



# C A B I N E T S U P P L E M E N T A R Y A G E N D A P A C K

Monday, 29th June, 2020

at 6.00 pm

All Council meetings until further notice will be held remotely. The following link will allow you to view the live streaming of these proceedings  
; <https://youtu.be/fPI3mK146T4>

**Tim Shields**  
**Chief Executive**

**26 June 2020**

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# AGENDA

## Monday, 29th June, 2020

### ORDER OF BUSINESS

Item No		Page No
8	<b>2020/21 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND ACQUISITIONS REPORT WHICH TAKES ACCOUNT OF THE ESTIMATED FINANCIAL IMPACT OF COVID 19 AND THE ON-GOING EMERGENCY - Key Decision No. FCR Q 73 - TO FOLLOW</b>	1 - 50
	This OFP presents an update on the current financial position which takes account of the estimated financial impact of COVID 19 and the on-going emergency.	



**2019/20 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND ACQUISITIONS REPORT AS AT END MARCH 2020 THAT TAKES ACCOUNT OF THE ESTIMATED FINANCIAL IMPACT OF COVID 19 AND THE ON-GOING EMERGENCY AS IT AFFECTS 2019/20.  
KEY DECISION NO. FCR Q73**

<p><b>CABINET MEETING DATE 2019/20</b></p> <p><b>29TH JUNE 2020</b></p>	<p><b>CLASSIFICATION:</b></p> <p><b>OPEN</b></p>
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<p><b>WARD(S) AFFECTED: ALL WARDS</b></p>
<p><b>CABINET MEMBER</b></p> <p><b>Deputy Mayor Rebecca Rennison</b></p> <p><b>Cabinet Member for Finance, Housing Needs and Supply</b></p>
<p><b>KEY DECISION</b></p> <p><b>Yes</b></p> <p><b>REASON</b></p> <p><b>Spending or Savings</b></p>
<p><b>GROUP DIRECTOR</b></p> <p><b>Ian Williams: Finance and Corporate Resources</b></p>

## **1. CABINET MEMBER'S INTRODUCTION**

- 1.1 This report provides Hackney's provisional outturn for 2019/20 and the latest forecast of the financial impact of the coronavirus crisis on our 2020/21 budget, including our latest submission to the Ministry of Housing, Communities and Local Government (MHCLG).
- 1.2 The provisional outturn Overall Financial Position (OFP) report for 2019/20 is based on detailed March monitoring data from directorates. We are forecasting an overspend of £7,489k at year end - an increase of £581k since February. The reasons for this increase are detailed in the directorate commentaries below.
- 1.3 On June 12th, MHCLG issued a third Covid-19 survey, which we have completed and returned. A summary of our return is attached at Appendix 1 and the survey document is attached at Appendix 2. We continue to face a significant budget shortfall, and our latest forecast indicates a budget gap of £69m which has changed little from the £72m and £71m shortfall forecast in our previous two submissions. As noted in previous reports, the funding we have received from the Government thus far to set against this pressure is £17.8m, less than a third of what we need
- 1.3 While the 2019/20 overspend detailed in this report will be substantially funded by the application of the unspent 2018/19 Council Tax and NNDR Collection Fund surpluses carried forward into 2019/20, the impact of coronavirus means these surpluses will not be available in the 2020/21 financial year and it is important that they are regarded as one-off funding streams only.
- 1.4 As with 2018/19, our projected overspend primarily reflects reductions in external funding over time and increasing cost pressures in services, including social care, homelessness and special educational needs (SEN). Despite the publication of the 2020/21 Final Local Government Finance Settlement, which confirmed what had previously been announced in the 2019 Spending Review and the 2020/21 Provisional Finance Settlement, significant uncertainty still remains about our future funding and in particular, its sustainability especially given the impact of Covid-19. Additionally, the Fair Funding Review has been delayed for a further year and will not be implemented until 2021/22 and it is likely that the 2020 Spending Review will also be delayed by a year.
- 1.5 Our provisional 2019/20 overspend is a reflection of the ten years of austerity that has been imposed on councils by central government. Over this period, as funding from central government has fallen, councils have become increasingly reliant on the income they can generate themselves, everything from fees for services to Council Tax. This is the very income that has been hit by coronavirus and leaves councils doubly exposed - both in terms of finding the funds to meet the additional costs after ten years of austerity and the loss of income that without action from Government jeopardises future service provision.

- 1.6 That Hackney has been able to respond to the coronavirus pandemic on the scale and degree it has is testament to the hard work, commitment and innovation of staff across the Council. However, this report demonstrates the dangerous state local government finances were already in prior to the coronavirus crisis and our latest MHCLG submission, setting out the direct costs and loss of income stemming from our response, shows that we need central government to step-up and support us.
- 1.7 We are determined to do everything we can to ensure that we maintain the vital services our residents rely on and support and invest in our staff who have been in the frontline of the response to the pandemic. We need central government to make the same commitment and to work with us and local authorities up and down the country on delivering this.

## 2. GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES INTRODUCTION

- 2.1 The OFP shows that the Council is forecast to have a £7,489k overspend which is equivalent to 0.75% of the total gross budget and 2.34% of the net budget. At year end, this overspend will be substantially funded by the application of the unspent 2018/19 Council Tax and NNDR Collection Fund surpluses carried forward into 2019/20. As there is no certainty that these surpluses will continue in future years they must be regarded as one-off funding streams that can only be used in 2019/20.
- 2.2 Where there are service overspends of a recurrent nature, and/or funding shortfalls, we have dealt with this in the growth assumptions in our medium-term financial plan although the whole plan will have to be revised, possibly significantly, in the light of covid-19.
- 2.3 The latest position in relation to **GENERAL FUND REVENUE EXPENDITURE** is summarised in table 1 below.

**TABLE 1: GENERAL FUND FORECAST OUTTURN AS AT MARCH 2020**

Revised Budgets	Service Unit	Forecast: Change from Revised Budget after Reserves £k	Change from Previous Month £k
86,623	Children's Services	2,148	89
91,094	ASC & Commissioning	4,031	-8
32,764	Community Health	-5	-5
210,481	<b>Total CACH</b>	<b>6,174</b>	<b>76</b>
36,239	<b>Neighbourhood &amp; Housing</b>	<b>701</b>	<b>571</b>
14,957	<b>Finance &amp; Corporate Resources</b>	<b>213</b>	<b>-47</b>
8,938	<b>Chief Executive</b>	<b>401</b>	<b>-19</b>
49,338	<b>General Finance Account</b>	<b>0</b>	<b>0</b>

319,953	<b>GENERAL FUND TOTAL</b>	<b>7,489</b>	<b>581</b>
	<b>Application of One-Off Funding</b>		<b>581</b>
	<b>Forecast End Year Position</b>	<b>0</b>	<b>n/a</b>

- 2.4 On June 12th, MHCLG issued a third Covid-19 survey, which we have completed and returned. A summary of our response is attached at Appendix 1 for both the General Fund and HRA and a copy of the survey document is attached at Appendix 2.
- 2.5 The estimated additional spending pressures on the General Fund and HRA are £24m and £1.4m respectively, while the estimated income reduction on the General Fund is £37m and £6.3m on the HRA.
- 2.6 The reason for the lateness of the report is because in order to give the most accurate assessment of the council's financial position, we needed to include the financial data included in a financial survey data returned to the Ministry for Housing, Communities and Local Government (MHCLG) noted in 2.4 above. This was not completed until 12th June.

### **3.0 RECOMMENDATIONS**

- 3.1 To update the overall financial position for March, covering the General Fund, Capital and the HRA.**

### **4. REASONS FOR DECISION**

- 4.1 To facilitate financial management and control of the Council's finances.

### **4.2 CHILDREN, ADULT SOCIAL CARE AND COMMUNITY HEALTH (CACH)**

The CACH directorate is forecasting an overspend of £6,174k after the application of reserves and drawdowns - an increase of £76k from February.

#### **Children and Families Service**

The service is overspent by £2,148k. The main variances from budget are discussed below.

The Children in Need (CIN) outturn position is an overspend of £500k mainly due to staffing costs. This year we have seen significant pressures on staffing across the whole service and particularly in CIN. This is mainly due to the number of posts exceeding the established number of posts in order to ensure caseloads are at a reasonable level in response to an increase in demand, to provide additional capacity to support the response to the Ofsted focused visit earlier in the year and to cover for maternity/paternity/sick leave and agency premiums. Given the outcome of the recent inspection, alongside further increased demand in the system, it is likely that staffing costs will continue to be above the established number and this is being built into future financial modelling including the use of the increased social care grant. The service is also working with finance to ensure

that there is a systematic approach (backed by enhanced approval steps) to managing staffing levels flexibly across the service to minimise additional posts.

The adverse movement of £113k from the February budget monitors produced by directorates relates to a combination of direct support to families over and above social work support (in areas such as postnatal support, counselling and play therapy, parenting support and skills training), interpreter's fees and increase of purchase card expenditure that occurred in March.

Corporate Parenting's outturn position is an overspend of £1,870k after the use of £2,300k of commissioning reserves and £300k one-off staffing reserves. This position also includes the use of £1,200k of Social Care funding that was announced in the October 2018 Budget. This is a result of an increase in numbers of Looked After Children (LAC) in recent years and a marked change in the profile of LAC placements. The outturn on LAC and LC placements was £21,400k compared to last year's outturn of £18,300k – an expenditure increase of £3,100k. The main budget pressures were within residential care (£1,400k); semi-independent care (£900k); and fostering including both in-house and IFA (£1,100k) placements.

Management actions are both in place and being further developed by the service to reduce the number and unit cost of residential placements. For example, working with young people and their families so they are able to move back home or moving young people on to other less costly settings such as semi-independent accommodation with appropriate support. Given that the average annual cost is approximately £200k, a net reduction in placements would have a significant impact on the forecast.

