

Council Provisional Outturn Report

2019-20

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Circulated to	CLT
Date	9 th June 2020
Classification	Unrestricted
Report of	Corporate Director of Resources
Lead Member	CLlr Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Tim Harlock, Chief Accountant
Wards affected	All Wards
Key Decision?	No

General Fund provisional overspend of £10.0m

Dedicated Schools Grant (DSG) provisional overspend of £7.2m

Housing Revenue Account (HRA) provisional overspend of £0.8m

2019-20 Provisional Outturn Variance			
£m	Estimated impact on General Fund GF/DSG/ HRA	Variance before reserve adjustments	Contribution to /(from) Reserves
Children & Culture (GF)	9.8	9.7	0.1
Extraordinary Health & Safety Item	2.0	2.0	-
Resources	-	2.2	(2.2)
HA&C	5.0	5.6	(0.6)
Place	(6.4)	(7.1)	0.7
Governance	-	0.8	(0.8)
Sub-total GF Services	10.4	13.2	(2.8)
Corporate and financing costs	(0.4)	3.3	(3.7)
General Fund	10.0	16.5	(6.5)
Ringfenced Items			
Dedicated Schools Grant	7.2	7.2	-
Public Health GF	-	0.7	(0.7)
HRA	0.8	(3.8)	4.6
Overall Position	17.5	20.1	(2.6)

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

This report sets out the provisional outturn position for the Council, which remains subject to audit.

The current position is estimated to be a net **£10.4m** overspend on the General Fund service expenditure after the application of **£2.8m** from reserves; this reflects a change in approach from that during the year, with applicable ICT investment being capitalised, to reduce the impact on the Council's revenue reserves. It should be recognised that reserves are a finite resource and the significant overspend and use of reserves for other than planned transitional arrangements is unsustainable. The overspend position presented arises from a combination of changes in demographic demand, non-delivery of agreed savings, and some spend above approved budgets.

In the Dedicated Schools Budget there have been significant overspends in the High Needs and Early Years Blocks, with underspends in the Central Schools Services Block and Schools Block Central. The DSG deficit has grown by £7.2m to £11.7m. The local growth in SEND, which is not matched by growth in funding, is resulting in budget pressures that are reflected nationally.

The HRA balance is estimated to fall by £0.8m after setting aside £4.6m into an earmarked reserve to cover a potential liability in relation to Thames Water Charges which continues to be the subject of court action in London.

Provisional outturn variance £9.8m General Fund overspend

Additional £2.0m extraordinary item cost

DSG overspend of £7.2m

Provisional Outturn Variance			
£m	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Children's and Culture (GF)	9.8	9.7	0.1

The general fund budget for Children and Culture was overspent by £9.7m before the net use of reserves of £0.6m and contribution to the PFI Smoothing reserve of £0.7m. The main overspends are as follows: Children's Social Care £3.5m, Education & Partnerships £0.9m, Youth Services & Commissioning £1.4m, Children's Resources £0.4m and Sports Leisure and Culture of £0.1m.

An 'extraordinary' cost item of £2.0m is also presented with the Children's and Culture Directorate figures; this reflects the need to create an estimated provision against a fine for Health and Safety breaches which the HSE has notified the Council will be made following the death of a child in Mile End Park in 2015.

Unachievable savings of £3.3m (Early Years £2.4m and SEND £0.9m) and slipped savings of £1.0m (Children's Social Care) are included in the overspend.

Children's Social Care Ofsted inspection received a 'Good' rating in July 2019 and work continues within the service to maintain the current standard and work towards an 'outstanding' rating. As part of the Continuous Improvement Plan Children's Social Care are also working to reduce the current reliance on Agency staff. The Children's Social Care Division has already entered into a contract with a recruitment agency for the recruitment of permanent Social Workers. Initial appointments have been made and the new staff will begin to take up posts in the next few months.

The local growth in SEND, which is not matched by growth in funding, is resulting in budget pressures that are reflected nationally. A range of measures have been put in place to reduce the spending against the general fund as well as the High Needs Funding Block element of the DSG which will show impact over time and actions are being scoped to reduce pressures in the short term. The DFE have announced there will be growth in 2021-22 which should help to reduce some of the pressures moving forward

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

	£m	Outturn variance commentary
1 Children's Social Care	3.5	
1a CSC - Staffing £2.4m		
Agency workers – pressure		Much work has been undertaken over the past 12 months to put in place arrangements to reduce the numbers of agency Social Workers and to recruit and retain our own staff. The launch of the Social Work Academy and our continuing work with regard to the recruitment of experienced staff have had a positive impact on ensuring that staff turn-over is much reduced.

However, the service now needs to move to a position where a greater proportion of the overall staff cohort is permanent. As previously stated, this process is underway and will continue throughout 20/21. The forecast pressure has increased by £0.2m to the position reported at Period 11. This is largely due to agency costs relating to 18/19 being posted into 19/20.

The service has been awarded Growth monies for 2020/21 of £4.06m (£1.0m for staffing, £1.8m for Placements and £1.26 for Demographic growth. This growth is expected to fully mitigate these pressures.

Savings to be delivered include £1.0m of slipped savings from 2019/20, £0.1m from contributions from Health and £0.05m from Adoption Allowance.

1b CSC - Looked After Children (LAC) Placements £0.7m

Work continues to reduce high cost placements

The forecast pressure for Looked After Children is £0.7m. There has been a reduction of £0.3m in costs since 2018/19 outturn. This reflects the continuation of work to reduce demand for higher cost interventions.

1c CSC – Leaving Care £0.04m

£1m one-off growth provided in 2018-19 has now ended. The effectiveness of the "Through Care" team is positive. There has been no change to the forecast pressure since P11. There is an ongoing pressure as a result of responsibilities for increases in UASC and change in legislation for LA responsibilities for up to age 25. In addition, responsibilities for providing accommodation for Dubbs Children.

1d CSC Section 17 £0.2

Section 17 spend supports preventing young people coming into care and the provision of placements. This is reducing the pressure that would otherwise be shown in placements.

1e CSC Children with Disabilities £0.17m

This service has a pressure of £0.17m as a result of an overspend on Direct Payments and Family Support, driven by an increase in demand and an increase in provider costs.

2 Education and Partnerships

Service Pressure **£0.9m**

Savings Pressure **£0.9m**

This service area has a pressure of £1.8m which includes unachievable savings of £0.9m. This saving has been reversed in 2020/21 and growth provided to manage the pressure. Savings are planned to be delivered in 2021/22 and 2022/23 of £0.5m in each year.

