographic changes, new requirements or responsibilities or inflationary pressures.

3.5.2 In February 2017 and 2018, the Council approved amounts for unavoidable growth over the period 2019-21. Following a review as part of updating the MTFS for the period 2019-22, some additional growth pressures arising from demographic changes, new requirements or responsibilities have been identified. These items are set out in Appendix 3 and have been built into the budget proposal presented in this report.

Inflation

3.5.3 In addition to the budget pressures identified above (para 3.5.1) a further financial risk facing the Council is the impact of inflation.

3.5.4 The Government's target projection for inflation which is reflected in the MTFS is 2.4% (CPI) throughout the MTFS period. Most of the Council's contracts for goods and services which span more than one year contain inflation clauses and although service directorates have been successful in negotiating annual increases which are below inflation this will be a difficult position to maintain.

3.5.5 The Council remains part of the National Joint Council for Local Government Services for negotiating pay award arrangements. The MTFS anticipates that staffing costs will increase by at least 2% in each year of the three year plan. Provision has also been made for the payment of the London Living Wage to Council staff.

3.5.6 In addition to the pay award, the Council is required to implement the new pay spine changes by 1st April 2019. Tower Hamlets uses the national pay spine as agreed at a London level without any local variations; this move across to the new spinal column points is mandatory, and will form part of the contractual terms and conditions.

3.5.7 The estimated impact of inflation is also set out in Appendix 3.

3.6 SAVINGS PROPOSALS

3.6.1 The Council continues to implement an Outcomes Based Budgeting approach to delivering its MTFS for the period 2019-22. In 2018-19 the Council approved appropriate savings covering the whole of the period of the MTFS which ensured that a balanced budget for 2019-20 and 2020-21 was already in place. Detailed consultation and impact assessments will continue to be undertaken as the proposals agreed previously are taken through to implementation.

3.6.2 There have been a number of changes made to the 2019-21 budget assumptions, largely as a result of needing to revisit assumptions around demographic growth and inflation. The Council will be able to meet the estimated gap through the additional savings and income generation proposals identified.

3.6.3 For 2021-22, a number of high level saving areas have also been identified that will be developed over the next 9 –12 months; the detailed proposals for implementation will be developed through a combination of consultation and review. The high level summary of the proposed saving areas are detailed in Appendix 4.

Prior year savings written off - £0.6m

3.6.4 The following previously agreed savings totalling £0.600m are no longer deliverable and it is proposed in this budget that these are now written off;

- Regional Adoption Agency (£0.250m) – In December 2016, Cabinet agreed for the authority to join a London Regional Adoption Agency and hoped the new arrangement will lead to efficiencies and better support for adoption services. It has now been confirmed that the savings expected to be generated through the arrangement is unlikely therefore the savings will need to be written off.

- CCTV (£0.200m) – This was a speculative saving agreed by Council in February 2016 based on potential income earning opportunities from fibre optics. The latest consultant's report identified that potential income of £0.200m could be achieved in the future, however the current market shows that generating a constant income stream is unlikely.

- Animal Warden Service (£0.160m) - A saving was agreed by Council in February 2016 for an alternative service delivery model for the animal warden service. This saving has been found not deliverable as a result funding for the service will continue.

3.7 RISKS AND OPPORTUNITIES

3.7.1 When setting the draft MTFS, Service Directors have provided their best estimate of their service costs and income based on the information currently available to them. However there will always be factors outside of the Council’s direct control which have the potential to vary the key planning assumptions that underpin those estimates.

3.7.2 There are a number of significant risks that could affect either the level of service demand (and therefore service delivery costs) or its main sources of funding. In addition there are general economic factors, such as the level of inflation and interest rates that can impact on the net cost of services going forward.

3.7.3 Similarly there are opportunities to either reduce costs or increase income which will not, as yet, be fully factored into the planning assumptions. The main risks and opportunities are summarised below.

Risks

Regulatory Risk

- Business Rates – Impact of abolition of the 'staircase tax'

General Economic Factors

- **Impact of decision to leave European Union (Brexit)** - London Boroughs are still determining the impact of leaving the EU under a range of scenarios. Some of the key points to consider whether financial provision is required are,

    - Workforce impact arising from direct or indirect employment of EU nationals.
    - Supply chains could be affected by any changes in procurement legislation, and there are potential cost implications associated with currency fluctuations that must be considered.
    - The implications for pension funds are mixed as global investment vehicles have already priced in much of the uncertainty, but valuations on balance sheets and the cost of borrowing may lead to greater vulnerability.
    - Commercial strategies may need to take into account the potential for any downturn in demand for properties in their investment portfolios which impact rental income and profitability.

- The Council is currently exploring risks and opportunities around three possible scenarios for Brexit. These include No Deal, an EU – UK Free Trade Agreement and staying in the single market. The Council will work out the appropriate interventions when the exact outcome of Brexit is known.

- **Fair Funding Review** - The government has committed to reforming the way local authorities are funded. Its Fair Funding Review aims to introduce a new funding formula from April 2020.

- The government has said that the Fair Funding Review will:
    - Set new baseline funding allocations for local authorities;
    - deliver an up-to-date assessment of the relative needs of local authorities;
    - examine the relative resources available to local authorities;
    - focus initially on the services currently funded through the local government finance settlement;
    - be developed through close collaboration with local government to seek views on the right approach.

- It is considered likely that London authorities will be adversely affected by the changes and it is therefore sensible to plan for a variation in funding levels even after allowing for transitional arrangements.