The Disabled Children's Service outturn position is an overspend of £618k. This is mainly attributed to care packages costs (£522k) including home care, direct payments and residential respite. Staffing was overspent by £211k due to additional staff recruited to address increased demand in the service. The care package pressure is partly offset by a £148k reserve drawdown. In the current year, a proportion of the additional staff will be funded by the increased social care grant.

The Safeguarding and Learning Service outturn is an underspend of £130k. This is mainly due to underspends in both training and staffing budgets. The increase in the underspend of £56k from February is due to delays in staff recruitment and training being impacted by Covid 19 which has restricted these activities across the directorate.

The Access and Assessment team outturn is an overspend of £64k due to increased legal fees and court costs. The adverse movement of £86k from the February position is due to increased costs on Section 17 related expenditure and additional legal fees and court costs.

The Parenting Support Services outturn position is an overspend of £50k. This relates to staff covering maternity leave, long term sick cover and one over-established family support practitioner within the service.

Youth Justice Service's outturn position is an underspend of £114k and is due to delays in recruiting to Youth Justice practitioner posts. Within this position, £322k has been used from the remand reserve to offset pressures in the service due to a spike in the number of young people held on remand in this financial year.

The Directorate Management Team's outturn position is an underspend of £697k. This position includes a drawdown of £766k reserves to offset staffing pressures and to fund additional social work and management capacity in response to the recent Ofsted inspection. There is a further pressure in relation to interpreting fees. The underspend in this area has gone down by £50k from February, and this is due to a £20k favourable movement in the bad debt provision, and a reduction in recruitment costs impacted by Covid-19 which restricted recruitment of non-essential posts across the directorate.

### **Hackney Learning Trust**

The final outturn position was an overspend of £9.9m in relation to the SEND division, which was partially offset by savings made in other HLT departments leaving a net pressure of £5m to be met from HLT reserves. These reserves are now exhausted leaving a net overspend of £131k for 2019/20. The SEND cost pressure is attributable to the increase in the number of Education and Health Care Plans (EHCPs) as the pupil population has grown significantly and the growing demands on the system since the reforms introduced by the Children and Families Act 2014. With the exception of SEN transport, SEN costs should be met from the High Needs block of the Dedicated Schools Grant (DSG) – however, despite the significant rise in numbers and costs there has not been an adequate increase to this funding source. Officers are reviewing the latest guidance in respect of DSG deficits and determining how this will be reported and accounted for going forward given local authorities are from 1st April 2020 required to seek Secretary of State approval for funding DSG deficits from other resources.

### **Adult Social Care & Community Health**

The service is overspent by £4,031k. The main variances from budget are discussed below.

Care Management & Adults Divisional Support outturn position is a £183k budget underspend which is primarily due to additional funding contributions received from health partners for staff within the Integrated Learning Disabilities Service (ILDS), as well as staff vacancies not recruited within the OT & Telecare team. The favourable movement of £122k on the February position is primarily attributable to additional contributions as noted above to fund the administrative staff roles within ILDS.

The Provided Services outturn position is a £64k budget underspend, as a result of two main factors:

- The overspend of £165k across Housing with Care schemes; primarily due to cost pressures of agency staffing following the additional resources required to respond to issues raised from the CQC inspection in December 2018. The service was re-inspected in July 2019, and the service has now been taken out of 'special



measures' and our rating has changed to 'requires improvement'.

- Day care services have an underspend of £229k, as a result of staff vacancies across the service.

Care Support Commissioning (external commissioned packages of care) remains the primary reason for the departmental overspend, with an outturn overspend position of £3,667k. The Learning Disabilities Service still accounts for the largest overspend within the department at £1,400k; and this is followed by physical support at £651k; sensory support £459k; support with memory and cognition £490k; and mental health support at £593k. Increasing unit costs and demand for services have been mitigated by considerable work related to agreeing joint funding with the CCG for a number of service users with learning disabilities with a £2,100k recurrent contribution secured. Final revisions of provisions for bad debt contributed to the £72k increase on the February position.

A set of management actions was agreed to mitigate the ongoing cost pressure within the service. These include:

- ILDS transitions/demand management and move on strategy - ongoing
- Multi-disciplinary review of care packages project (delivered £791k savings) - completed
- Three conversations - ongoing
- Review of homecare processes - ongoing
- Personalisation and direct payments (increasing uptake) - ongoing

The Preventative Services outturn position is a £438k underspend, which is primarily driven by the following factors:

- Underspend of £169k linked to Median Road as future plans for the site are yet to be finalised;
- Concessionary Fares underspend of £153k due to activity being lower than anticipated;
- Carers underspend of £116k as the redesign of the service was completed part way through the year

ASC Commissioning's outturn position is a £379k overspend, and this is largely due to the delay in delivery of Housing Related Support (HRS) savings resulting from shifts in timelines for re-procurement of services. As per the agreed management actions, the service continues working in collaboration with existing providers to develop a sustainable service model and are confident savings of £248k will be achieved in 2020/21, with a further £450k savings being realised the following year in 2021/22. The movement of £55k from the February position was due to increased cost pressures within the voluntary sector contracts, linked to payment by results (PbR) activity.

### 4.3 NEIGHBOURHOODS AND HOUSING

The final outturn for the Neighbourhoods & Housing division for 2019/20 is a forecast overspend of £701k. This is an increase of £571k from the February forecast.

Environmental Operations is showing an overspend of £463k from budget and from the February forecast. £161k relates to additional costs as a result of Covid19 - extra provision for bad debt (£100k) and also loss of income (£61k) in commercial waste. A net overspend of £185k is in relation to the Transport and Supplies and Service. There are currently a number of aging vehicles in the fleet, which has meant more cost in repairs and maintenance. The service is currently in the process of replacing these vehicles in the coming months. £117k relates to additional staffing costs in a service which is heavily dependent on staff and running 7 days a week 24 hours a day. Due to the nature of the service and the work there is a large amount of sick and holiday cover required and this increased in the last quarter of the year.

Parking services is showing an underspend of £135k, which is an £65k adverse movement from February position relation to a building maintenance cost charge, which goes back a number of years.

Streetscene is showing an underspend of £494k, which is an increase of £148k in the underspend from the February position, which predominantly relates to central insurance recharges being lower than anticipated.

The £55k overspend in the Libraries, Leisure and Green Spaces to both budget and February forecast is predominantly due to building maintenance costs. The service had been forecasting these costs to budget all year but received recharges going back up to five years at year end which resulted in a £55k overspend.

The Community Safety, Enforcement and Business Regulation (CSEBR) service has underspent by £11k.

The Planning Service shows an overspend of £971k, which is primarily related to a shortfall in Planning application fees and building control fees income. The increase in overspend since February, of £244k relates to an outstanding VAT payment (that had been reported as a risk in February) and the continued reduction of large major building applications.

Within Housing, General Fund there is a £171k underspend. The majority of this (£115k) relates to the capitalisation of a revenue budget within a cost centre. This has been amended for 2020/21. The remainder of the underspend relates to savings on Repairs & Maintenance and Staffing within the Travellers cost centre (£36k) and a slight increase in Dwelling Rent income (£10k).

The variance to the previous month's forecast relates to the £115k capitalisation as mentioned above, alongside a £28k decrease in Repairs and Maintenance spend within the Travellers cost centre and a £5k increase in Dwelling rent income.

There are no overall material variances within Regeneration.

#### **4.4 FINANCE & CORPORATE RESOURCES**

The forecast is an overspend of £213k, a £47k reduction from the previous month

Financial Management and Control are forecasting an underspend of £377k due to vacancies across all services, while the Directorate Finance Teams are projecting an underspend of £235k which mainly relates to salaries and projected additional income from service fees

The overspend in Facilities Management (£256k) is primarily due to increases in business rates costs on council owned buildings in the borough which are partially offset by reserves. The largest increases are in Hackney Town Hall, Hackney Service Centre and Florfield Road.

In Property services, the cost pressure primarily results from: providing additional staffing resources within the service to address essential works; and the re-classification of a significant revenue item as a capital receipt. The service is currently reviewing their operations to address the former and the allocation of overall budget, both capital and revenue, needs to be reviewed to address the latter. Also, Covid-19 has resulted in an increased bad debt provision

Revenues and Benefits and Business Support has come in at budget, while Audit and Anti-fraud, and Registration have small underspends.

Housing Needs is forecast to come in at budget after the application of the Flexible Homeless Grant and Homelessness Reduction Act Grant. Whilst we will continue to receive the Flexible Homeless Grant, it is probable that this grant will reduce over time and there may be other calls on the Grant. Further, since April 2018 when the Homelessness Reduction Act was introduced there has been a 33.4% increase in approaches for housing advice, expected to result in significantly higher temporary accommodation costs over time.

#### **4.5 CHIEF EXECUTIVE**

Overall, the Directorate is forecasting to overspend by £401k after forecast reserves usage, which is virtually unchanged from February.

##### **Communications, Culture & Engagement**

£115k of this overspend relates to Hackney Today. Hackney Today was published fortnightly for the first quarter of the year but following a court order is now only published once every 3 months with a new information publication 'Hackney Life' published in the months in between.

The remaining £40k is in relation to venues and is primarily due to costs relating to Hackney House which the council is no longer responsible for.

The rest of Communications including Design & Film are forecast to break even.

## **Legal & Governance**

The combined Legal & Governance Service are forecasting an overspend of £358k.

There is an overspend reported in Governance of £100k which is primarily due to Internal Printing Recharges and an unfunded Team Manager's post previously funded by HRA. Both of these have been corrected for 2020/21.