The forecast pressure is an improvement of £1.0m from the position reported at p11, as a result of the pressure on the Careers service moving to the Place Directorate; underspend of £0.7m in the Support for Learning Service mainly as a result of accruals received in 2019/20 related to 2018/19; underspend in the Parental Engagement service of £0.423m due to the unused Mayors Fund for holiday childcare amounting to £0.364m; over achievement of income in the Educational Psychologists SLA of £0.290m. However, it should be noted that this relates to services that are delivered for an academic year. These underspends are mitigating pressures School Governance (£0.09m), Schools Library Service (£0.11m) and the main area of pressure in SEND Transport (£2.2m).

2a Special Educational Needs - £2.2

Continued increase of transportation costs. .

This is an ongoing pressure in this area, which has seen a further increase of £0.3m on the position reported as at Period 11. This increase was as a result of an increase in internal recharges of £0.1m and £0.2m from external transport contracts.

Grant Thornton were commissioned to undertake a comprehensive review of this area in order to understand the reasons for the overspend and to recommend actions to address. Their report highlights there is no annual review to take account of demand, but alongside this during 2018-19 a retendering process resulted in an additional circa £0.8 pressure rather than the predicted saving. Initial recommendations from GT have been discussed with elected members prior to moving forward on a final action plan to

		reduce cost. The consultation on the proposed changes to the council's policy on travel assistance for those with special educational needs and disabilities (SEND) has been completed and will be shared with MAB, prior to a proposed new council wide travel assistance policy to be considered by Cabinet later in the year. The impact of Covid 19 and TfL's proposal to cease all free travel for under 18s from September 2020 on the savings are being considered and will impact on the ability to make cost reductions
Early Years Unachievable Savings	2.4m	The historical EY £2.4m saving was based on a flawed business case and levied against services funded by DSG. These savings have been written back in the 2020-21 MTFS.
Contract Services Full review of service	1.95m	There has been an increase in pressure of £0.35m from the reported position as at Period 11. This is due to late receipt of invoices, increase in staffing costs and reduced level of income. Options for the future delivery of Contract Services were presented to Cabinet in February 2019. The options included recommendations intended to reduce pressures on the budget for this service, including withdrawal of Secondary school catering, withdrawal from schools' contract cleaning, a review of adults' welfare meals, and a review of primary schools SLAs. All recommendations were accepted by Cabinet; and an action plan is now in place to reduce pressures. However, the action plan had a phased impact during 2019-20 with the closure of welfare meals being delivered in February 2020; and the impact of changes to catering SLA's only having part year effect. The other recommendations agreed by Cabinet in February 2010 will continue to be implemented during 2020-21.
Youth Service	0.1	This 2019/20 pressure has arisen due to, amongst other things, the one-off expenditure during the financial year on consultants to support the delivery of savings of £0.5m by the end of March 2022.
Youth Offending Service	0.1	This service is reporting a pressure due to grant monies set aside for 19/20 used in 18/19.
Commissioned Services	0.1	In 2019/20 pressure arose due to unbudgeted posts being maintained within the current structure. However, this area is subject to a proposal to restructure and centralise this function.
Children's Centres	(0.7)	Children's Centres are reporting an underspend as part of the planned early delivery of savings.
Early Help	(0.3)	This service is reporting an underspend of £0.3m driven by an underspend in staffing and an increase in Payment by Results (PBR) income.
Free School Meals	0.0	The Mayors Free School Meal Programme now has an agreed Memorandum of Understanding (MoU) between LBTH and Primary schools, which sets conditions for the programme. This has reduced a £0.5m pressure in 2018/19 to a balanced position for 2019-20.
Sports Leisure & Culture	0.1	This service is forecasting a net pressure of £0.1m. There is a gross pressure of £0.223m within Sports and Physical Activity mainly due to the gym refresh at Poplar baths and work at Mile End Park, with income generated of £0.1m, bringing the net pressure to £0.133m. The Community Language Service is reporting gross salaries pressure of £0.060m (£0.056m after allowing for income generated). This pressure has been further supported from events income of £0.083m
Building and Technical services	0.3	This service is reporting a salaries pressure of £0.15m and security and NNDR pressure for vacant buildings of £0.15m.

Premature Retirement and Redundancy Costs	0.1	This pressure is mainly driven by LA school employee redundancies.
The Dedicated Schools Grant (DSG)		The key impact on the DSG is the significant overspend in the High Needs Funding Block element of £7.9m and an overspend on early years of £0.8m, offset by underspends within the Schools Block Central (£1.07m) and the Central School Services Block (£0.97m). The actions being taken to address the High Need overspend are outlined below.
High Needs Block (HNB) Cumulative total with brought forward balance £12.047m	6.4	<p>A report is being presented to Schools Forum and if the proposals set out in this paper are agreed the HNB deficit will be reduced to £6.380m to add to the brought forward balance of £5.667m giving a cumulative total of £12.047m</p> <p>The Council have met with the DfE and presented a recovery plan to manage the overspend on the High Needs Funding Block (HNFB) and how it will be addressed over the period 2019 – 2022. The actions include:</p> <ul style="list-style-type: none"> - significantly reducing the funding retained by LBTH to deliver support services, - reducing the demand for centrally retained funding for Alternative Provision, - reducing the rate of increase in EHC plan numbers, - a reduction across all school top-up payments. <p>Covid 19 has had an impact as the proposed restructure of the Support for Learning Service has been unable to progress and so there will be no reduction on the retained element of the grant during this financial year.</p>
Early Years Block	0.8	The overspend on this block is due to funding being received from the Education and Skills Funding Agency (ESFA) based 5/12ths on the January 2019 and 7/12ths on the January 2020 headcounts and censuses. The pattern of provision during the financial year is likely to differ from the numbers recorded in the census and so funding gaps may arise.

Provisional outturn of break-even position, after reserves drawdown

£m	Provisional Outturn Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Resources	0.0	2.2	(2.2)

The Resources directorate is forecasting a break-even outturn position, following the drawdown of £2.2m from reserves. The reserves drawdown consists of £1.6m from the ICT Transformation Reserve, £0.4m for Human Resources and £0.2m for the Finance Improvement Team from the Transformation Reserve.

Details of the areas of overspending and mitigations are summarised below.