Other risks

- Economic growth slows down or disappears
- A general reduction in debt recovery levels
- Further reductions in Third Party Funding
- Further reductions in grant income
- Reductions in the level of income generated through fees and charges
- Increase in fraud

Increases in Service Demand

- Children's Social Care including an increase in the number of looked after children, unaccompanied asylum seekers or those with no recourse to public funds
- Housing (and homelessness in particular)
- General demographic trends (including impact of an ageing population)
- Impact of changes to Welfare Benefits

Efficiencies and Savings Programme

- Slippage in the expected delivery of the savings programme
- Non Delivery of Savings remains a key risk to the Council and will be monitored during the year

Opportunities

- Growth in local taxbase for both housing and businesses
- Service transformation and redesign including digital services
- Invest to save approach to reduce revenue costs
- Income generation opportunities including through a more commercial approach.

3.7.4 In addition to the above there is a risk that the combined impact of some of these factors will adversely impact on service standards and performance.

3.7.5 An assessment of the possible impact of these risks and opportunities is shown in the risk analysis in Appendix 6. This will form the basis of an on-going review of Reserves and Contingencies. This illustrates that there are a range of risk outcomes at medium and high level ranging from £22m to £42m. The Chief Financial Officer will consider and report on this specifically in the February Council report when preparing his assessment of the adequacy and robustness of the budget estimates, reserves and contingencies (Section 25 report).

3.8 RESERVES

3.8.1 Reserves are an important part of the Council's financial strategy and are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its financial standing and resilience.

3.8.2 The Council's key sources of funding face an uncertain future and the Council therefore holds earmarked reserves and a working balance in order to mitigate future financial risks.

3.8.3 There are two main types of reserves:

- Earmarked Reserves – which are held for identified purposes and are used to maintain a resource in order to provide for expenditure in a future year(s); and
- General Reserves – these are held for 'unforeseen' events

3.8.4 The Council maintains reserves both for its General Fund activities and in respect of its Housing Revenue Account (HRA). In addition it accounts for the reserves of schools.

3.8.5 The amount of reserves held is a matter of judgment which takes into account the reasons why reserves are maintained, and the Council's potential financial exposure to risks. A Reserves Policy is included in Appendix 5.

3.8.6 The Council holds reserves in order to mitigate future risks, such as increased demand and costs; to help absorb the costs of future liabilities; and to enable the Council to resource policy developments and initiatives without a disruptive impact on Council Tax. Capital reserves play a similar role in funding the Council's capital investment strategy.

3.8.7 The Council also relies on interest earned through holding reserves to support its general spending plans.

3.8.8 Reserves are one-off money and therefore the Council generally aims to avoid using reserves to meet on-going financial commitments other than as part of a sustainable budget plan. The Council has to balance the opportunity cost of holding reserves in terms of Council Tax against the importance of interest earning and long term future planning.

3.8.9 Reserves are therefore held for the following purposes:

- Providing a working balance i.e. Housing Revenue Account and General Fund.
- Smoothing the impact of uneven expenditure profiles between years e.g. local elections, structural building maintenance and carrying forward expenditure between years.
- Holding funds for future spending plans e.g. Capital Expenditure plans, and for the renewal of operational assets e.g. Information Technology renewal.
- Meeting future costs and liabilities where an accounting 'provision' cannot be justified.
- Meeting future costs and liabilities so as to cushion the effect on services e.g. the Insurance Reserve for self-funded liabilities arising from insurance claims.

- To provide resilience against future risks.
- To create policy capacity in a context of forecast declining future external resources.

3.8.10 All earmarked reserves are held for a specific purpose. A summary of the movement on each reserve is published annually, to accompany the annual Statement of Accounts.

3.8.11 The use of some reserves is limited by regulation e.g. reserves established through the Housing Revenue Account can only be applied within that account and the Car Parking reserve can only be used to fund specific transport related expenditure. Schools reserves are also ring-fenced for their use.

3.9 SCHOOLS' FUNDING

3.9.1 The largest single grant received by the Council is the Dedicated Schools Grant (DSG), which is ring-fenced to fund school budgets and services that directly support the education of pupils. The Local Authority receives its DSG allocation gross (including allocations relating to academies and post 16 provision), and then the Education & Skills Funding Agency (ESFA) recoups the actual budget for these settings to pay them direct, leaving a net or LA allocation.

3.9.2 The methodology for allocating the DSG to local authorities changed significantly in 2018-19, with a new national funding formula introduced for each of the schools, central school services, and high needs blocks. The early years block was funded by a new national formula from 2017-18.

3.9.3 The revenue funding for schools will continue to be made by via 4 blocks – Schools, Central, High Needs and Early Years. As in 2018-19 the allocations are to be calculated on the basis of the national school funding formula reforms but will be aggregated and allocated to each Local Authority. This arrangement is confirmed for 2019-20 and 2020-21, which means the primary legislation needed to fund schools directly will not be put before parliament for another year or two.

3.9.4 In July 2018, the ESFA issued the operational guidance on schools funding for 2019-20. At the same time, the ESFA published provisional allocations for 2019-20 for the Schools Block, Central Services Block and the High Needs Block. No information has yet been announced about the Early Years Block arrangements for 2019-20.

3.9.5 In July 2018, DfE announced the provisional operating arrangements for the DSG for 2019-20. This includes providing an illustration of the impact of the changes on the amount of DSG that individual authorities would receive for three of the four DSG sub-blocks. There is no updated information currently for the Early Years Block. The illustrations were based on the data provided by the October 2017 pupil census. The final allocations will be based on the October 2018 census and this will be available shortly.

3.9.6 Growth for 2019-20 will be distributed on the basis of a new methodology. The technical basis is that the DfE will count growing pupil numbers in Middle Super Output Areas between October 2017 and October 2018 and it will ignore reductions. If this approach had been used to calculate growth for 2018-19, Tower Hamlets like other London LA's would see a reduction in its growth fund, from £2.460m to £1.656m. The final allocation will be released shortly.

3.9.7 There are a number of continuing pressures, specifically in relation to the High Needs Block which is managed by the Council for those pupils with needs that cannot be fully met from schools' individual budgets. The Government has extended the scope of the High Needs funding to cover educational costs of children and young people up to the age of 25. This expansion of the age range, coupled by an increase in the number of children who are applying for Education, Health and Care plans places significant pressure on both the retained budget and schools' own budgets.