The overspend in Legal Services is due to increased expenditure on external barristers for care proceeding £62k, plus under achievement of income for both external income (£57k) and the amount of revenue that can be charged to capital was reduced by £263k during the closing of accounts process. The overspends are partially offset by underspend in Legal salaries (£90k) and underspends on non-salary items (£33k). All other services are forecast to come in at budget.

## **4.6 HRA**

The projected outturn on the HRA is on budget.

### Income

There is a surplus of £451k on Dwelling Rents which is due to a new lease agreement for properties rented to housing associations. There is additional Leaseholder income of £1,254k. Leaseholder service charges are billed during the year on an estimate, then after year end the actual costs are calculated and the final/actual bills are issued. The increase in the income is a result of these actual bills replacing the estimates. A further major variance is a surplus of £1,055k for Other charges for services and facilities which is mainly due to the extension of LBH collection of water rates on behalf of Thames Water. The commission earned on the Thames Water contract is to pay for the staff that collect the money. We currently only need to collect rent from about 60% of tenants, as about 40% are on full HB; but as we collect Thames Water charges from all tenants and leaseholders, we need to have staff/process/systems to collect from the remaining 40% of

tenants. This cost is paid for by the Thames Water commission. The surplus is due to the fact that the contract extension was negotiated after the HRA budget was set and so the income is not accounted for in the budget, but the income has been accruing throughout the year

### Expenditure

Repairs and Maintenance is £592k over budget which is mainly due to reactive repair costs and an increase in legal disrepair expenditure. This is currently partly offset by vacant posts within the new R&M structure. The Special services overspend is due to agreed increased costs within estate cleaning, lift servicing and maintenance as a result of catching up with previous years' backlog and underspends, and utility costs.

There is an increased cost of capital due to the interest costs on the returned 1-4-1 funding from the pooling of capital receipts, but this is offset by a reduction in the Revenue Contribution to Capital (RCCO).

## 4.7 Capital

The capital expenditure outturn for 2019/20 is £230.5m, £16.1m below the revised budget of £246.6m. A summary of the outturn by directorate is shown in the table below along with brief details of the reasons for the major variances. A report on the final outturn with variance analysis will be included in the July Capital Update report along with details of the requested transfer of resources and associated approvals into the 2020/21 capital programme.

<b>Table 1 – London Borough of Hackney Capital Programme – Final Outturn 2019-20</b>	<b>Revised Budget Position</b>	<b>Final Outturn</b>	<b>Variance (Under/Over)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Children, Adults & Community Health	9,816	9,646	(170)
Finance & Corporate Resources	90,184	92,015	1,831
Neighbourhoods & Housing (Non)	20,193	20,459	266
<b>Total Non-Housing</b>	<b>120,194</b>	<b>122,120</b>	<b>1,927</b>
AMP Capital Schemes HRA	60,894	48,047	(12,846)
Council Capital Schemes GF	2,976	2,776	(200)
Private Sector Housing	1,454	1,311	(143)
Estate Renewal	38,856	39,178	322
Housing Supply Programme	6,594	4,480	(2,114)
Other Council Regeneration	15,591	12,553	(3,038)
<b>Total Housing</b>	<b>126,365</b>	<b>108,346</b>	<b>(18,020)</b>
<b>Total Capital Expenditure</b>	<b>246,559</b>	<b>230,466</b>	<b>(16,093)</b>

### CHILDREN, ADULTS AND COMMUNITY HEALTH

The final outturn for Children, Adults and Community Health is £9.65m, £0.17m below the revised budget of £9.82m. More detailed commentary is provided below.

CACH Directorate Capital Forecast	Revised Budget	Final Outturn	Variance
	£000	£'000	£000
Adult Social Care	270	135	(135)
Education Asset Management Plan	3,306	3,749	443
Building Schools for the Future	66	(24)	(90)
Other Education & Children's Services	574	455	(119)
Primary School Programmes	3,202	3,162	(40)
Secondary School Programmes	2,398	2,168	(229)
<b>TOTAL</b>	<b>9,816</b>	<b>9,646</b>	<b>(170)</b>

### Education Asset Management Plan

The final outturn for the overall Education Asset Management Programme is £3.75m, £0.44m above the budget of £3.31m. The main variance relates to Shoreditch Park Primary School. The proposals for improving facilities at this site continue to be developed and, as such, the budget for funding these had to be revisited throughout the year as proposals were firmed up. This has required budgets to be increased and the AMP bid approved at the Cabinet meeting in March 2020 includes a budget to support the Shoreditch Park School in 2021. In addition, there is capital expenditure incurred to support the delivery of ICT at the School. The refurbishment of an area of road into the playground includes additional expenditure factored to it which will reduce the level changes from the existing playground into the new area created. The variance is due to the changing dynamics of the scheme and will be slipped to 2020/21 to be resourced from the future budget. A request for the slippage of associated funding and approvals will be included in the July Capital Update report.

### Primary School Programmes

The final outturn for the overall Primary School Programmes is £3.16m, £0.04m below the budget of £3.20m. The main scheme relates to Phase 3A of the rolling programme of health and safety remedial works to facades of 23 London School Board (LSB) schools that began in 2017. Some schools have overspends as a result of works completed earlier than profiled and the underspends in the remaining schools are a result of slight delays in work. The Shoreditch Park School

facades underspend is due to a delay in final accounts which were expected by 31 March 2020. The variances will be supported by 2020/21 budgets and a request for the slippage of associated funding and approvals will be included in the July Capital Update in order to bring the profile of budgets in line with the anticipated delivery of the schemes.

### Secondary School Programmes

The final outturn for the overall Secondary School Programmes is £2.17m, £0.23m below the budget of £2.40m. The underspend in The Urswick School relates to slight delay in works and the variance will be slipped. The minor underspend in Cardinal Pole School will be slipped to 2020/21 to support the final accounts. The overspend in Haggerston School Science Laboratory relates to the value of final accounts differing from the original value, hence the variance. The variance will be supported by underspends in other schemes and the balance will be slipped to 2020/21. The minor overspend at the Stoke Newington School Drama Theatre and Auxiliary area relates to works completed earlier than anticipated. This variance will be funded from the 2020/21 budget. A request for the slippage of associated funding and approvals will be included in the July Capital Update report.

### FINANCE AND CORPORATE RESOURCES

The final outturn for the overall Finance and Corporate Resources is £92m, £1.8m above the revised budget of £90.2m. More detailed commentary is outlined below.

F&R Directorate Capital Forecast	Revised Budget	Final Outturn	Variance
	£000	£'000	£000
Property Services	5,047	3,724	(1,322)
ICT	4,382	3,063	(1,320)
Financial Management	274	315	41
Other Schemes	886	188	(697)
Mixed Use Development	79,596	84,724	5,129
<b>TOTAL</b>	<b>90,184</b>	<b>92,015</b>	<b>1,830</b>

### Strategic Property Services – Strategy & Projects

The final outturn for the overall Strategic Property Services is £3.72m, £1.32 below the budget of £5.05m. Christopher Addison House, part of the Council's Corporate Estate Rationalisation (CER) Programme, has a minor underspend. The project has faced numerous delays particularly relating to stakeholder review and sign off and the time taken to procure and award the main contract. The main contractor was successfully appointed in January 2020 and started on site in February 2020 but inevitably works have been delayed due to the lockdown and impact of Covid-19. The completion of the reoccupation was expected to be in the autumn of 2020. Covid-19 may affect the timeline and it will now have to be re-visited. This delay has impacted the other related schemes such as the staff moves for the Annex and the decant to Maurice Bishop House. A request for the slippage of associated funding and approvals will be included in the July Capital Update in order to bring the profile of budgets in line with the anticipated delivery of the scheme.

Stoke Newington Town Hall Essential works will be tendered and the works carried out in 2020/21, therefore the variance will be slipped.

Approximately 110 Asbestos Surveys of the 143 sites have been completed for 2019/20. The contractor has not been able to complete all the remaining Asbestos Surveys of the planned 143 sites due to contractor workload, scheduling issues and other problems with access to sites. The remaining surveys will continue once it is safe to do so after the lockdown has been lifted. A request for the slippage of associated funding and approvals will be included in the July Capital Update in order to bring the profile of budgets in line with the anticipated delivery of the scheme.

The final account and retention for Keltan House Windows and refurbishment and 15-49 Chapman Road Car Pound schemes have been paid and the variance will be used to cover overspends in other schemes. The Clapton Common Former Toilets Refurbishment was due to be completed by 31 March 2020 but is now slightly delayed due to Covid-19 and one of the contractors has poor health unrelated to Covid-19. The Project Manager may have to commission another contractor to complete some of the outstanding work. Trowbridge Centre is complete and the underspend will partly fund regeneration works in the Hackney Wick area in 2020/21. The works for 80-80a Eastway have been delayed and will commence once it is safe to do so. A request for the slippage of associated funding and approvals will be included in the July Capital Update in order to bring the profile of budgets in line with the anticipated delivery of the scheme.

### ICT Capital

The final outturn for the overall ICT Capital is £3.06m, £1.32m below the budget of £4.38m. The main variance relates to End-user Mtg Rm Device Refresh which is the Council's provision of new ICT equipment for staff and members and new ICT equipment for meeting rooms. The outturn has slightly decreased as our current supplier was unable to fulfil some of our Chromebook orders due to current supply chain problems relating to Covid-19. The remainder of the budget is to be rolled over to next year to fund meeting room refreshes or potentially purchase more Chromebooks for working from home however the progress will depend on the state and responsiveness of the supply chain during the year. A request for the slippage of associated funding and approvals will be included in the July Capital Update in order to bring the profile of budgets in line with the anticipated delivery of the scheme.

The Digital Discharge to Social Care project has managed to integrate the Council's Social Care System data into the hospital's system but due to an extended testing period, the project has over run and will continue throughout the beginning of 2020/21.