£m	Outturn variance commentary	
Business Support Phase 2 review slippage	1.1	The overspend relates to savings slippage which will be actioned in Phase 2 of the business support review (including historical social care administration saving of £0.3m).
Customer Access Savings slippage	1.0	The majority of this relates to Customer Access model savings slippage of £0.9m, which has now been implemented to achieve this saving in 2020-21.
Benefits Service One-off mitigation of costs above grant level.	0.9	Recurrent overspend from extra housing rental costs funded by the Council above housing benefit subsidy level of government grant (£4.6m). This recurrent pressure was offset by a one-off credit from reduction in bad debt provision for housing benefits overpayments debt (£1.5m) and the one-off write back of credit balances (£2.2m).
Human Resources Phase 2 review slippage	0.8	Savings slippage on phase 2 of the HR review of £0.7m, partially mitigated by holding temporary vacancies and reducing non-pay expenditure (£0.3m). Further £0.4m of staffing cost relates to extra work on the Tower Rewards new terms and conditions and is funded through transformation reserves.
Information Technology	0.3	ICT infrastructure improvement costs that were not applicable for capitalisation have been funded by a drawdown from the ICT transformation reserve (£1.6m). The underspend of £1.3m after reserves drawdown is due to capitalisation of costs and efficiencies in contracted services.
Programme Office	(0.7)	Transformation budget underspend in third party payments.
Finance, Procurement and Audit	(1.2)	Underspend due to one-off release of £1m from the Insurance Fund provision; and funding for the Finance Improvement Team of £0.2m drawn down from transformation reserves.

Provisional outturn £5.0m overspend on the General Fund after reserve drawdown

Public Health breakeven position after reserve drawdown

£m	Provisional Outturn Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to / (from) Reserves
HA&C	5.0	5.6	(0.6)
Public Health	-	0.7	(0.7)

The Health, Adults and Community directorate provisional outturn for 2019-20 is for a £5.0m overspend on the general fund after use of earmarked reserves. This overspend is a slight reduction in the forecast reported at Period 11.

There has been a drawdown of £0.7m from the Public Health reserve to enable the funding of £1m of Adult Social Care preventative services.

The 2019-20 budgets included £3.4m of savings, including £0.7m of savings from prior years. The directorate has achieved £2.5m (76%) of these savings in 2019-20. The main area of slippage is in learning disability services (Supporting Independence programme). 100% of these savings remain achievable and work will continue to deliver this slippage in 2020-21 alongside savings additionally agreed in the MTFS.

Difficulties with outstanding invoices and accruals for home care services at the end of 2018/19 affected both the previous year end position and the forecast for 19/20. Work to resolve these issues has taken a considerable amount of time and the IT system to support electronic home care monitoring ceased being used following many attempts to achieve effective operation.

A recovery plan was put in place and there were further reductions in use of agency spend and the identification of areas of preventative spend which could be met from alternative sources however it was not possible to significantly reduce the pressures on care packages and a revised recovery plan is in place and continues to be expanded.

(in numerical descending order)	£m	Outturn variance commentary
Adult Social Care and Integrated Commissioning An overspend due to demand for residential and community-based care services for disabled, mental health and older people.	5.3	<p>The outturn variance is a £5.3m overspend against a net budget of £101.3m (5.2%).</p> <p>The overspend is caused by pressures in both residential/nursing placements and community based services supporting service users in their own homes, creating a net £8.1m overspend on care packages. Costs of new clients are generally higher than that of clients whose packages have ended, creating pressure on the budget. The council currently supports 608 people in residential and nursing care settings and purchases approximately 29,000 hours of homecare per week. These overspends are a continuation of the pressures seen and reported in the 2018-19 Outturn report. Similar pressures in adult social care budgets are reported by authorities nationally.</p> <p>There has been a £1.2m over achievement of client contribution income compared to budget, which is in-line with income achieved in the previous financial year. Alongside this the bad debt provision for community based charging has been increased by £0.6m, to reflect the growth in uncollected</p>

income from clients. The service has also received £1.3m of S117 income, £0.2m more than budgeted for. These over achievements are partially offset by a £0.7m under recovery of Continuing Health Care and Joint Funding income compared to budget, which has been a continuing trend over the last 3 years.

There is a £0.4m overspend on core staffing expenditure. This is due to the use of agency staff who cost more than the budget set for the vacant posts they are covering, and the recruitment of a small number of roles additional to the establishment budgeted for to support the Brokerage function.

Public Health grant has been used to fund £0.3m of preventative costs in relation to Adult Social Care in-line with the conditions of the grant. It is expected this funding will continue in 2020-21. In addition Public Health grant of £0.7m has been used to fund adults' preventative services contracts that sit within this division (Local Link and LinkAge Plus). This use of the grant was not budgeted for within the division.

There is a £0.5m under spend on BCF schemes where expenditure linked to the schemes sits within the Adult Social Care service.

A £0.2m under spend on the Tenant Activity Pot (TAP) following a reduced level of usage compared to the level budgeted for.

A £0.2m contingency budget created through non-pay efficiencies to support an MTFS saving in 2020-21 was not used this year, further supporting the under spend.

The delay in proceeding with the carers support service procurement has resulted in a £0.1m under spend.

Community Safety

An underspend due to delays in police deployment of officers

- (0.3) The forecast outturn variance is a £0.3m under spend against a net budget of £6.4m. This is after the allocation of £0.6m funding for the Partnership Task Force.

The majority of the under spend is in relation to the general fund element of the Partnership Task Force (PTF) (£0.2m), due to delays in police deployment of officers. There are now 2 sergeants and 20 constables in place, however this is still 2 sergeants less than the original agreement. Total expenditure for the year was £0.6m.

A £0.2m under spend is reported within the remaining elements of the Safer Neighbourhoods service. This is a result of a £0.7m under spend on staffing vacancies and growth monies not being utilised in the financial year, partially offset by a £0.5m overspend on expenditure for the provision of the CCTV service within the council.

Public Health

Breakeven position after £0.7m drawdown from the Public Health contingency reserve

- The Public Health grant has overspent by £0.7m in 2019-20, which will result in a drawdown of £0.7m from the Public Health contingency reserve to bring the service back to a breakeven position. This drawdown results in a £1m balance remaining in the contingency reserve for future years.

The base outturn position for planned Public Health activities in 2019-20 is a £0.3m under spend against a grant of £34.1m. The under spend is predominantly a result of delays in the procurement of the Tier 1 and Tier 2 Weight Management contracts at the end of the financial year, which have resulted in a £0.3m under spend.