3.9.8 Last year the government announced a two year formula, the Dedicated Schools Grant will be allocated in four blocks (schools, high needs, early years and central schools services). Each will be calculated on the basis of a different formula. Within the Schools and High Need Blocks, the Government will provide for at least a 0.5% per pupil increase in 2018-19 and 2019-20 through the national funding formula. Schools can also, through the Schools Forum, agree to de-delegate some of their Schools Block resources for certain specific services such as to fund release time for trade union duties and allow the Local Authority to fund them centrally on behalf of all schools, also contributions to support the Former Education Services Grant (ESG) General Duties which were removed by the government in 2017, the Council is obliged to carry out a number of statutory duties, for example in relation to financial regulation, asset management and the provision of information to government departments and agencies.

3.9.9 A new Central Schools Services Block (CSSB) was introduced in 2018-19 to fund LAs for their statutory duties relating to maintained schools and academies. The CSSB brings together funding previously allocated through the retained duties element of the Education Services Grant; funding for ongoing central functions e.g. admissions; and funding for historic commitments e.g. items previously agreed locally such as combined budgets.

3.9.10 The table below sets out the estimated DSG deployment over the funding blocks for 2019-20;

Table 4 – Schools Budget

Schools Forum Summary		2019-20 £m
1.0 Schools Block		270,167
1.1 De-delegated items (Schools Block)		3,226
1.2 High Needs Block		49,574
1.3 Early Years Block		29,528
1.4 Central Schools Service Block		4,798
Total Schools Budget	**Expenditure 2019-20**	**357,293**
Schools Forum Summary		**2019-20 £m**
1.7.1 DSG		(277,542)
1.7.3 EFA Grants Post 16		(13,200)
1.7.5 Academy Recoupment		(61,700)
1.7.5 EFA Recoupment High Needs		(4,851)
Total funding	**Income 2019-20**	**(357,293)**

3.9.11 In addition the Council receives, and passports fully to schools, funding for the pupil premium (£18.3m) and 6th form funding (£13.2m). Final allocations for the pupil premium will be confirmed in July 2019 and 6th form funding in March 2019.

3.9.12 Schools Forum will be asked to agree the total schools budget of £357m for 2019-20 at their meeting in January 2019; £344m of which will be funded through the Dedicated Schools Grant from the DfE with the remainder being funded through EFA grants.

Additional funding for high needs

3.9.13 Education Secretary Damian Hinds has announced an additional £250m of funding for high needs, across the two financial years 2018 to 2019, and 2019 to 2020. The additional DSG amount allocated to Tower Hamlets is £724k in 2018-19 and a further £724k in 2019-20.

Additional funding for SEN

3.9.14 A further £100m top-up to the Special Provision Capital fund for Local Authorities will help create more specialist places in mainstream schools, colleges and special schools. The original special provision capital allocation in May 2018 for Tower hamlets was £4.367m (2018-2021) this will increase by a further £825k.

3.10 HOUSING REVENUE ACCOUNT (HRA)

3.10.1 The Housing Revenue Account (HRA) relates to the activities of the Council as landlord of its dwelling stock. Since April 1990 the HRA has been "ring-fenced". This means that any surplus or deficit on the Housing Revenue Account cannot be transferred to the General Fund. The HRA must also remain in balance.

3.10.2 From April 2012, the HRA subsidy grant was abolished and replaced by self-financing, under which local authorities retain all rental income, but are responsible for meeting all costs relating to Council housing.

3.10.3 Under HRA self-financing, local authorities were able to decide on the level of rent increase that was implemented each year, and although they were expected to have regard to government guidance on the matter, this was not compulsory. Previously, government guidance had suggested increases of 1% above the Consumer Price Index measure of inflation. However, with the publication of the Welfare Reform and Work Act, the discretion that local authorities previously had in this matter was removed for four years, starting in 2016-17.

1% Rent Reduction for Four Years

3.10.4 On 31st October 2018, the Mayor in Cabinet noted that the 1% annual rent reduction which came into effect in 2016-17 continues for four years until 2019-20.

Increase in Tenanted Service Charges 2019-20

3.10.5 It is proposed that tenanted service charges be increased by 3.4%. This is consistent with the previously adopted Government rent policy which increased rents in accordance with the previous year's September Consumer Price Index +1%. In this case, the September 2018 CPI was 2.4%, which will lead to an average weekly increase in tenanted service charges of approximately £0.28. It should be noted that energy charges are billed separately based on actual costs incurred.

3.10.6 The current year's budget for tenanted service charges is £4.818m. As a result of the proposed increase in charges and the movements in stock arising from property acquisitions and disposals (including right to buy sales), the 2019-20 budget is estimated at £4.887m.

Savings

3.10.7 At its meeting on 26th July 2016, the Mayor in Cabinet agreed a HRA medium- term savings target of £6m. In 2019-20 savings of £1.030m have been made across the delegated budgets. However, as well as these savings there are also elements of time-limited growth requested within the 2019-20 management fee – these are outlined in the report.

Repairs and Maintenance

3.10.8 The 2019-20 repairs and maintenance budget has been reduced by £500k as there is currently extra capacity within this budget to meet forecast need. Essentially the repairs savings are taking out elements of historically underspent budgets. These mainly arise from a combination of communal, voids and decoration budgets together with the inflation increases agreed as part of the Mears contract extension.

Energy

3.10.9 The 2019-20 energy budget has been reduced by £400k as, despite current forecasts that 2019-20 energy contract prices will increase, there is currently extra capacity within this budget to meet projected demand.

Interest Income

3.10.10 Work on budget setting has identified an area of income that is currently not budgeted for, that is the interest that is charged to leaseholders; principally this is due to interest arising from income recovery action through the courts by way of county court judgements. It is considered that £130k is a prudent provision to make for this interest.