Hackney Learning Trust is expected to have G-suite by early 2020/21. The project has not progressed as much as expected due to the device refresh project over running. The underspend will be rolled over to the next financial year.

The ICT Infrastructure Upgrades underspend relates to shifting priorities due to Covid-19 as ICT is focusing on ensuring council employees can work from home. The variance will be slipped to 2020/21 and the tender should go out in 2020/21.



The Data Centre Network Switches have been purchased and have arrived at the Hackney Service Centre. However, the project has been put on hold due to Covid-19. The business case has been completed but not yet approved. It should continue in 2020/21 assuming priorities can shift but seeing the impact on supply chains across the country, it may be difficult to know when the project can fully proceed. The underspend will be carried to 2020/21 to ensure there is enough budget to continue with the project.

Some Library kiosks have arrived at the libraries for the Devices for Hackney Residents project with more coming in 2020/21. There has been a delay in deliveries due to Covid-19 resulting in less expenditure than anticipated in 2019/20. The project will continue through 2020/21 with the underspend rolled over.

The Windows Server Microsoft Client Access Licences have been capitalised and have come in less than anticipated due the requirements of the license changing. The underspend will be given up as savings. A request for the slippage of associated funding and approvals will be included in the July Capital Update in order to bring the profile of budgets in line with the anticipated delivery of the scheme.

#### Mixed Use Developments

The final outturn for the overall Mixed-Use Development Programme is £84.7m, due primarily to accelerated spend across these schemes i.e. Work being completed ahead of the programme.

The Tiger Way Development is complete and handed over and is in the 2-year contract defects period in the Design and Build contract. The variance is due to value engineering which resulted in savings in the scheme. The variance will support the final account which will be paid in phases from 2020/21. A request for the slippage of associated funding and approvals will be included in the July Capital Update in order to bring the profile of budgets in line with the anticipated delivery of the scheme.

At the Nile Street Development, the New Regents College School is complete and handed over and the development is in the 2-year contract defects period in the Design and Build contract.

The overall outturn for the Britannia Site Development is £36.2m, £6.2m above the respective budget of £30.1m. The expenditure in the last couple of months has been slightly higher than expected as progress on site was approximately three weeks ahead of schedule and therefore valuations have also been higher. The variance will be supported by the 2020/21 budget and a request for the transfer of associated funding and approvals will be included in the July Capital Update report.

### NEIGHBOURHOODS AND HOUSING (NON-HOUSING)

The final outturn for the overall Neighbourhoods and Housing (Non) is £20.5m, £0.3m above the respective revised budget of £20.2m. More detailed commentary is provided below.

N&H – Non-Housing Capital Forecast	Revised Budget	Final Outturn	Variance
	£000	£'000	£000
Museums and Libraries	350	293	(57)
Leisure Centres	375	160	(215)
Parks and Open Spaces	2,946	2,468	(478)
Infrastructure Programmes	10,392	10,882	490
EHPC Schemes	3,542	4,227	685
TFL	2,036	1,824	(212)
Parking and Market Schemes	52	243	191
Other Services	0	0	0
Regulatory Services	0	0	0
Safer Communities	183	124	(59)
Regeneration	317	239	(78)
<b>Total</b>	<b>20,193</b>	<b>20,459</b>	<b>266</b>

#### Museums and Libraries

The Library Capital project underspend is due to the Clapton Shelving project not able to progress until further notice due to the delayed Listed Building Status application. The variance in this financial year will be slipped into 2020/21 and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

#### Leisure Centres

The Essential Maintenance to Leisure Centres underspend relates to the estimated poolside tiles for Clissold Leisure Centre coming in higher than was budgeted for in 2019/20. There is a budget in 2020/21 to cover these costs.

Therefore, the variance in 2019/20 will be slipped into 2020/21 for this expenditure and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

### Parks and Open Spaces

The final outturn for overall Parks and Open Spaces is £2.5m, £0.5m below the budget of £2.9m. The Council was awarded £4.1m of National Lottery Heritage Grant Funding in December 2019 to progress onto the delivery stage of Abney Park Restoration. Abney Park Cemetery in Stoke Newington is a 12.5 hectare public open space owned and managed by Hackney Council. The project is proceeding as normal with no significant effects from Covid-19. This is because we are in the design stage only and so the team is relatively unaffected by the lockdown. The variance will be slipped into 2020/21 where the anticipated spend will take place.

The Springfield Park Restoration overspend relates to works completed earlier than forecasted. The refurbishment was progressing well but as a result of Covid-19 the construction site was closed by the main contractor until further notice. The contractors were struggling to work on site and adhere to the social distancing rules; and staff and sub-contractors began self-isolating and this resulted in a lack of personnel to resource the project sufficiently. Additionally, the contractors were experiencing difficulties sourcing materials so they made the decision to close the site. The contractors have not yet applied for an extension of time in relation to the delay caused by Covid-19 so we are unable to request a new target programme yet but they have indicated that if they can get back on site in June/July we should still be able to complete in the Autumn of 2020. If they are unable to get back on site in the next couple of months the completion will be delayed. The variance will be supported by the budget in 2020/21 and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

The planned works to Parks have been suspended due to Covid-19 resulting in an underspend and will continue as soon as safe to return on site. The underspend in the Parks Equipment and Machinery relates to items that are all ordered but not able to be delivered due to supplier lockdown. The Parks Public Conveniences and Cafes underspend relates to the Millfields Site which will now take place in 20/21. The Hackney Downs Site public convenience and cafe is complete. The Drinking Water Fountains underspend relates to a delay in works being costed and quotes being obtained for historic fountains in Green Spaces.

The Fairchild's Gardens underspend relates to delays in approval. The Shepherdess Walk Play Area's underspend also relates to delays in approval with stakeholders but this is now underway and work will resume. The West Reservoir Improvements Project is delayed and the variance will be slipped and the Millfields Estate Play Area Project is delayed due to a complete redesign after consultation with User Groups. The current budget for Hackney Downs Community Cycle Hub is insufficient to fund a feasibility study and therefore partner funding is being explored. The variance in this financial year will be slipped into 2020/21 and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

### Infrastructure

In the main the overspend in these schemes relate to the works taking place earlier than the team had profiled. The overspends will be supported by the 2020/21 budget and therefore the budget will be slipped and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

#### Environmental Operational and Other (EHPC) Schemes

The final outturn for the overall Environmental Operational and Other (EHPC) schemes is £4.23m, £0.69m above the budget of £3.54m. The main variance relates to the Council's Fleet vehicles for Waste Services which were ordered but the delivery date is not until 2020/21. The variance will be funded by the 2020/21 budget. The overspend in the Hostile Vehicle Mitigation Measures scheme was caused by works accelerating due to increased security risks and the potential threat of terrorist activity. The variance will be funded from the 2020/21 budget and therefore the budget will be slipped and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

#### Public Realms TfL Funded Schemes

In the main, overall spend is in line with the TfL allocation for 2019/20. The schemes will continue into 2020/21 and any variances will be slipped and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

#### Safer Communities

The final outturn for Safer Communities is £0.12m, £0.06m below the respective budget of £0.18m.

#### Regeneration (Non-Housing)

The final outturn for the overall Regeneration (Non-Housing) is £0.24m, £0.08m below the respective budget of £0.32m. Hackney Wick Regeneration plan to commission a public realm strategy with public realm improvement works being undertaken during 2020/21. Ridley Road Improvements and Dalston Regeneration will now take place in 2020/21. 80-80a Eastway (GLA) 2 Pods and a Computer Numerical Control (CNC) machine (equipment that allows automated control of tools and machinery) will be purchased with the remaining expenditure reprofiled to future years. Trowbridge (GLA) budget has been mainly design work with the remaining budget to be utilised in 2020/21. The variance in this financial year will be slipped and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

#### HOUSING

The final outturn is £108.3m, £18m below the budget of £126.4m. Some projects in the Estate Regeneration and Housing Supply Programme have taken longer to

deliver than was anticipated at the time of the Building Council Homes for Londoners (BCHfL) bid and it has been necessary to reprofile the timelines for delivery projects that were originally expected to be underway in 2019/20 (the 'early schemes') and 2021/22 (the 'later schemes'). More detailed commentary is outlined below.

Housing Capital Forecast	Revised Budget	Final Outturn	Variance
	£000	£'000	£000
AMP Housing Schemes HRA	60,894	48,047	(12,846)
Council Schemes GF	2,976	2,776	(200)
Private Sector Housing	1,454	1,311	(143)
Estate Regeneration	38,856	39,178	322
Housing Supply Programme	6,594	4,480	(2,114)
Woodberry Down Regeneration	15,591	12,553	(3,038)
<b>Total Housing</b>	<b>126,365</b>	<b>108,346</b>	<b>(18,020)</b>

#### Asset Management Plan Housing Schemes HRA

The final outturn for the overall scheme is £48m, £12.8m below the budget of £60.9m. The main variance relates to the SCA/Pipeline Works for Housing Investment Programmes North West, HiPs Central and HiPs South West being rolled into the next financial year. The variance in this financial year will be slipped into 2020/21 and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

#### Council Schemes General Fund

The final outturn for the overall scheme is £2.8m, £0.2m below the budget of £3m. The most significant variance relates to the allowance made for major repair works at multiple Hostels (Housing Needs) properties. This underspend will be utilised on various properties in 2020/21. There continues to be a high level of spend on Borough Wide Housing Under Occupation where some regeneration properties are being used as Temporary Accommodation. A cost benefit analysis is undertaken on each property before any works commences. The small variance in this financial year will be slipped into 2020/21 and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

#### Private Sector Housing

The final outturn for the overall budget is £1.31m, £0.14m below the budget of £1.45m. There is a slight reduction in the Warmth and Security Grant and General Repairs Grant outturns compared to budget due to some works not being completed prior to 31.03.2020. A new Warmth and Security Grant policy is being implemented - the transition to which reduced the number of successful grant applications during 2019/20. Once the new policy is implemented, this should mean the number of successful grant applications will start to increase again. The variance in this financial year will be slipped and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

## Estate Regeneration

The final outturn for the overall scheme is £39.2m, £0.3m below the budget of £38.9m. The variance in this financial year will be slipped into 2020/21 and a request of the slippage of associated funding and approvals will be included in the July Capital Update report.