The decision was taken to use £1m of the Public Health grant to fund preventative services for Adults provided by the council, which until now have been funded by the general fund. As the base position for Public Health was a £0.3m under spend, an additional £0.7m of grant has been drawn down from the Public Health contingency reserve to cover the £1m recharge. It is anticipated this recharge will be maintained in 2020-21.

Provisional outturn variance £6.4m underspend on the General Fund

Provisional Outturn Variance			
£m	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Place	(6.4)	(7.1)	0.7

The Place Directorate has a provisional outturn position of £6.4m underspent against budget after reserve movements. There are a number of under and overspends within the Directorate that are contributing to this variance position. Underspends within Public Realm, Housing, Growth & Economic Development and Planning are being offset by pressures within Corporate Property.

Slipped savings of £0.8m relating to the appropriation of commercial property and £0.3m within housing are included within the underspend position.

(in numerical descending order)	Variance £m	Outturn variance commentary
Corporate Property & Capital Delivery Reduction in income from occupation of Jack Dash House; costs of accommodation recharges; Business rate costs on council owned properties; Non-Delivery of saving proposals relating to commercial shops; write-off of historic costs relating to BATS team invoices; Recovery of costs relating to Architects	1.7	<p>Corporate Property & Capital Delivery has a provisional overspend of £1.8m. There are a number of factors contributing to this overspend that are detailed below.</p> <p><u>Administrative Buildings (£0.9m overspend)</u></p> <p>A pressure of £1.3m resulting from loss of rent following Tower Hamlets Homes move from Jack Dash House in July 2018. This budgetary pressure will continue until a new tenant is secured or the property is put to a different use or disposed of. The building will require capital investment to bring it to a marketable standard should a decision be taken to rent it out.</p> <p>A £0.1m overspend from the use of agency staff within facilities management. This has now been reduced and permanent recruitment to posts is under way</p> <p>These overspends are being offset by an underspend of £0.1m relating to Town Hall revenue budget, where the majority of costs now incurred are of a capital nature.</p> <p>An underspend against postal costs of £0.2m where new ways of working are reducing the volumes of postage</p> <p>Unbudgeted income arrears relating to the Montefiore Centre have been recovered in year, resulting in a £0.1m underspend.</p> <p><u>Building & Technical Services (£0.4m Overspend)</u></p> <p>Historic balances relating to schools' invoices have been written off at year end as unrecoverable on the basis that the supporting information was either not held or insufficiently detailed to support further challenge with the relevant schools. There was no way of verifying which invoices had been paid and those that remained outstanding, so a decision was taken to write off the balances, resulting in a £0.2m cost pressure.</p> <p>The service has needed to use a significant number of temporary staff during the year which has resulted in an overspend of £0.1m against the establishment budget. The service is in the process of recruiting permanent team members</p>

which should mitigate this pressure in future years.

The Architects team recharge their costs on a cost-plus basis. However, the income target assigned to the team was not achieved as a result of the capital programme being in abeyance and little scheme development. This has resulted in an under achievement of income of £0.1m against budget.

Corporate Landlord Model (£0.6m overspend)

Income received relating to rents for sites managed within the corporate landlord model over-recovered by £0.1m.

Energy recharges for properties managed with the corporate landlord model are £0.2m lower than budgeted.

Business Rate expenditure on Council owned property exceeded budget by £0.1m. This results from inflationary increases to the rateable values not being reflected in the budget and properties being vacant against which a business rate charge is incurred.

A £0.8m overspend relating to the Appropriation of HRA shops to the general fund. This saving proposal will not deliver the required saving based on current assumptions and as a result the appropriation has not taken place.

Corporate Property (£0.3m underspend)

The recharge of staff time to the HRA is greater than budgeted and after being offset by a higher than budgeted use of agency staff has resulted in a £0.2m underspend.

There is a projected underspend of £0.1m relating to the part year staff cost relating to a Divisional Director post.

Capital Delivery (£0.1m overspend)

Capital Delivery is £0.1m overspent following the write off of historic accruals where the income will not be realised.

Resources

No liability for Kemnal Park moving forwards;
Redundancy and recruitment costs for Corporate Director post

0.1

The Council is finalising a deal with Green Acres that will mean it is no longer liable for purchasing plots or for the annual fee of £0.2m for the management and maintenance of the site at Kemnal Park Multi-Faith Cemetery. The council has received its final invoice and will underspend against budget by £0.1m

Unbudgeted costs relating to the redundancy payment for the previous Corporate Director and the recruitment of the new Director have been incurred in year, resulting in an overspend of £0.2m.

Planning & Building Control

Fees income in relation to Planning and street naming; vacant posts; Additional CIL admin income; Planning appeal relating to West Ferry Printworks; Correction of historic income error

(0.9)

There are a number of positive and adverse variances making up the Planning & Building Control outturn variance of £0.9m underspend. Details of the material variances are outlined below.

Planning

Income relating to planning has exceeded budget by £0.2m. Income is over achieving within Development Management where several large planning fees have been realised and also within the Street Naming & Numbering service where demand has been greater than budget.

The Council has received significant amounts of CIL and s106 income during the year and as a result there is additional CIL administration money available for use. There is an existing budgeted agreement to fund specific posts and activities from both Tower Hamlets and Mayoral CIL admin income and after doing this there is £1.3m surplus which has been utilised within the service to

offset other legitimate revenue costs, reducing the pressure on the General Fund.

The Planning Service has been carrying a significant number of vacancies throughout the year, with recruitment of new staff and retention of existing employees proving difficult in the current market and is resulting in an underspend of £0.9m against budget.

These underspends are being partly offset by one off legal fees and costs of £0.4m relating to an appeal following refusal of a planning application for the Westferry Printworks site. LBTH has required significant specialist Counsel representation due to the technical and accelerated nature of the appeal.

A one-off legacy income error has been corrected in year where £0.8m of s106 income was incorrectly charged to planning fees in 2016/17.

There are a number of legacy income budgets across the Directorate which are unachievable, resulting in a budget pressure of £0.3m

Building Control Trading Account

The Building Control Trading Account is projecting to underspend by £0.1m. This underspend relates to vacant posts within the service of £0.2m, being offset by a shortfall in the income received when compared to budget as a result of competition from the private sector. This underspend has been transferred to the building control trading account reserve at year end.