Growth

3.10.11 The Community Development Programme has been successful in combatting Anti-Social Behaviour and a targeted increase in provision in proposed over a three year period as detailed in the table below:

Table 5 – Summary of Community Development Programme growth

Project	2019-20	2020-21	2021-22	Total
ASB Diversionary Programme with Streets of Growth Project - 17 plus	50,000	50,000	50,000	**150,000**
Estate youth centres & outreach - under 16	150,000	200,000	200,000	**550,000**
Community Food Gardens (CFG)	75,000	50,000	50,000	**175,000**
Health & Wellbeing programme	75,000	100,000	100,000	**275,000**
Financial Health and Employment & Enterprise	75,000	100,000	100,000	**275,000**
Capacity building & small grants programme for TRAs	75,000	75,000	75,000	**225,000**
TOTAL	**500,000**	**575,000**	**575,000**	**1,650,000**

Management Fee

3.10.12 In February 2018, The Mayor in Cabinet approved the 2018-19 Management Fee payable to THH for services provided to the Council. At £30.979m, the Management Fee represents the largest single expenditure element of the HRA budget.

3.10.13 The table below shows the calculation of the proposed 2019-20 Management Fee payable to THH.

Table 6 – Calculation of 2019-20 Management Fee

Description	**Total £m**
Management Fee 2018-19	**30.979**
add: 2018-19 Pay award (TBC)	0.380
less: 'One-Off' Growth - Fire and Other Safety	(0.050)
less: 'One-Off' Growth - Other	(0.504)
Base Management Fee 2018-19	**30.805**
Growth: extend Fire Safety teams for two years	300
Management Fee 2019-20	**31.105**

3.10.14 At this stage, the proposed management fee does not include an inflationary increase in relation to a pay award. Salary costs represent approximately £20m of the management fee, resulting in an increase in employee costs of approximately £400,000 if a pay award of 2% is agreed. These costs are built into the HRA MTFP but will only be released to THH once the pay award is formally agreed.

3.10.15 As in previous years, there is scope to adjust the management fee outlined in Table 6 above during the 2019-20 financial year if any significant issues are identified. Any amendments will be approved via a specific report to the Mayor in Cabinet.

One-off Growth Items

3.10.16 The 2019-20 management fee incorporates growth of £300,000 a year for the next two years. This relates to extending the fire safety team for two years to enable visits to be undertaken to all residents in order to minimise the risk from fire. It should be noted that there have been other benefits from the fire safety team’s visits including the identification of Houses of Multiple Occupation (HMOs) and illegal subletting.

Risks

3.10.17 Increasing costs associated with staffing and accommodation continues to be a risk and will be monitored and reported in the year.

Medium Term Financial Plan

3.10.18 Appendix 8 shows the HRA Medium Term Financial Plan (MTFP) for the period 2019-20 to 2023-24.

Overall position on the HRA

3.10.19 The MTFP incorporates various income and expenditure assumptions and includes changes that will affect the budget, for example changes to stock numbers due to assumed Right to Buy sales and new supply resulting from agreed new-build schemes.

3.10.20 The latest HRA MTFP is shown at Appendix 8A. The revised MTFP shows that, on current projections, the HRA reserve will reduce over the next few years, but will remain above the assumed minimum balance of £15m.

Capital Programme and Stock Needs

3.10.21 The current stock condition survey provides an updated view of the needs of the Authority's current stock over the next 30 years, plus additional sums of £50m for fire safety works, £20m for energy efficiency and £30m for environmental works. On current projections the capital programme outlined is fully funded over the 30 year period, although it is essential that before future capital estimates are formally adopted, schemes are assessed in light of their affordability within the HRA.

New Housing Supply

3.10.22 In relation to new housing supply, recent financial modelling has been undertaken which indicates that – on current assumptions – it would be possible for the HRA to finance all current and planned new housing supply schemes now that the HRA debt cap has been abolished. It should be noted that this does not include the acquisition of properties that are being acquired for use as temporary accommodation as these are being purchased by and held within the General Fund, nor does it include the purchase of s106 properties proposed to be held by the Community Benefit Society (CBS).

3.10.23 It should also be noted that current modelling assumptions are that no HRA debt is repaid during the 30 year period, and that an assessment needs to be made about whether this is the approach that the Council wishes to take in relation to HRA debt.

Update on Government Policies Affecting the HRA

3.10.24 There have been a number of recent government consultations and announcements and these are outlined below.

Removal of HRA debt cap

3.10.25 The government announced in October 2018 that the HRA debt cap would be scrapped and this took effect from 29th October 2018. Removing the HRA debt cap means that instead of having a limit to the amount of debt that the HRA can undertake, HRA borrowing will in future – along with General Fund borrowing - be subject to the Prudential Code meaning that borrowing must be affordable, prudent and sustainable.

3.10.26 Under current rules, although interest charges on outstanding debt must be paid, the HRA has not made any provision for debt repayment in recent years. As non-repayment of debt is not sustainable over the long-term as it would result in increasing levels of interest charges being incurred on a scheme, the Chief Financial Officer considers that the charging of Minimum Revenue Provision (MRP) should be made to ensure the repayment of any borrowing is made over the usable lifespan of the assets, similar to the Minimum Revenue Provision (MRP) arrangements that operate for the Council's General Fund. If MRP is not charged, then future administrations will inherit ongoing debt costs that will be very difficult to reduce within budget constraints.

Social Rent policy post 2019-20

3.10.27 On 13th September 2018 the government published a consultation 'Rents for social housing from 2020-21' in which the government set out its proposals in relation to social rent policy from 2020-21.