The Marian Court Phase 3 and Phase 4 projected start on site date of January 2021 is subject to vacant possession; value engineering; planning approval for design changes; and satisfactory tender negotiations for construction work. Note that additional GLA funding has been requested to help close the viability gap in this strategically important project. In the event that it is not possible to secure additional GLA funding, the scheme would still be deliverable, however this will significantly impact the Council's ability to address viability challenges on other projects.

Kings Crescent Phase 3 and 4: vacant possession has been achieved. The Project start on site date of August 2021 is subject to confirmation of GLA planning approval and satisfactory tender returns for construction work.

The Colville 2C projected start on site date of October 2021 is subject to vacant possession; planning approval for design changes following resident feedback from earlier phases and satisfactory tender returns for construction work.

The Nightingale vacant possession has been achieved. The projected start on site date of March 2022 is subject to a revised energy and fire safety strategy; planning approval for design changes; and satisfactory tender returns for construction work.

## Housing Supply Programme

The final outturn for the overall scheme is £4.48m, £2.11m below the budget of £6.59m. The variance in this financial year will be slipped into 2020/21 and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

Mandeville. The main variance to budget related to the Mandeville Street project (£0.29m underspend). This project is on site but works progressed slightly slower than expected during the last quarter and will be further delayed due to Covid 19.

The Daubeney Road Contract award was approved by Cabinet in January 2020. The projected start on site date of July 2020 is subject to Party Wall Agreements in place by July 2020.

The Pedro Street Demolition is complete. The contract award was approved by Cabinet in February 2020. The projected start on site date is July 2020.

The Murray Grove (Fairbank Estate) projected start on site date of September 2021 is subject to planning approval and satisfactory tender returns for construction work.

Buckland Street vacant possession on all garages has now been achieved. The projected start on site date of January 2022 is subject to planning approval and satisfactory tender returns for construction work.

Wimbourne Street vacant possession has been achieved. The projected start on site date of October 2021 is subject to planning approval and satisfactory tender returns for construction work.

Former Frampton Park Community Hall, Tradescant House (Woolridge Way), Downham Road East, 81 Downham Road, Balmes Road, Downham Road West, Hertford Road, De Beauvoir Phase 2 and Lincoln Court all have estimated start on site dates during 2022.

### Woodberry Down Regeneration

The final outturn for the overall scheme is £12.6m, £3m below the budget of £15.6m. The main variance relates to buybacks of leasehold properties on Woodberry Down which did not complete before the end of this financial year. These buybacks will take place in 2020/21. The variance in this financial year will be slipped and a request for the slippage of associated funding and approvals will be included in the July Capital Update report.

## **5.0 DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

This report is primarily an update on the Council's financial position and there are no alternative options here.

## **6.0 BACKGROUND**

### **6.1 Policy Context**

This report describes the Council's financial position as at the end of March 2020. Full Council agreed the 2019/20 budget on 21<sup>st</sup> February 2019.

### **6.2 Equality Impact Assessment**

Equality impact assessments are carried out at budget setting time and included in the relevant reports to Cabinet. Such details are not repeated in this report.

### **6.3 Sustainability**

As above

### **6.4 Consultations**

Relevant consultations have been carried out in respect of the forecasts contained within this report involving the Mayor, the Deputy Mayor and Member for Finance, Housing Needs and Supply, HMT, Heads of Finance and Directors of Finance.

### **6.5 Risk Assessment**

The risks associated with the schemes Council's financial position are detailed in this report.

## **7. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES**

7.1 The Group Director, Finance and Corporate Resources' financial considerations are included throughout the report.

## **8. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE**

8.1 The Group Director, Finance and Corporate Resources is the officer designated by the Council as having the statutory responsibility set out in section 151 of the Local Government Act 1972. The section 151 officer is responsible for the proper administration of the Council's financial affairs.

8.2 In order to fulfil these statutory duties and legislative requirements the Section 151 Officer will:

(i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices and monitor compliance with them.

(ii) Determine the accounting records to be kept by the Council.

(iii) Ensure there is an appropriate framework of budgetary management and control.

(iv) Monitor performance against the Council's budget and advise upon the corporate financial position.

8.3 Under the Council's constitution although full Council set the overall budget it is the Cabinet that is responsible for putting the Council's policies into effect and responsible for most of the Council's decisions. The Cabinet must take decisions in line with the Council's overall policies and budget.

8.4 Paragraph 2.6.3 of FPR2 Financial Planning and Annual Estimates states that each Group Director in charge of a revenue budget shall monitor and control Directorate expenditure within their approved budget report progress against their budget through the Overall Financial Position (OFP) Report to Cabinet. This Report is submitted to Cabinet under such provision.



8.5 Article 13.6 of the Constitution states that Key decisions can be taken by the Elected Mayor alone, the Executive collectively, individual Cabinet Members and officers. Therefore, this Report is being submitted to Cabinet for approval.

8.6 All other legal implications have been incorporated within the body of this report.

### **Appendices**

Appendix 1: Third Covid-19 Survey - Summary

Appendix 2: Third Covid-19 Survey submitted to MHCLG

<b>Report Author</b>	Russell Harvey – Tel: 020-8356-2739 Senior Financial Control Officer <a href="mailto:russell.harvey@hackney.gov.uk">russell.harvey@hackney.gov.uk</a>
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<b>Comments of the Director of Legal &amp; Governance</b>	Dawn Carter-McDonald – Tel: 0208-356-4817 Head of Legal and Governance <a href="mailto:dawn.carter-mcdonald@hackney.gov.uk">dawn.carter-mcdonald@hackney.gov.uk</a>

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# **Cabinet**

**29 JUNE 2020**

**2020/21 OVERALL FINANCIAL  
POSITION, PROPERTY DISPOSALS  
AND ACQUISITIONS REPORT  
WHICH TAKES ACCOUNT OF THE  
ESTIMATED FINANCIAL IMPACT OF  
COVID 19 AND THE ON-GOING  
EMERGENCY -**

**Key Decision No. FCR Q 73**

## **Appendix 1**

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## COVID THIRD SURVEY – SUMMARY

### 1.0 Introduction

- 1.1 The Government continues to request data on how existing funding is being used by local government and any changes in income and expenditure as a result of the coronavirus crisis. It has also asked for a longer term forecast of the financial impact on local authorities. To date, this has taken the form of a request from the Ministry of Housing, Communities and Local Government (MHCLG) for data which we returned on Wednesday 15<sup>th</sup> April and a further return which we submitted on 15<sup>th</sup> May .
- 1.2 On 12<sup>th</sup> June, MHCLG issued a third survey. This Appendix summarises the additional cost and reduced income estimates that we submitted in this return. Attached at Appendix 2 is the actual survey we returned. In Appendix 3, indicative estimates of the proportions of the Emergency Fund Grant that will be spent on each relevant service are included but not shown in this summary. The proportions are based on estimates of what we will spend on each service.
- 1.3 One major change in this survey compared to the second survey is the definition of full year estimates. In the second survey, as well as reporting April and May estimates, we were asked to forecast our year end position on the assumption that life returns to normal from the end of July, and our spend and income return to pre-Covid-19 positions. As we noted at the time, this was naive at best and at worst could be used to provide a misleading picture of the extremely difficult position local authorities will find themselves in if the Government fails to act. In this survey, we are to assume an end to the lockdown in July but use our discretion for what happens to spend and income after this. This change is welcomed.
- 1.4 In the February OFP, in which we summarised the returns we made to the second survey, we also reported our own estimates of the full year impact without the MHCLG end of July constraint noted above. It follows that the full year estimates we report in the third survey will be more consistent with this, and the forecast from the first survey, as opposed to the formally requested MHCLG estimates we returned in the second survey.

### 2.0 The Third Survey Returns

- 2.1 in the tables below, we show the Full Year estimates for increased spending and reduced income in 2020/21 as estimated by services and returned in the third survey to MHCLG
- 2.2 A summary of the estimated additional spending pressures on the General Fund in 2020/21 arising from Covid-19 is shown in the first table (which includes the impact of delayed savings), which is followed by an analysis of the Housing Revenue Account (HRA) spending pressures.