Growth & Economic Development

Additional costs from delays to restructuring being offset by additional funding; reduced use of apprenticeship scheme

(0.2) The Growth & Economic Development division is forecasting to outturn with an underspend of £0.2m. Details of this underspend are outlined below

Economic Development (Nil Variance)

The Growth and Economic Development restructure was implemented on 1 July 2019. The budget is based on the new structure coming into effect for the whole year and as a result the delays in implementation have resulted in additional cost and overspend.

The impact of the delay on the General Fund has been mitigated by underspend on vacant posts within the new structure. There has also been lower than budgeted spend on the apprenticeship, childcare and women into health programmes that are funded by either S106 or Mayoral Priority Growth (MPG). Any underspend on MPG will be returned to the balance sheet and a decision will need to be made if this available to be used by the Service next year.

As a result, Economic Development is projected to outturn in line with budget, utilising approved s106 funding and mayoral growth monies as planned in the base budget.

Careers Service (£0.1m overspend)

The Careers service has overspent as a result of a restructure savings proposal that did not deliver the agreed saving as a result of high levels of long-term sickness within the team and the need to backfill these posts with Agency staff at greater cost. This overspend has been partially funded from a combination of s106 monies relating to employer engagement and Mayoral Priority Growth money relating to the career's cohort, both of which fit the demographic of the careers service.

PAS Scheme (£0.3m Underspend)

There is an underspend of £0.3m relating to the apprenticeship scheme. This scheme placed local people in apprenticeship placements outside of the Council and the Council made a contribution to the cost. This represents an area for priority review in 2020/21.

Public Realm

Over achievement of parking income from bay suspensions and permits; Reduced commercial waste income; Vacancies in Environmental Services; Improved waste disposal position; savings and income maximisation within traffic & highways management; Unspent growth

(5.0) Parking Control (£0.8m underspend)

The Parking service is projected to underspend against the original budget by £2.3m. This underspend results from a combination of cost savings and over achievement of income targets, details of which are outlined below.

During the year, budgeted income targets were increased by £1.5m with the service contributing to a Corporate savings target for the maximisation of income. The Parking service has delivered this additional saving plus a further £0.8m underspend on top of it.

This underspend relates to a number of factors:

The Parking Business Unit is underspent by £0.1m. One off budgets were created in 2019/20 for development costs associated with the WSP system and were not utilised in full

The Parking Enforcement service has underspent by £1m against budget. Vacant post savings are being partially offset by a reduction in income where 8,000 fewer tickets were issued than in the previous financial year. Recruitment has commenced to fill these posts which will result in more tickets being issued.

LBTH has introduced night-time enforcement which has resulted in additional income when compared with budget. There has been a dramatic increase in the demand for bay suspensions, with over 4,000 during the year and the additional income generated contributing significantly towards this underspend. This increase is a result of more developments within the Borough.

The on-street parking service is forecasting to underspend by £0.4m as a result of casual parking where increased numbers of visitors have parked in the Borough.

There is an over-recovery of income totalling £0.1m within the Appeals service following the introduction of an additional camera at Wapping Street.

The Parking Development team is overspent by £0.1m as a result of consultancy work to undertake surveys of the borough to ensure the correct signage was in place and that the Traffic Management Orders were correct. The outcome of this survey can be accessed online by motorists to identify up to date parking restrictions and where parking bays change, for example from disabled to residential.

The permits budget is overspending by 0.6m from additional resourcing requirements to assist with the new online application process. A large number of temporary permits have been issued at nil cost, a one-off occurrence attributed to issues implementing the new parking back office system. The number of permit renewals has reduced over the past year and a new system for purchasing visitor scratch cards has resulted in less income being received (previously visitors had to buy a book of scratch cards, but they are now sold individually)

Removals are forecasting to overspend by £0.1m, resulting from reduced income from fines and the requirement to use an additional truck for persistent

offenders. Work with the contractor is ongoing to improve performance.

Concessionary Fares (£0.2m Underspend)

The mobility support service is forecasting to underspend by £0.2m, with the contribution towards the cost of Taxi Cards being less than budgeted. This is a demand led budget, with little ability for the Council to control or reduce costs.

Street Trading Account (Nil Variance)

The Markets service has overspent by £0.4m. This overspend is caused by reduced income primarily at Petticoat Lane, Roman Road and Whitechapel Road markets where the number of permanent traders is reducing (£0.4m). Staffing costs and unbudgeted revenue costs resulting from the implementation of the PSI (combined £0.1m overspend). This overspend is being partly mitigated by additional income derived in other markets from increased numbers of casual traders and new services, for example a food market at Brick Lane.

The Markets service is run as a trading account and should therefore be self-sufficient and not impact on the General Fund. The net deficit of £0.2m is being transferred to an earmarked reserve to this end.

It is anticipated a new system to manage payments and allocation of pitches will provide the Council additional data which will be used to analyse the financial performance of individual markets and improve financial performance in future years.

Environmental & Regulatory Services (£0.4m underspend)

The Environment & Regulatory Service has underspent by £0.4m. This is primarily the result of vacant posts within the Out of Hours Noise service, pest control, traveller's liaison, licensing administration and food safety services. The posts have been very difficult to fill and staff retention is a problem within this area.

Additional income from Landlord Licensing, HMO (House in Multiple Occupation) and Late-Night Levy licenses are being profiled to be allocated over the life of each licence issued. Income is received up front and drawn down over the license period for which it is valid to cover costs incurred. No variance is forecast.

Public Realm Management & Administration (£1.3m underspend)

There is a £0.2m underspend within Public Realm Management following a restructure and vacancies within the management structure and a further £0.2m of vacancies within the Service Development team

The outsourced waste collection and Trade Waste services have been brought back in-house in 2020/21. One-off funding was approved through growth bids to fund the cost of implementation, resulting in a £1.8m budget in 2019/20. This budget was not spent in full during the year, with planned work on staff inductions and service consumables slipping into the next financial year. This has resulted in an underspend of £0.9m against budget.

Operational Services (£1.1m underspend)

Waste Collection service has underspend by £0.3m. This results from contract costs that have been reclaimed from Veolia as a result of non-delivery of service due to strike action and from inflationary increases to the contract budgets exceeding the actual uplift.

The retendering of the waste disposal contract has resulted in a reduced budget provision of £1m. This saving has been delivered and a further underspend of

£1m has resulted from further reductions in waste tonnages and additional income from rebates for recyclable materials.