3.10.28 In the consultation the government is proposing that the Regulator of Social Housing's rent standard will:

i. permit Registered Providers (RPs) to increase their rents by a maximum of CPI + 1% for at least five years
ii. also now apply to Local Authorities

3.10.29 If the government's proposals are implemented then this would mean that in future local authorities would no longer have any discretion over their rent policy and would have to adhere to the Regulator's rent standard.

3.10.30 Historically local authorities have been able to make decisions on their rent policy with the only control mechanism being the annual 'Limit Rent', used to control Housing Benefit grant paid to the Authority by the Government.

3.10.31 With the introduction of HRA Self-Financing in April 2012, in return for being responsible for all items of expenditure within the HRA, local authorities were meant to have discretion over their rent policy. As rent is the largest income stream within the HRA, having discretion over rent levels is crucial in terms of running the HRA as a 'business'.

3.10.32 However, since 2012, the government has – in relation to rents -:

- ended their rent restructuring policy a year early;
- implemented legislation to impose a 1% rent cut for four years;
- is now proposing that the Regulator's rent standard will apply to local authorities (as well as RPs) so that annual rent increases will be set out by the Regulator.

3.10.33 Until the government publishes its final proposals the impact on the HRA cannot be definitively quantified, however, the most recent HRA 30 year financial modelling already assumes that after the four years of 1% rent cuts, HRA rents will increase by CPI + 1% for five years, and then by CPI only. The financial model assumes CPI of 2% throughout the 30 year period.

3.10.34 The government published its housing Green Paper 'A new deal for social housing' on 14th August 2018. In his foreword the Secretary of State set out the five principles that underlie the Green Paper:

1. Ensuring that homes are safe and decent
2. Swift and effective resolution of disputes
3. Empowering residents and making sure their voices are heard
4. Addressing the stigma that residents in social housing face
5. Boosting the supply of social housing and supporting home ownership

Possible Impact on the HRA

3.10.35 Until the consultation has ended and the government has published its response and policy proposals it will not be clear what the impact on the HRA will be, however some of the main issues are outlined below.

Ensuring that homes are safe and decent

3.10.36 The government is seeking views on whether to change the Decent Homes standard - which has not been revised since 2006 - to see whether it is demanding enough. The government is also seeking views on whether new safety measures that apply to the private rented sector – for example, the requirement to install smoke alarms on every storey, inspecting electrical appliances every five years – should also apply to social housing.

3.10.37 Any additional such requirements that may be introduced in future could lead to extra costs in order for the Authority to maintain its housing stock at a higher standard.

Boosting the supply of social housing and supporting home ownership

3.10.38 The government is asking for views about the current balance between grant funding for Housing Associations and HRA borrowing for LAs, and what additional affordable could be provided if capacity by social housing providers had more funding certainty.

3.10.39 The paper highlights problems identified by local authorities that wish to build more social housing and sets out ways the government is willing to tackle them including a separate consultation on the use of Right to Buy receipts.

3.10.40 The Green Paper consultation ended on 6th November 2018.

Cancellation of the Sale of Higher Value voids levy

3.10.41 The government confirmed in August 2018 that this policy will not be implemented. Previous assumptions were that a levy of £8.4m would be payable in 2019-20, continuing for five years. This has now been removed from future year budgets.

Right to Buy receipts consultation

3.10.42 The government published its consultation ‘Use of receipts from Right to Buy sales’ on 14th August 2018 and the main proposed changes are summarised below

Q1. Increased time limit for spending existing Right to Buy receipts

3.10.43 Current rules set out that Right to Buy one for one receipts must be spent on replacement social housing within three years. The consultation asked for views on extending the time limit for using existing receipts from three to five years, but keeping the timescales for new receipts at three years.

GLA Agreement – Right to Buy ring-fence

3.10.44 It should be noted that in June 2018 the Authority signed an agreement with the GLA in order that any currently retained Right to Buy one for one receipts that are unspent by the Authority by the three year deadline and must be returned to the government with interest, will then be passed to the GLA and subsequently ear-marked to be returned to the Authority as grant money, with another three years to spend. The Authority must make a firm commitment to deliver a programme of projects on a three-year rolling delivery programme. It is not clear whether the proposals resulting from the Right to Buy receipts consultation will have any impact on the status of this agreement.

Q2. Flexibility of the 30% cap on 1-4-1 receipts funding new housing

3.10.45 Under current Right to Buy rules the retained Right to Buy one for one can finance 30% of the cost of the ‘replacement social housing’, and the local authority must finance the remaining 70% from its own resources.

3.10.46 The consultation set out two possible areas of flexibility over the 30%:

a) Increase the cap to 50% of build costs for homes for social rent where LAs meet the eligibility of the Affordable Homes Programme, and can demonstrate a clear need for social rent rather than affordable rent.

b) Permit LAs to ‘top-up’ insufficient Right to Buy receipts with funding from the Affordable Homes Programme up to 30% of build cost for affordable rent, or up to 50% of build costs for social rent, where the LA can demonstrate a need for social rent (top up bids are to be submitted to the Affordable Homes Programme).

Q3. Use of one for one receipts for property acquisition

3.10.47 The government is looking to restrict property acquisitions and outlined two options, but stated that its preference is option a.:

a) Introducing a cap per dwelling based on average build costs; acquiring a property at above these (indicative) caps would not be allowed:
- £268,000 in Inner London
- £265,000 in Outer London
- £167,000 in the South-East), or

b) allowing acquisitions in certain areas (e.g. where average build costs are more than acquisition costs).

3.10.48 If agreed, this may mean that the Authority may not be able to use any Right to Buy one for one receipts to finance 30% of the costs of any acquisitions that are higher than the average build costs in the relevant area.

3.10.49 The Authority has adopted substantial capital estimates in order to undertake property acquisitions both in and out of the borough, but may need to revise this commitment when the government publishes its final proposals.