## COVID-19 Additional Expenditure Pressures

### General Fund

Service area	Page 27	Full Financial Year
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	2020-21 £m
Adult Social Care – additional demand	1.413
Adult Social Care – supporting the market	2.400
Adult Social Care – workforce pressures	0.648
Adult Social Care - Personal protective equipment (PPE)	1.145
<b>Adult social care sub total</b>	<b>5.606</b>
Children’s Social Care – workforce pressures	0.640
Children's Social Care - residential care	0.690
Children's Social Care - care leavers	0.315
Children’s Services – other	0.090
<b>Children's Social Care sub total</b>	<b>1.735</b>
Education – SEND	0.030
Education – other	0.956
<b>Education sub total</b>	<b>0.986</b>
Public Health	0.795
Housing - homelessness services	0.550
Housing - rough sleeping - accommodating and supporting those brought into alternative accommodation	0.983
<b>Housing sub-total excluding HRA</b>	<b>1.533</b>
Cultural & related - Sports, leisure and community facilities	2.906
<b>Cultural &amp; related sub total</b>	<b>2.906</b>
Environment & regulatory - waste management	1.200
Environment & regulatory – other	0.429
<b>Environment &amp; regulatory - sub total</b>	<b>1.629</b>
Finance & corporate - ICT & remote working	0.242
Finance & corporate - Revenue & benefits expansion	0.806
Finance & corporate – other	0.696
<b>Finance &amp; corporate - sub total</b>	<b>1.744</b>
Other – Shielding	0.621
Other PPE	1.848
Other - Unachieved savings	3.000
Other services	1.348
<b>Other sub-total (includes Shielding)</b>	<b>6.817</b>
<b>TOTAL SPENDING PRESSURE (General fund)</b>	<b>23.751</b>

## HRA

Service area	Full Financial Year 2020-21 £m
HRA - supplies and materials including PPE	0.100
HRA other	1.300
<b>TOTAL SPENDING PRESSURE (HRA)</b>	<b>1.400</b>

- 2.3 So it is estimated that the additional spending pressure on the General Fund in 2020/21 as a result of Covid-19 is £24m, which is £1m less than the spending estimate reported in the second survey. On the HRA, the spending pressure is £1.4m which is £0.8m less than the second survey estimate.

- 2.4 The next two tables show the impact of Covid-19 on the Council's income streams. The first table shows the estimated reduction in General Fund income and the second the reduction in HRA income.

## COVID-19 Reduced Income

### General Fund

Income Source	Full Financial Year 2020-21 £m
Business Rates cash receipt losses	9.000
Council Tax receipt losses	9.126
<b>Total Council Tax &amp; Business Rates - Indicative Collection Fund Deficit</b>	<b>18.126</b>
Highways and Transport Sales Fees & Charges (SFC) losses	7.004
Cultural & Related SFC losses	0.498
Planning & Development SFC losses	0.000
Other SFC income losses	7.390
<b>Sales, Fees &amp; Charges (SFC) income losses total</b>	<b>14.892</b>
Commercial Income losses	2.435
Other income losses	1.831
<b>Other Income Losses</b>	<b>4.266</b>
<b>TOTAL INCOME LOSS</b>	<b>37.284</b>

**Note:** For the survey we have to show the loss in council tax suffered by the London Borough of Hackney (LBH) & the GLA whereas in our estimate we just show the impact on LBH. This is the same for business rates - in the survey we show the losses suffered by LBH, the GLA & Government but in our estimate, we just show LBH's losses. Also, for the survey we have to include business rates reliefs in the losses which is not shown here as it makes it difficult to disentangle the true losses from those covered by reliefs

### HRA

Income Source	Full Financial Year 2020-21 £m
HRA – residential rent arrears	5.200
HRA – commercial rent arrears	0.600
HRA – losses from voids	0.167
HRA – other	0.290
<b>TOTAL INCOME LOSS</b>	<b>6.257</b>

- 2.5 The estimated reduction in General Fund income in 2020/21 arising from Covid-19 is £37.3m, which is little different from the income loss recorded in the second survey. The estimated reduction in HRA income is £6.3m which again is little different from the estimate recorded in the second survey.
- 2.6 So the overall financial pressure (GF and HRA) for the full year is 69m - £2m less than the pressure reported in the last survey.
- 2.7 As noted in previous reports, we have received £10m from the Emergency Fund Grant and a further £7.8m from the £1.6bn allocation announced in April to set against these pressures. All three of our submissions to date have indicated a significant gap in overall Council finances and without further financial commitments from the Government local authorities risk entering a period of great financial uncertainty which risks compounding the social and economic effects of Covid-19.
- 2.8 The actual level of additional spending and income loss depends on the length of time emergency Covid-19 measures remain in place and the extent to which society and the economy recovers in the

coming months. Officers will continue to assess the expected spending increases and income losses as new information becomes available and report this back through the OFP.



# **Cabinet**

**29 JUNE 2020**

## **2020/21 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND ACQUISITIONS REPORT WHICH TAKES ACCOUNT OF THE ESTIMATED FINANCIAL IMPACT OF COVID 19 AND THE ON-GOING EMERGENCY -**

**Key Decision No. FCR Q 73**

### **Appendix 2**

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## Covid-19 LA financial monitoring - June

### COVID-19 local authority financial management information

**You are reporting on behalf of:****Billing or precepting authority:**

This is Round 3 of a data collection designed to help departments across central government understand the impact of the COVID-19 pandemic on local authority finances. This collection is for planning purposes; to help us identify where the greatest pressures are likely to be going forward and to inform our ongoing assessment of likely future costs. The information you provide will not be used for monitoring or auditing purposes. We will share a summary of the findings with you in due course. We may also publish, as a management information release, selected results at national, class-type, and potentially local authority-level. Please note that information provided could be the subject of a request under the Freedom of Information Act.

As outlined in previous rounds, we recognise that the situation your authority faces is continually changing and we will continue to repeat and refine this collection on a regular, rolling basis. For Round 3, you are asked to restate your May 2020 estimates based on actual/outturn data where available, alongside projected estimates for June 2020 and the full 2020-21 financial year (1 April 2020 to 31 March 2021).

**Where full financial year estimates are requested, please estimate these assuming COVID-19 related costs up until the end of July 2020 based on the indicative timings as set out in the latest available Government advice and thereafter use your authority's own current planning assumptions for longer term annual impacts. You may wish to refer to the UK Government's COVID-19 recovery strategy at <https://www.gov.uk/government/publications/our-plan-to-rebuild-the-uk-governments-covid-19-recovery-strategy>**

We appreciate that you might not have precise figures, but your estimates are extremely useful in the absence of robust data. However please ensure to exercise accurate, professional judgement when submitting your estimates. All submissions should be agreed by your authority's S151 Officer but do not require official certification.

As with previous rounds, you may need to liaise with relevant colleagues in your authority in order to complete the form.

Please submit your response through DELTA by **11pm on Friday 19 June 2020**. We cannot accept returns after the closing deadline. You must hit submit on completing the form otherwise your return will not be counted.

For enquiries, please use the contact details below:

For DELTA registration and collection access enquiries: DELTAadmin@communities.gov.uk

For general enquiries relating to this collection: lgfcoviddata@communities.gov.uk

### Section A: Allocation of £3.2bn grant funding by service area

On 19 March 2020, £1.6bn emergency funding was announced to help local authorities respond to the COVID-19 pandemic. On 18 April 2020, a further £1.6bn funding for local authorities was announced. This section relates specifically to your combined allocation from this £3.2bn funding and not any other additional funding which your authority might be receiving to respond to COVID-19.

**Of this £3.2bn funding, your authority has received:**

### Question A1: What proportion of your grant funding have you allocated to the following service areas?

We recognise that some COVID-19-related activities may be cross-cutting, and that you may not have formally allocated the additional funding separately across service areas. However, please provide updated estimates as best you can. This should be done using notional allocations to reflect your priority areas of spending pressure if you do not yet have more reliable data or formal allocation plans available. You should only populate the 'Not yet allocated' category if you are certain that your authority does not have plans to use this funding.

Please ensure the following areas of funding are recorded under 'Other' instead of specific service lines: Forgone savings and delayed or stopped projects, all Personal Protective Equipment (PPE) excluding that which falls under Adult Social Care (ASC), and Shielding.

Please provide percentage figures for each service area ensuring that they sum to 100%. If your authority does not provide a service or has not allocated any of this grant funding to a particular service area, you must enter 0%

You may wish to refer to your Round 2 May submission which can be found in the DELTA datastore.

For additional guidance and information, where available, please click the information (i) button.

The summary RAG rating asks for your assessment of the confidence you have in the accuracy of the figures provided. This uses a standard RAG rating system where red reflects estimates based on limited evidence/weak assumptions, and green reflects strong evidence and clearer assumptions.

Service Area	Estimated proportion of grant funding likely to be deployed in this area (%)
1 - Adult Social Care – additional demand	6.0 %
2 - Adult Social Care - supporting the market	10.1 %
3 - Adult Social Care - workforce pressures	2.7 %
4 - Adult Social Care - PPE	4.8 %
5 - Adult Social Care - other	0.0 %
<b>Adult Social Care - sub total</b>	23.6%
6 - Children's Social Care – workforce pressures	2.7 %
7 - Children's Social Care – residential care	2.9 %
8 - Children's Social Care – care leavers	1.3 %
9 - Children Social Care - other	0.4 %
<b>Children's Social Care - sub total</b>	7.3%
10 - Education - SEND	0.1 %
11 - Education - home to school transport	0.0 %
12 - Education - other	4.0 %
<b>Education - sub total</b>	

	4.1%
13 - Highways and Transport	0.0 %
14 - Public Health	3.4 %
15 - Housing - homelessness services	2.3 %
16 - Housing - rough sleeping	4.1 %
17 - Housing - other	0.0 %
<b>Housing - sub total</b>	6.4%
18 - Cultural & related - Sports, leisure and community facilities	12.2 %
19 - Cultural & related - other	0.0 %
<b>Cultural &amp; related - sub total</b>	12.2%
20 - Environment & regulatory - cremation, cemetery and mortuary services	0.0 %
21 - Environment & regulatory - waste management	5.1 %
22 - Environment & regulatory - other	1.8 %
<b>Environment &amp; regulatory - sub total</b>	6.9%
23 - Planning & development	0.0 %
24 - Police, fire and rescue services	0.0 %
25 - Finance & corporate - ICT & remote working	1.0 %
26 - Finance & corporate - revenue & benefits	3.4 %
27 - Finance & corporate - other	2.9 %

**Finance & corporate - sub total**

7.3%

28 - Other - shielding

2.6 %

29 - Other - PPE (non-Adult Social Care)

7.8 %

30 - Other - unachieved savings/delayed projects

12.7 %

31 - Other - excluding service areas listed above

5.7 %

**Other - sub total**

28.8%

32 - Not yet allocated

0.0 %

**Total Percentage Check**

100%

Confidence in accuracy of allocation estimates (RAG rating)

AMBER

**Question A2: You have allocated funding to 'Other services' or a specific service area suffixed '-other', excluding the subcategories listed (i.e. shielding, PPE, forgone savings/delayed projects), please specify what this represents.**

Void costs due to delays in sales, unavoidable contract extensions & casual staff

**Section B: Additional spending pressures due to COVID-19**

**Question B1: Compared to what you had budgeted prior to the COVID-19 pandemic, please estimate how much additional money you have spent, and plan to spend, on the following service areas due to pressures caused by COVID-19.**

Your additional spending should be reported:

- 1) Gross of any additional funding you have received - do not deduct any grant funding for COVID-19 costs or any other payments e.g. Clinical Commissioning Group (CCG) reimbursement
- 2) Net of any savings arising from changes in activity due to the COVID-19 pandemic e.g. due to use of the furlough scheme.