Unbudgeted income has been received from Veolia for building rental in addition to a reduction in expected inflationary increases, resulting in the recycling service underspending by £0.1m.

The Contracts Development Team underspent by £0.2m which forms part of a historic growth bid. Mayoral growth of £0.450m for graffiti removal has not been spent in year and paid back to reserves, therefore having no impact on the outturn position. Extra graffiti removal was carried out within existing budgets, with minimal use of growth funding. A reduced level of growth funding is expected to support extra graffiti removal in 2020/21.

The Green Team has underspent by £0.2m against budget as a result of vacancies.

Commercial Waste income is overspent by £0.6m when compared to budget. This results from loss of customers due to external competition. The service has now been in-sourced and an aggressive marketing campaign will be undertaken in an attempt to increase the portfolio and mitigate this pressure in future years. A further £0.2m pressure has resulted from topping up the bad debt provision to reflect the outstanding debt levels and age of this debt

Riverside walk has overspent by £0.1m. There is a historical income target relating to the Travelodge site. The site was sold and a capital receipt realised. However, the site was generating an income and this lost income is resulting in a pressure.

Highways and Traffic Management (£1.7m underspend)

The Engineering Group charges design and implementation fees to highways and traffic related capital projects. Fees charged in respect of the capital Footway and Carriageway Programme have contributed to the over achievement of income by £0.6m.

Over achievement of fees related to Street works, including permits and traffic management orders are contributing to a further £0.4m underspend in this area.

The public lighting service is underspent by £0.2m as a result of lower than anticipated repairs and maintenance costs during the year.

The scope of works undertaken in year for street scene enhancements is £0.4m lower than budgeted.

The street care service has underspent by £0.2m against budget. This result from a combination of staffing vacancies and an over recovery of income due to the buoyant market. The income target in 2020/21 has been increased to reflect this.

Piped Subways service has overspent by £0.1m as a result of debtor accruals raised in the previous financial year not being matched off by income. There is no evidence to suggest that the income is due and so the amounts cannot be accrued in 2019/20.

Fleet (£0.5m Overspend)

The Fleet service has overspent by £0.5m against budget. This is the result of additional unbudgeted costs relating to an ageing fleet of vehicles, the use of agency staff during the year and the cost of running additional routes. These

costs are not being recharged to the internal client services.

**Housing &
Regeneration**

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

(2.1) Homelessness (£2m Underspent)

The Homelessness and Temporary Accommodation services are forecasting to underspend by £2m. This figure is inclusive of an unachieved savings target of £0.1m relating to the acquisition of properties through the Pan London Capital Letters programme.

Despite this, homelessness numbers continue to increase over and above budgeted demand levels, placing more pressure on the use of expensive nightly booked accommodation. This has resulted in additional costs of £4.264m above those budgeted. However, the additional rental income relating to a total of 397 acquisitions as part of the buyback programme has mitigated this cost pressure by generating additional unbudgeted income of £9.886m, a net surplus of £5.622m. This surplus is used to cover the cost of the borrowing to fund these acquisitions, with £3.636m covering the cost of capital in year, giving the underspend of £2m.

This forecast is inclusive of grant drawdowns totalling £4.8m in year to cover specific activity including rough sleepers (£0.5m), homelessness reduction act (£0.4m) and flexible homelessness support (£3.9m). These drawdowns are in line with those budgeted for the year.

Lettings (£0.1m Underspend)

The Housing Options Lettings service is forecasting to underspend by £0.1m as a result of income from Registered Social Landlords (RSL's) exceeding budgeted targets. RSL's are using the Council's common housing register above budgeted levels and a charge is being made to them for this service. The outturn position is inclusive of the non-delivery of a £0.3m savings target in year relating to the automation of the applications process on to the Common Housing Register and a review of the allocations policy. The work has been completed to deliver the saving, but the actual saving will not be realised until the next financial year.

Provisional break-even position after reserves drawdown

£m	Provisional Outturn Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Governance	-	0.8	(0.8)

The Governance directorate provisional outturn impact on the general fund is nil, after drawdown from the transformation reserve of £0.943m, and the creation of an EU exit reserve of £0.105m.

The reserves drawdown consists of transitional funding for Strategy, Policy and Performance staffing (£0.604m), Children's Services Ofsted Improvement work (£0.268m) and Communications support of transformation initiatives (£0.071m).

The 2019-20 budgets include £0.05m of Enabling and Support Services savings achieved, and £0.6m of Strategy, Policy and Performance centralisation savings to be achieved through Phase 2 of the review (funded from the transformation reserves in 2019-20).

Other comments

Strategy, Policy & Performance (SPP)	Break-even position after the drawdown of reserves for Ofsted improvement work (£268k) and for the transitional staffing structure (£604k) pending Phase 2 of the SPP restructure. A reserve of £105k has been created for EU exit grant monies received in 2019-20 which will be utilised in 2020-21.
Communications	An underspend of £33k due to over-achievement in income against budget. This position is after the drawdown of £71k from reserves for extra staffing to support Council-wide transformation initiatives.
Electoral Services	National elections (GE, European, GLA) are funded, in part, through a maximum recoverable amount grant and this is a system that provides a 75% advance and 25% to be claimed back, with surpluses being assessed by government with no guarantee. The electoral services provisional outturn is break-even, including an accrual for anticipated election reimbursement income to come of £122k.
Information Governance	An overspend of £186k due to staffing costs and i-casework software costs.
Other areas	An underspend was achieved, which offsets the overspend in Information Governance above, in the areas of Registrars Services, Corporate Management and Legal Services.

Provisional outturn underspend of £0.4m after movements in reserves

£m	Provisional Outturn Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Corporate and financing costs	(0.4)	3.3	(3.7)

The corporate and financing costs area is forecasting an underspend of £0.4m, after the planned drawdown from reserves for £3.730m contribution to non-recurrent expenditure in the MTFs position and the creation of reserves for:

The planned drawdown from reserves consists of the £2m short-term funding of Free School Meals from the Free School Meals Reserve and £1.730m short-term funding of the Programme Management Office from the Transformation Reserve.

The Council received the first tranche of the Covid-19 Emergency Grant (£10.449m) from the government in March 2020. Allocations of £0.131m were made to directorates in 2019-20 (primarily Adult Social Care), with the balance of £10.318m being transferred into an earmarked reserve for allocation in 2020-21.