Q5. Cost of transferring land between the General Fund (GF) and the HRA

3.10.50 Under current rules, where LAs transfer land from their GF to their HRA the land must – in effect – be ‘bought’ by the HRA, with an adjustment made to the HRA Capital Financing Requirement and the GF compensated for the value of the land.

3.10.51 The government is considering relaxing the conditions so that LAs would be able to gift GF land to the HRA at zero cost, thereby making it easier for LAs to use GF land for housing.

Q7. Suspension of interest payments for three months

3.10.52 Under current rules, if Right to Buy one for one receipts are not returned to the government immediately (at the end of the quarter in which they arise) then interest is payable on the sum if the local authority subsequently decides to return the receipts. The government is proposing that local authorities would have a short period of time – 3 months - to return receipts without paying interest.

Update on Right to Buy receipts position

3.10.53 Currently (as at the end of Q2 of 2018-19) the Authority has retained Right to Buy one for one receipts of £112.9m, which means that, under the original (current) Right to Buy agreement, the Authority would have to spend £376.3m on replacement social housing within three years i.e. the end of September 2021.

3.10.54 As at the end of Q2 of 2018-19, spend in excess of £121m on replacement social housing has been reported to the government, in line with our spend targets. The table below outlines future spend deadlines showing the three year deadlines, for information.

Table 7 – Three year spend deadlines for existing Right to Buy one for one receipts

Deadline	Cumulative spend needed on replacement social housing £m
31-Dec-18	144.2
31-Mar-19	165.6
30-Jun-19	195.7
30-Sep-19	230.6
31-Dec-19	262.5
31-Mar-20	281.0
30-Jun-20	296.5
30-Sep-20	318.3
31-Dec-20	336.0
31-Mar-21	352.0
30-Jun-21	365.3
30-Sep-21	376.3

3.10.55 As outlined earlier, the Authority has an agreement with the GLA so that any currently retained Right to Buy one for one receipts unspent by the Authority by the three year deadline can be returned to the government with interest, but then passed to the GLA and subsequently returned to the Authority as grant money, with another three years to spend. Therefore the Authority now has some added flexibility in relation to its deadlines to spend current Right to Buy receipts. To date the authority has not had to use this flexibility.

3.10.56 As outlined in paragraph 3.10.43, one of the proposals in the consultation 'Use of receipts from Right to Buy sales' is that local authorities would have an extra two years to spend the receipts that they currently hold, but still only three years to spend newly arising receipts. It is not currently clear whether this proposed change would supersede the agreement with the GLA to receive our expired Right to Buy receipts as grant and then give us an additional three years (on top of the a new five year deadline) to spend these.

Risks – Welfare Reform

3.10.57 The cumulative impact on the HRA will not be clear until the various reforms all take effect. Provision has been made within the HRA MTFP for an increase in bad debts but as the introduction of Universal Credit has been delayed once again it is not yet clear precisely what the future level of bad debts will be.

3.11 CAPITAL

3.11.1 The Council's approved capital programme which totals £782m, covers an extended planning period to 2029 and identifies the Council's investment in key priority areas as a means of supporting the Council's community Plan together with its Transformation Programme (Smarter Together) which underpinned the approach to its three year Medium Term Financial Strategy for revenue expenditure.

3.11.2 In addition to the proposed capital programme above, a further £1m capital estimate is proposed for adoption in the 2018-19 quarter 3 budget monitoring report to Cabinet for increases to existing schemes. Details of the individual schemes are set out in Appendix 9C.

3.11.3 A number of new schemes have also been identified based on the Council's priorities; these amount to almost £487m over the 10 year period to 2029 and are summarised against the Council's priorities in Appendix 9D; subject to the approval of Full Council in February they will be developed through the new governance arrangements which will determine relative prioritisation and the profile of expenditure subject to affordability constraints and delivery capacity. These schemes reflect significant investment in Housing and Public Realm projects, the need to fulfil the Council's statutory duties in relation to school places and schemes such as the South Dock Bridge which will unlock growth and support regeneration in that area and which has been successful in attracting external funding through the London Business Rate Retention scheme Strategic Investment Pot.

3.11.4 To support the development of new schemes, broad provisions have been included in the 2019-20 programme for feasibility study and business case development (£1.5m). Also, in order to allow for some of those schemes to progress to implementation and to allow for other works to be undertaken, an unallocated provision of £20m (10%) has been included in the 2019-20 budget. The method for accessing these funds forms part of the new governance arrangement and will include all schemes including those that come from the Council's Infrastructure Development Plan evidence base.

3.11.5 This will increase the value of the proposed capital programme to £804m.

3.11.6 The Medium Term Financial Plan includes a budget provision of £1.5m to support with funding the cost of its borrowing requirements to deliver the proposed Capital programme. It is estimated that up to £50m could be borrowed over a period of up to 50 years on an 'Equal Instalment of Principal' (EIP) Loan at a rate of 2.6%.

3.12 TREASURY MANAGEMENT STRATEGY

3.12.1 The Treasury Management Strategy Statement will be revised and presented to Full Council in February 2019 in accordance with the CIPFA Treasury Management Code of Practice. The Statement will set out the proposed strategy with regard to borrowing, the investment of cash balances and the associated monitoring arrangements.

3.12.2 The proposed prudential indicators set out in the Treasury Management Strategy will be based on the capital programme above in Section 3.11 once finalized.

3.13 BUDGET CONSULTATION

3.13.1 The Council must undertake statutory budget consultation with Business Rate payers in the borough and it is also good practice to consult with Council Tax payers and a broad range of other stakeholders. In addition, meaningful consultation must take place with service users before any changes to service provision are implemented. Furthermore, the Council's budget framework sets out the need for the Overview and Scrutiny Committee to be fully involved in the setting of the Council's budget.