As in Section A, we recognise that COVID-19 activities may be cross-cutting across service areas, and it may not be possible to apportion additional spend due to COVID-19 with complete accuracy. However, please estimate as best you can.

Please ensure the following areas of expenditure are recorded under 'Other' instead of specific service lines: Forgone savings and delayed or stopped projects, all Personal Protective Equipment (PPE) related spend excluding that which falls under Adult Social Care (ASC), and Shielding.

You should report your additional spend estimates in millions, though you can provide figures to the nearest thousand pounds (up to 3 decimal places) if you are able to do so. If your authority does not provide a service or you have not spent any more as a result of COVID-19, you must enter 0 (zero).

If submitted, you may wish to view your Round 2 May form which can be found in the DELTA datastore. For Round 3, please use actual expenditure/outturn-based estimates where possible for May.

**Where full financial year estimates are requested, please estimate these assuming COVID-19 related costs up until the end of July 2020 based on the indicative timings as set out in the latest available Government advice and thereafter use your authority's own current planning assumptions for longer term annual impacts. You may wish to refer to the UK Government's COVID-19 recovery strategy at <https://www.gov.uk/government/publications/our-plan-to-rebuild-the-uk-governments-covid-19-recovery-strategy>**

For additional information, where available, please click the information (i) button.

Service Area	Estimated additional spending pressure due to Covid-19		
	May 2020 (£m)	June 2020 (£m)	Full financial year 2020-21 (£m)
<b>1 - Adult Social Care – additional demand</b>	May 2020 £ 0.062 m	June 2020 £ 0.062 m	Full year 2020-21 £ 1.413 m
<b>2 - Adult Social Care - supporting the market</b>	May 2020 £ 0.410 m	June 2020 £ 0.410 m	Full year 2020-21 £ 2.400 m
<b>3 - Adult Social Care - workforce pressures</b>	May 2020 £ 0.085 m	June 2020 £ 0.085 m	Full year 2020-21 £ 0.648 m
<b>4 - Adult Social Care - PPE</b>	May 2020 £ 0.180 m	June 2020 £ 0.180 m	Full year 2020-21 £ 1.145 m
<b>5 - Adult Social Care - other</b>	May 2020 £ 0.000 m	June 2020 £ 0.000 m	Full year 2020-21 £ 0.000 m
<b>ASC sub total</b>	<b>May 2020</b> £ 0.737 m	<b>June 2020</b> £ 0.737 m	<b>Full year 2020-21</b> £ 5.606 m
<b>6 - Children's Social Care – workforce pressures</b>	May 2020 £ 0.086 m	June 2020 £ 0.086 m	Full year 2020-21 £ 0.640 m
<b>7 - Children's Social Care – residential care</b>	May 2020 £ 0.061 m	June 2020 £ 0.061 m	Full year 2020-21 £ 0.690 m
<b>8 - Children's Social Care – care leavers</b>	May 2020 £ 0.009 m	June 2020 £ 0.018 m	Full year 2020-21 £ 0.315 m
<b>9 - Children Social Care - other</b>	May 2020 £ 0.000 m	June 2020 £ 0.030 m	Full year 2020-21 £ 0.090 m
	<b>May 2020</b> £ 0.156 m	<b>June 2020</b> £ 0.195 m	<b>Full year 2020-21</b> £ 1.735 m

**CSC sub total**

<b>10 - Education - SEND</b>	May 2020	June 2020	Full year 2020-21
	£ 0.030 m	£ 0.000 m	£ 0.030 m
<b>11 - Education - Home to school transport</b>	May 2020	June 2020	Full year 2020-21
	£ 0.000 m	£ 0.000 m	£ 0.000 m
<b>12 - Education - other</b>	May 2020	June 2020	Full year 2020-21
	£ 0.000 m	£ 0.150 m	£ 0.956 m
<b>Education sub total</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 0.030 m	£ 0.150 m	£ 0.986 m
<b>13 - Highways and Transport</b>	May 2020	June 2020	Full year 2020-21
	£ 0.000 m	£ 0.000 m	£ 0.000 m
<b>14 - Public Health</b>	May 2020	June 2020	Full year 2020-21
	£ 0.255 m	£ 0.255 m	£ 0.795 m
<b>15 - Housing - homelessness services</b>	May 2020	June 2020	Full year 2020-21
	£ 0.030 m	£ 0.030 m	£ 0.550 m
<b>16 - Housing - rough sleeping</b>	May 2020	June 2020	Full year 2020-21
	£ 0.113 m	£ 0.114 m	£ 0.983 m
<b>17 - Housing - other (excluding HRA)</b>	May 2020	June 2020	Full year 2020-21
	£ 0.000 m	£ 0.000 m	£ 0.000 m
<b>Housing sub total (excluding HRA)</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 0.143 m	£ 0.144 m	£ 1.533 m
<b>18 - Cultural &amp; related - Sports, leisure and community facilities</b>	May 2020	June 2020	Full year 2020-21
	£ 0.236 m	£ 0.256 m	£ 2.906 m
<b>19 - Cultural &amp; related - other</b>	May 2020	June 2020	Full year 2020-21
	£ 0.000 m	£ 0.000 m	£ 0.000 m
<b>Cultural &amp; related sub total</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 0.236 m	£ 0.256 m	£ 2.906 m
<b>20 - Environment &amp; regulatory - cremation, cemetery and mortuary services</b>	May 2020	June 2020	Full year 2020-21
	£ 0.000 m	£ 0.000 m	£ 0.000 m
<b>21 - Environment &amp; regulatory - waste management</b>	May 2020	June 2020	Full year 2020-21
	£ 0.300 m	£ 0.300 m	£ 1.200 m
	May 2020	June 2020	Full year 2020-21
	£ 0.048 m	£ 0.048 m	£ 0.429 m



## 22 - Environment &amp; regulatory - other

<b>Environment &amp; regulatory sub total</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 0.348 m	£ 0.348 m	£ 1.629 m

23 - Planning & development	May 2020	June 2020	Full year 2020-21
	£ 0.000 m	£ 0.000 m	£ 0.000 m

24 - Police, fire and rescue services	May 2020	June 2020	Full year 2020-21
	£ 0.000 m	£ 0.000 m	£ 0.000 m

25 - Finance & corporate - ICT & remote working	May 2020	June 2020	Full year 2020-21
	£ 0.013 m	£ 0.013 m	£ 0.242 m

26 - Finance & corporate - revenue & benefits	May 2020	June 2020	Full year 2020-21
	£ 0.038 m	£ 0.041 m	£ 0.806 m

27 - Finance & corporate - other	May 2020	June 2020	Full year 2020-21
	£ 0.245 m	£ 0.064 m	£ 0.696 m

<b>Finance &amp; corporate sub total</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 0.296 m	£ 0.118 m	£ 1.744 m

28 - Other - shielding	May 2020	June 2020	Full year 2020-21
	£ 0.047 m	£ 0.180 m	£ 0.621 m

29 - Other - PPE (non-Adult Social Care)	May 2020	June 2020	Full year 2020-21
	£ 0.271 m	£ 0.271 m	£ 1.848 m

30 - Other - unachieved savings/delayed projects	May 2020	June 2020	Full year 2020-21
	£ 0.281 m	£ 0.281 m	£ 3.000 m

31 - Other - excluding service areas listed above	May 2020	June 2020	Full year 2020-21
	£ 0.192 m	£ 0.192 m	£ 1.348 m

<b>Other sub total</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 0.791 m	£ 0.924 m	£ 6.817 m

<b>TOTAL ESTIMATED SPENDING PRESSURE (General Fund)</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 2.992 m	£ 3.127 m	£ 23.751 m

**Additional Housing Revenue Account (HRA) Pressures:**

32 - HRA - workforce pressures	May 2020	June 2020	Full year 2020-21
	£ 0.000 m	£ 0.000 m	£ 0.000 m

<b>33 - HRA - supplies and materials including PPE</b>	May 2020	June 2020	Full year 2020-21
	£ 0.025 m	£ 0.025 m	£ 0.100 m
<b>34 - HRA - other</b>	May 2020	June 2020	Full year 2020-21
	£ 0.325 m	£ 0.325 m	£ 1.300 m
<b>HRA total</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 0.350 m	£ 0.350 m	£ 1.400 m

**Question B2: You have allocated spending pressures to ‘Other services’, excluding the subcategories listed (i.e. shielding, PPE, forgone savings/delayed projects), please specify what this represents.**

Voids costs from delayed sales, casual staff costs and unavoidable contract extensions

**Question B3: Using the RAG rating below, please assess the confidence you have in the accuracy of the additional expenditure figures provided. This uses a standard RAG rating system where red reflects estimates based on limited evidence/weak assumptions, and green reflects strong evidence and clearer assumptions.**

Confidence in accuracy of spend pressure estimates (RAG rating)

AMBER

**Question B4: Has your local authority come to an agreement with your partner CCG(s) about the reimbursement and funding of some of your additional COVID-19 related costs including those relating to hospital discharge?**

Please select Yes or No

Yes

**Question B5: What proportion of your total additional spending on adult social care, will be reimbursed by your partner CCG(s)?**

Please express your answer as a percentage. Your additional adult social care expenditure from B1 is shown below, and the equivalent amounts reimbursed and not reimbursed by CCGs has been calculated as a guide.