Details of the variances are summarised below:

(in numerical descending order)	£m	Outturn variance commentary
Cross-Directorate Savings Slippage in savings achievement	6.5	Slippage in cross-directorate savings held centrally, being £3.0m slippage in Debt Management & Income Optimisation, £1.35m slippage in the Review of Printing/Scanning/Use of Multi-Functional Devices (MFD's) and £1.15m in Local Presence savings. The further £2m unachieved saving for TOWER Rewards terms and conditions changes is partially offset by £1m pay inflation budget not yet allocated to directorates.
Redundancy, Severance and Early Retirement Cost overspends	3.2	Overspends of £1.9m in severance costs (nil budget), £0.8m in early retirement pension strain and £0.5m in redundancy costs. The corporate budget funds redundancy costs where these relate to achieving savings agreed in the medium term financial strategy (MTFS).
Central Support Costs Unallocated support costs	3.2	Costs of overheads that are funded centrally (not apportioned out to directorates).
Utilities Unallocated costs	1.9	Electricity and gas costs, where these have not been allocated out to services.
Pension Fund deficit repayment Underspend against budget	(0.8)	Underspend against the budget allowed (£12.8m) for the payment to the Pension Fund to meet current deficit estimated by the actuary.
Corporate contingency Budget to cover unforeseen circumstances	(3.0)	£0.1m of the centrally held budget (£3.1m) as used for the last year of funding for two schools (Oaklands and Mulberry Academy Shoreditch) that hosted the London Youth Games.
Non-recurrent items One-off credits	(2.7)	One-off write back of credit balances and centrally held cash receipts.

Treasury Management
Underspend on borrowing
costs budget and over-
achievement in investment
income

(8.7) Underspend on the borrowing costs budget of £7.3m, due to slippage in the capital programme. £3.6m of the Minimum Revenue Provision (MRP) internal borrowing cost is funded by the rental income earned through the property buyback programme in Place directorate. Over-achievement in investment income above budget of £1.4m.

Provisional outturn variance for HRA £3.8m underspend before reserve adjustments

Forecast Outturn Variance			
£m	Estimated impact on HRA	Variance before reserve adjustments	Contribution to /(from) Reserves
HRA	0.8	(3.8)	4.6

The overall forecast for the Housing Revenue Account is a £3.8m underspend before any reserve movements. A strategic decision has been made to set aside £4.6m in an earmarked reserve for potential future costs associated with Thames Water charges. The creation of the reserve places the HRA in a £0.8m overspend position, and therefore HRA general balances will reduce.

The underspend of £3.8m before contribution to reserves is primarily made up of additional income from tenant rents, leasehold service charges and shops income.

(in numerical descending order)	Variance £m	Outturn variance commentary
Dwelling rent income Additional income recovered	(2.0)	Rental income is currently forecast to be higher than budget due to lower void rates than assumed when this budget was set, along with a lower level of Right to Buy sales.
Service Charges	(1.9)	Leaseholder and tenant service charges are expected to be above original estimate following completion of calculations of actuals charges for 2018/19. Service charges are based on a full cost recovery and reflect additional work undertaken within the delegated budgets.
Non Dwelling income	(2.5)	It was budgeted to appropriate the non-dwelling properties such as shops from HRA to general fund, but this proposal is under review and the shops will remain in the HRA at least during 2019/20.
Interest costs	0.7	As a consequence of the above changes to treatment of shops and of capital programme funding an increase in borrowing and therefore in interest costs is forecast.
Debt repayment	1.5	The Council decision to include a provision for debt repayment (Minimum Revenue Provision) is forecast to add unbudgeted cost to the budget
Bad Debt Provision	(0.6)	The amount that the HRA requires to top up its bad debt provision is lower than that budgeted, the result of improvements to debt collection rates.
Depreciation	(1.8)	Based on the latest property valuations, the depreciation charge to the HRA is lower than budgeted. This amount is transferred to the major repairs reserve and used to fund the capital programme

Insurance	0.5	Insurance charges for community buildings is £0.5m over budget. The charge is based on claims history
Tower Hamlets Homes (THH) Delegated: Special Services, Rents, Rates & Taxes/ Supervision & Management/ Repairs & Maintenance	2.3	A number of large demand led services are managed within this area, including the Repairs and Maintenance budget. These budgets are closely monitored in order that demand pressures are identified and financial implications addressed. The repairs and maintenance budget has overspent by £1.3m as a result of an ageing stock and costs incurred on repairs and security costs for community buildings, shops and sites under construction . The supervision and management budgets have overspent by £1m as a result of an increased fee paid to THH being higher than budgeted for agreed additional works undertaken and additional charges for Dame Collett and Poplar Baths.
Thames Water Earmarked Reserve	4.6	A decision has been taken to set aside money in an ear marked reserve to cover possible Thames Water overcharging.

Current projections will:

This table shows the balance on the general fund, HRA and useable reserves held for the previous 2 years as per the restated draft 2018/19 Statement of Accounts. It should be noted that further significant amendments are expected, and these balances are likely to reduce upon the next restatement.

Reduce our General Fund Reserve by £19.0m

Furthermore, outturn movements are still being finalised for 2019/20, and the figures as presented here are subject to change.

Decrease our HRA general balance by £0.8m

Decrease our DSG balance to further deficit of £11.2m

Increase our Earmarked Reserves by £26.8m

		Final Balance at 31 March 2018 £m	*Draft Balance at 31 March 2019 £m	Movement £m	Draft Balance 31 March 2020 £m
	General Fund Reserve	38.4	27.3	(10.0)	17.3
	Budgeted drawdown			(9.0)	(9.0)
	General Fund total			(19.0)	8.3
	Housing Revenue Account (HRA)	47.6	53.8	(0.8)	53.0
	HRA Earmarked Reserve	0.0	0.0	4.6	4.6
	Dedicated Schools Grant (DSG)	0.0	(4.5)	(7.2)	(11.7)
	GF Earmarked Reserves	122.6	128.5	26.8	155.3
	Total Revenue Reserves	208.6	205.1	4.4	209.5
		Final Balance at 31 March 2018 £m	*Draft Balance at 31 March 2019 £m	Contribution to / (from) Reserve £m	Projected Balance 31 March 2020 £m
	Earmarked reserves				
	Insurance	21.2	17.7	0.0	17.7
	New Civic Centre	17.2	17.2	(0.2)	17.0
	Parking Control	3.3	3.3	0.0	3.3
	Transformation Reserve	15.0	9.2	(3.9)	5.3
	Collection Fund Smoothing Reserve	0.0	6.5	0.0	6.5
	ICT Reserve	21.0	16.1	(1.6)	14.5
	Mayor's Tackling Poverty Reserve	4.1	3.4	0.0	3.4
	Free School Meals Reserve	4.0	4.0	(2.0)	2.0
	Mayor's Priority Investment Reserve	7.0	4.6	0.8	5.4
	Risk Reserve	8.8	4.5	0.0	4.5
	New Homes Bonus	12.1	28.9	16.0	44.9
	Public Health Reserve	1.3	1.7	(0.7)	1.0
	Services Reserve	1.9	1.9	1.3	3.2
	Revenue Grants Unused	5.7	9.5	(1.0)	8.5
	COVID 19 grant	0.0	0.0	10.3	10.3
	CIL	0.0	0.0	7.8	7.8
	Totals	122.6	128.5	26.8	155.3

*The figures as at 31/03/2019 are draft, due to the ongoing audit of the 2018-19 financial statements.