3.13.2 The Council launched the six week Your Borough Your Future budget consultation campaign on Monday, 29 October 2018. Your Borough Your Future provides the Council with an overarching brand identity for public consultations around budget setting. In the first instance, and for the purposes of this report, Your Borough Your Future relates to the general consultation run between 29 October and 10 December 2018, which sought to provide residents with details of the financial challenges the Council currently faces and requested feedback on priorities for Council services. It also asked how the Council should consider its approach in light of the budgetary pressures it faces.

3.13.3 A campaign narrative was agreed with the Mayor and Cabinet which identified and articulated the key drivers for the Council's approach via Your Borough Your Future. The key messages in this narrative are:

- Significant real terms government core funding cuts since 2010 (64%, which is £148m) and growing pressure on services mean the Council has to find an estimated additional £44m of savings by 2022.
- Tough choices will have to be made to maintain good quality services, and to support our most vulnerable residents.
- The Council has made significant savings (£176m since 2010) while continuing to find ways to deliver cost effective services and generate income from additional sources.
- Residents can get involved by giving their views on what matters most to them, and suggesting ways in which Tower Hamlets can do things differently to help make savings.

3.13.4 The campaign aimed to engage as many residents as possible during a six week consultation period. A wide range of high visibility communication methods were employed, including press releases, dedicated budget content and consultation on the Council's website, major social media channel promotion, on-street advertising, plasma screens in public buildings, as well as direct mail of a dedicated budget consultation booklet to every household in the borough. A budget consultation roadshow took the campaign on the road to four busy locations in the borough including evenings and weekend periods; Idea Store Whitechapel and market, Idea Store Bow/Roman Road market, Idea Store Chrisp Street/market and Victoria Park. The campaign also ensured representative views were sought (i.e. there was opportunity for people from all parts of the borough and from different age groups and ethnicities, to take part). To that end, the Council employed a dual approach of self-selection (opting-in to the online consultation) and targeted outreach (via a telephone survey, face-to-face interviews and a focus group with partners) to ensure a representative set of responses.

3.13.5 The consultation on Your Borough Your Future closed on 10 December 2018. A total of 2,024 responses were received; whilst most people identified with the demographic and geographic breakdown, not all responses were fully completed and no assumptions have been made where these have been left blank. Appendix A of the report provides an overarching summary as well as detailed analysis of the feedback received as part of this consultation. The fuller report includes more detail on how different parts of the community responded to each question, as well as information on the research methodology.

3.13.6 Key findings of the Your Borough Your Future consultation include:

- Overall, children's services and education, public health and community safety were the most valued services in Tower Hamlets. Furthermore, community safety is seen as the most important service the Council should prioritise.
- Nearly two-thirds felt the Council should reduce spending on temporary agency staff.

- The majority felt that efficiency, availability and quality will decline as a result of further savings.
- Over half said it was most important for the Council to make services more efficient.
    - Around half of respondents support a 3% increase in Council Tax. Residents were significantly more likely to support the proposal (58%) compared to businesses (23%)
    - Overall, 68% respondents support the additional 1% increase in Council Tax to support adult social care services. Residents were significantly more likely to support an increase (76%) compared to business respondents (44%)
- More than 8 in every 10 support the Council expanding its approach to income generation.

3.13.7 A detailed report of the budget consultation has been included in Appendix 10 of this report. This was considered by cabinet on the 19th of December 2018 and informed the final budget proposals detailed within this report.

4. EQUALITIES IMPLICATIONS

4.1 The Equality Act 2010 places a duty to give due regard to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity between people from different groups; and foster good relations between people from different groups. As a Council we undertake equality analyses in policy making, initiating service change or undergoing a savings proposal as part of having due regard and in meeting our public sector equality duty. An equality analysis is a useful tool to enable us to assess the implications of our decision on services users and staff and to highlight any adverse impacts on one or more of the nine protected characteristics, as well as identity any active mitigation.

4.2 The Borough Equality Assessment (BEA) which assesses equality in Tower Hamlets was last carried out in 2017-18 and identified various areas of inequality. The BEA identified that LBTH was the 10th most deprived local authority in England in terms of its average deprivation score. While this is reducing, Tower Hamlets still has the highest rate of pensioner and child poverty in England. The BEA reported that half of all residents aged 60 and over are living below the poverty line compared to this rate nationally which is 16 per cent. 31 per cent of children live in families below the poverty line which is almost double the national rate of 17 per cent.

4.3 The BEA also found there were inequalities relating to residents with disabilities. 48 per cent of disabled people are in work compared with 75 per cent of non-disabled people. This substantial employment gap – 27 percentage points – is similar to that in London (29.1 percentage points) and in England (27.1 percentage points). Disabled residents are also more likely to be unemployed (12.7 per cent) than non-disabled residents (8.3 per cent).

4.4 Younger age groups in LBTH are found to be disproportionately affected by homelessness with 16-44 year olds representing 84 per cent of homelessness acceptances in 2016-17. BAME residents were found to be over represented as living in overcrowded housing with 52.3 per cent of the 19,124 households on the housing waiting list being Bangladeshi households.

4.5 LBTH residents generally have a higher than average need for social care services, reflecting the borough's high levels of deprivation with the BEA identifying that there is some dissatisfaction amongst BAME residents with these services.

4.6 As part of last year's budget setting process for 2018-19 to 2020-21 equality screenings were carried out on all new proposals. Neither of the two proposals to be implemented in 2018-19 had an equalities impact. Of those proposals to be implemented in 2020-21, only three are expected to have an equalities impact and will need to be subject to full Equality Analyses and resident/user or staff consultation prior to a decision to implement.

4.7 The budget setting process for 2019-20 to 2021-22 has identified additional 25 savings proposals. Equality screenings have been carried out on all new proposals and the outcome of the screening is included in Appendix 4 of the report. Of the 24 savings proposals, 9 are expected to have an equalities impact and will need to be subject to full Equality Analyses and resident/user or staff consultation prior to a decision to implement. Details of the proposals are outlined below:

Savings Proposal reference	Savings Proposal Title	Directorate	Equality Screening Comment
SAV / CHI 001 / 19-20	Governor Services – Service Redesign	Children's Services	Full EA will need to be undertaken when savings proposal is clearer to determine impact on staff.
SAV / CHI 005 / 19-20	Parent and Family Support Services (traded model)	Children's Services	Full EA will need to be undertaken once savings proposal is clearer.
SAV / CHI 006 / 19-20	Community Language Services	Children's Services	Full EA will need to be undertaken when proposal is further developed to identify impact on BAME communities and impact on staff.
SAV / HAC 003 / 19-20	Promoting Independence and in borough care for adults with disabilities	Health, Adults and Community	Potential equality issues if direct payment system is not introduced in a timely manner. To be monitored.

SAV / PLA 003 / 19-20	Pan-London Homelessness Prevention Procurement Hub	Place	Full EA will need to be undertaken when savings proposal is clearer.
SAV / ALL 001 / 19-20	Phase 2 Local Presence – putting Digital First	Resources/ Cross-directorate	Full EA will need to be undertaken when savings proposal is clearer to determine impact on staff.
SAV / ALL 004 / 19-20	Reduction in Enabling and Support Services Costs	Cross-directorate	Full EA will need to be undertaken when savings proposal is clearer to determine impact on staff.
SAV / ALL 005 / 19-20	Asset Management Service	Cross-directorate / Place/ Children's Services	Full EA will need to be undertaken when savings proposal is clearer.
SAV / ALL 006 / 19-20	Mainstream Grants (MSG) Alternative Delivery Model.	Cross-directorate	Full EA will need to be undertaken when savings proposal is clearer to determine impact on staff.

4.8 LBTH's budget consultation launched earlier this year and sought residents and local stakeholders' views on the priorities the Council should focus on. A total of 2024 residents, businesses and community groups took part in the consultation. Residents from a range of equality groups responded to the consultation. Of the 2024 respondents 47 per cent were male, 51 per cent were female and the remaining 2 per cent preferred not to say. Only 2 people preferred to self-identify. 25-34 years age group were the largest age group to respond (30 per cent) followed by 35-44 years (25 per cent). 15 per cent were aged between 16 and 24 and 15 per cent were aged 55+. The majority of the respondents (52 per cent) were from a White background and 45 per cent were from a Black and Minority Ethnic background.

4.9 Overall, respondents said that community safety, housing services and children's services and education should be prioritised. Those aged 25-54 were more likely to view community safety as the most important priority (25-34: 18 per cent; 35-44: 21 per cent; 45-54: 19 per cent), compared with those aged 65 and over (9 per cent).

4.10 When considering housing; age proved to be a factor in prioritising this service with residents aged 16-24 (23 per cent) the most inclined to choose this option compared with other age categories. Housing was also deemed more important amongst BAME respondents (18 per cent) compared with White (14 per cent).

5. OTHER STATUTORY IMPLICATIONS

5.1 The preparation of the MTFS has taken account of the Council's obligations in relation to its Best Value duty. The budget proposals are based on securing best value within the context of continuing reductions in Council funding and service demand pressures.

5.2 The sustainable action for a greener environment implications of individual proposals in the budget are set out in the papers relating to those proposals.

5.3 Managing financial risk is of critical importance to the Council and maintaining financial health is essential for sustaining and improving service performance. Setting a balanced and realistic budget is a key element in this process. Specific budget risks are set out in Section 3.7 of this report.

5.4 The crime and disorder implications of individual proposals in the budget are set out in the papers relating to those proposals.

5.5 Any safeguarding implications of individual proposals in the budget are set out in the papers relating to those proposals.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 As this report is primarily financial in nature the comments of the Chief Financial Officer have been incorporated throughout this report.

6.2 The government's Core Spending Power calculation makes assumptions about the level of growth in the Council Tax base and that authorities will increase Council Tax each year up to the referendum limit. On that basis Council Tax Income is assumed to increase to £103.5m by 2019-20 as shown in the Core Spending Power (CSP) analysis at Appendix 2. However, based on previous decisions and the Council's actual tax base the current MTFS estimates £100.332m Council Tax income by 2019-20. Not increasing the Council Tax in line with government assumptions could result in a growing financial pressure over the MTFS due to the impact on the Council's on-going tax raising base and also through the Fair Funding review where the government has indicated its preference to use a notional level of Council Tax rather than actual Council Tax levels to determine the extent of resources available to each authority.

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 budget planning represented in this report is consistent with this legal duty.

7.2 However, the adoption of the final budget is reserved as a Council decision in accordance with Article 4 of the Constitution.

7.3 There are areas covered in the report where persons with a protected characteristic may be indirectly affected by changes to the budget for the purposes of the Equality Act 2010. However, where changes in the budgetary position result in a change to the delivery of a service, the affect on persons should be considered immediately prior to the making of a change to the service.

Linked Reports, Appendices and Background Documents
Appendices

- Appendix 1A Summary of the Medium Term Financial Strategy
- Appendix 1B Detailed analysis of the Medium Term Financial Strategy by Service Area
- Appendix 2 Tower Hamlets Core Spending Power
- Appendix 3 New growth proposals 2019-22
- Appendix 4 New Savings proposals 2019- 22
- Appendix 5 Reserves Policy
- Appendix 6 Risk Evaluation
- Appendix 7 Projected Movement in Reserves
- Appendix 8A Draft Housing Revenue Account Medium term Financial Strategy 2019-24
- Appendix 8B Rent Report Equalities Impact Assessment
- Appendix 9A Summary of proposed Capital programme 2018-29
- Appendix 9B Current Capital Programme 2018-29
- Appendix 9C Increase to Existing Schemes and New Schemes 2019-20
- Appendix 9D Proposed New Schemes 2019-29
- Appendix10 Budget Consultation 2019-20

Linked Report

- NONE

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

- NONE

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