Spend of £184.9m against Revised Capital budget £213.9m

Capital Programme

	Original Annual Budget	Revised Annual Budget	Full Year Spend	Provisional (under)/ overspends
	£m	£m	£m	£m
		A	B	C=A-B
Housing Revenue Account	117.9	54.8	57.1	2.3
Corporate	41.3	17.0	19.0	2.0
Children and Culture	56.1	28.3	23.4	(4.9)
Place	143.9	104.0	73.1	(30.8)
Health, Adults and Communities	13.1	5.3	3.7	(1.6)
Resources	6.5	4.5	8.6	2.1
Total	378.7	213.9	184.9	(29.0)

The provisional outturn position shows the council has spent £184.9m (85.9%) against a reprofiled budget of £213.9m. These figures may be subject to further amendments as the ledger finalises.

The Capital Governance Working Group supports arrangements on the governance and administration of the capital programme, as well as reviewing spend, slippage and trends in its delivery.

Commentary on some key schemes is given below.

	Revised Budget £m	Spend £m	(Under)/ overspend £m	
Public Health	5.1	3.7	(1.4)	The programme has experienced delays in developers bringing sites forward for delivery, in approvals for passporting funding and a revised approach to health infrastructure, resulting in the programme being more accurately profiled in January. Even then, due to COVID 19 schemes have not progressed as intended and it was agreed for works not to take place on site, which has led to a delay of approximately 3 months on much of the programme. Wellington Way opened in Q4 of 2019/20.
Schools Basic Need/ Expansion	17.7	16.5	(1.2)	In-house works have been progressing but delays to some aspects/schemes have been encountered, including awaiting DfE decisions.

Schools – Condition & Improvement	4.1	2.6	(1.5)	The slippage is in part due to a crossover with the project in the Under-2s programme and a number of recently approved schemes taking place during the summer break.
Parks	4.2	2.1	(2.1)	Within this programme there are many smaller schemes which are progressing as per expectation; however, the delivery timetable for Bartlett Park has been extended as a result of complex canal side.
Disabled Facilities Grants	1.7	2.1	0.4	This additional expenditure was on adaptations within HA&C that were brought in at a late stage of the year which would otherwise have been met from revenue resource.
Streetlighting Replacement	3.3	3.8	0.5	The 2019/20 original budget of £6.754m has now been re-profiled over 2 years. However, active works were suspended in March and no new works have began since.
Footways and Carriageways	15.0	13.6	(1.4)	Full budget spend was anticipated up until February 2020. However, the COVID-19 emergency resulted in suspension of all works delivery. Subsequently, no programmed new sites were begun, and open works were stopped. The balance of the 2019/20 budget has slipped into 2020/21, and is now funding service continuity for a much reduced urgent roads programme.
New Waste and Cleansing Fleet	10.0	6.6	(3.4)	This project is expected to complete in early 2020/21, as further vehicle procurement is in hand.
TfL Schemes	2.9	3.4	0.5	The programme has proceeded broadly as expected and financial commitments made by TfL for 2019/20 are expected to be fulfilled.
ICT Transformation	4.2	7.1	2.9	Much of the cost of this project has now been capitalised, rather than being financed from revenue reserves. The programme is expected to complete in 2020/21.
Whitechapel Civic Centre	17.0	18.9	1.9	Expenditure to the end of the year for the Town Hall was slightly ahead of the revised spend forecast provided at Q3.
Housing Capital Programme	19.0	25.5	6.5	Delivery has exceeded the re-profiled budget.
Housing – New Supply (On-site)	19.5	18.9	(0.6)	Completion of 77 new council homes has been extended by 3 months and is now expected by September 2020.

Housing – New Supply Pre-construction and Phase 2	4.7	4.4	(0.3)	Progress generally in line with re-profiled budget; slippage from the original budget arose as a result of extended consultation periods, planning process and resolution of procurement and legal issues.
Purchase of s106 Properties	8.5	7.8	(0.7)	The budget included allocation in respect of deposit which had been paid in the previous financial year.

Capital Receipts

	This Year*
	£m
Dwellings sold under Right to Buy (RTB)	
Receipts from RTB Sales	6.2
Less: poolable amount paid to DCLG	(13.7)
Sale of Other HRA assets	
Preserved Right to Buy receipts	0.5
20 Alton Street	0.4
Sale of General Fund Assets	
Wayside Gardens	1.9
	<u>(4.8)</u>

*Receipts shown gross before costs of sale are deducted.

Target for year £25.1m

£11.0m savings delivered

£m	Saving Target	19-20 Target	Prior Year Slippage	Forecast Savings	Slippage	Under Recovery	Over recovery
	A = B + C	B	C	(D = E + F + G) = A ✓	E ✗	F ✗	G ✓
Children and Culture	4.9	3.3	1.6	0.5	1.0	3.3	-
HA&C	3.4	2.7	0.7	2.6	0.9	-	-
Place	3.1	2.6	0.5	2.0	1.1	-	-
Governance	0.1	0.1	-	0.1	-	-	-
Resources	2.8	0.5	2.3	2.1	0.7	-	-
All	10.8	5.6	5.2	3.8	7.1	-	-
Total	25.1	14.8	10.3	11.0	10.7	3.3	-

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

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

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

- £11.0m is identified as being on track to deliver savings;
- A net position of £10.7m is forecast to slip into future years due to timing issues;
- £3.3m has been identified as unachievable; this is mainly in the Children and Culture areas of Early Years and Special Educational Needs & Disabilities (SEND).