Service Area	May 2020 (£m)	June 2020 (£m)	Full financial year 2020-21 (£m)
	0.0 %	0.0 %	0.0 %

Proportion of total adult social care additional spend to be funded by CCG(s)

Total adult social care additional spending	£ 0.737 m	£ 0.737 m	£ 5.606 m
Additional adult social care spending to be funded or reimbursed by CCG(s)	£ 0.000 m	£ 0.000 m	£ 0.000 m
Additional adult social care spending not funded or reimbursed by CCG(s)	£ 0.737 m	£ 0.737 m	£ 5.606 m

**Question B6: What proportion of your total additional spending on adult social care (ASC) and ASC- PPE is going directly to external providers?**

Please express your answers as a percentage. Your additional adult social care expenditure from B1 is shown below, and the equivalent amounts going directly to providers have been calculated as a guide.

Service Area	May 2020 (£m)	June 2020 (£m)	Full financial year 2020-21 (£m)
Proportion of total ASC additional spend going to external providers	86.0 %	86.0 %	86.0 %
Total ASC additional spending	£ 0.737 m	£ 0.737 m	£ 5.606 m
ASC additional spending going to external providers	£ 0.634 m	£ 0.634 m	£ 4.821 m
ASC additional spending not going to external providers	£ 0.103 m	£ 0.103 m	£ 0.785 m
Proportion of additional ASC PPE spend going to external providers	0.0 %	0.0 %	0.0 %
Total additional ASC PPE spending	£ 0.180 m	£ 0.180 m	£ 1.145 m
Additional ASC PPE spend going to external providers	£ 0.000 m	£ 0.000 m	£ 0.000 m
Additional ASC PPE spend not going to external providers	£ 0.180 m	£ 0.180 m	£ 1.145 m

## Section C: Income reductions due to COVID-19

**Question C1: Compared to what you budgeted prior to the COVID-19 pandemic, how much have the following sources of income been reduced due to pressures caused by COVID-19?**

As with Spending Pressures, please provide income loss estimates as best you can. You should report your losses in millions, though you can provide figures to the nearest thousand pounds (up to 3 decimal places) if you are able to do so. Please report your loss estimates using positive figures. In all cases, losses should be reported as the difference between the actual/projected amount to be collected post COVID-19 (including the impact of the business rate measures announced at and since Budget 2020) compared to what was originally expected to be collected prior to COVID-19 and prior to Budget 2020.

If your income has not been affected by COVID-19, you must enter 0 (zero). Additionally, if you are a Precepting authority (shire county in a two-tier area), you do not have to enter your share of Business Rates and Council Tax losses as these will be reported by the respective Billing authority. Billing authorities should show all council tax and business rates losses, including those that will be attributable to preceptors and the central share.

If submitted, you may wish to view your Round 2 April form which can be found in the DELTA datastore. However, please note that the format for this section has changed. Please use actual outturn-based income losses where possible for May 2020.

**Where full financial year estimates are requested, please estimate these assuming COVID-19 related costs up until the end of July 2020 based on the indicative timings as set out in the latest available Government advice and thereafter use your authority's own current planning assumptions for longer term annual impacts. You may wish to refer to the UK Government's COVID-19 recovery strategy at <https://www.gov.uk/government/publications/our-plan-to-rebuild-the-uk-governments-covid-19-recovery-strategy>**

For additional information, where available, please click the information (i) button.

Note: The value of your additional Business Rates reliefs for 2020-21, as reported in the NNDR data collection published in May 2020, is shown to the right.

**NNDR published BR reliefs 2020/21:**

£ 47.055 m

The figure you submit below for your 2020-21 financial year business rate losses attributable to reliefs should be the same or close to this published value.

As a billing authority you should show all council tax and business rates losses, including those that will be attributable to preceptors and the central share.

<b>Estimated income losses £m pressure due to Covid-19</b>			
<b>Income source</b>	<b>May 2020 (£m)</b>	<b>June 2020 (£m)</b>	<b>Full financial year 2020-21 (£m)</b>
<b>1 - Business rates losses- COVID-19 Reliefs</b>	May 2020 £ 4.100 m	June 2020 £ 4.100 m	Full year 2020-21 £ 49.000 m
<b>2 - Business rates losses - Deferrals</b>	May 2020 £ 0.000 m	June 2020 £ 0.000 m	Full year 2020-21 £ 0.000 m
<b>3 - Business rates losses - other</b>	May 2020 £ 2.300 m	June 2020 £ 3.100 m	Full year 2020-21 £ 27.000 m
<b>Business Rates losses subtotal (cash receipts)</b>	<b>May 2020</b> £ 6.400 m	<b>June 2020</b> £ 7.200 m	<b>Full year 2020-21</b> £ 76.000 m
<b>Business rates losses subtotals (after reliefs)</b>	<b>May 2020</b> £ 2.300 m	<b>June 2020</b> £ 3.100 m	<b>Full year 2020-21</b> £ 27.000 m

<b>4 - Council Tax receipt losses - working age LCTS</b>	May 2020	June 2020	Full year 2020-21
	£ 0.200 m	£ 0.200 m	£ 1.700 m
<b>5 - Council Tax receipt losses - payment failure</b>	May 2020	June 2020	Full year 2020-21
	£ 1.300 m	£ 1.000 m	£ 10.000 m
<b>6 - Council Tax receipt losses - other</b>	May 2020	June 2020	Full year 2020-21
	£ 0.000 m	£ 0.000 m	£ 0.000 m
<b>Council Tax receipt losses total</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 1.500 m	£ 1.200 m	£ 11.700 m
<b>Collection Fund Losses - Total</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 3.800 m	£ 4.300 m	£ 38.700 m
<b>7 - Highways and Transport Sales, Fees &amp; Charges (SFC) - Parking services losses</b>	May 2020	June 2020	Full year 2020-21
	£ 0.985 m	£ 0.766 m	£ 6.500 m
<b>8 - Highways and Transport Sales, Fees &amp; Charges (SFC) losses - other</b>	May 2020	June 2020	Full year 2020-21
	£ 0.126 m	£ 0.126 m	£ 0.504 m
<b>9 - Cultural &amp; Related (SFC) - Recreation and sport losses</b>	May 2020	June 2020	Full year 2020-21
	£ 0.099 m	£ 0.099 m	£ 0.397 m
<b>10 - Cultural &amp; Related (SFC) losses - other</b>	May 2020	June 2020	Full year 2020-21
	£ 0.025 m	£ 0.025 m	£ 0.101 m
<b>11 - Planning &amp; Development SFC losses</b>	May 2020	June 2020	Full year 2020-21
	£ 0.000 m	£ 0.000 m	£ 0.000 m
<b>12 - Other SFC income losses</b>	May 2020	June 2020	Full year 2020-21
	£ 0.901 m	£ 0.909 m	£ 7.390 m
<b>Sales, Fees &amp; Charges income losses total</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 2.136 m	£ 1.925 m	£ 14.892 m
<b>13 - Commercial income losses</b>	May 2020	June 2020	Full year 2020-21
	£ 0.359 m	£ 0.359 m	£ 2.435 m
<b>14 - Other income losses</b>	May 2020	June 2020	Full year 2020-21
	£ 0.266 m	£ 0.266 m	£ 1.831 m
<b>Non-collection Fund Losses Total</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 2.761 m	£ 2.550 m	£ 19.158 m
<b>TOTAL ESTIMATED INCOME LOSS</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 6.561 m	£ 6.850 m	£ 57.858 m

**Additional Housing Revenue Account (HRA) losses:**

<b>15 - HRA - residential rent arrears</b>	May 2020	June 2020	Full year 2020-21
	£ 0.600 m	£ 0.600 m	£ 5.200 m
<b>16 - HRA - commercial rent arrears</b>	May 2020	June 2020	Full year 2020-21
	£ 0.150 m	£ 0.150 m	£ 0.600 m
<b>17 - HRA - losses from voids</b>	May 2020	May 2020	Full year 2020-21
	£ 0.040 m	£ 0.040 m	£ 0.167 m
<b>18 - HRA - other</b>	May 2020	June 2020	Full year 2020-21
	£ 0.072 m	£ 0.072 m	£ 0.290 m
<b>HRA total</b>	<b>May 2020</b>	<b>June 2020</b>	<b>Full year 2020-21</b>
	£ 0.862 m	£ 0.862 m	£ 6.257 m

**Question C2: Your 2020-21 Business Rates loss attributable to reliefs is now different to the value of your published reliefs, please explain why.**

We will receive reliefs in addition to the published figure

**Question C3: You have recorded income reduction under 'Other' or a specific income loss line suffixed '- other' please specify what this represents.**

Commercial Waste income, Care charging income, Markets, Court Costs, Temp Accm rents, HB overpayments, court cost income

**Question C4: Using the RAG rating below, please assess the overall confidence you have in the accuracy of the income reduction figures provided. This uses a standard RAG rating system where red reflects estimates based on limited evidence/weak assumptions, and green reflects strong evidence and clearer assumptions.**

Confidence in accuracy of income reduction estimates (RAG rating)

AMBER

**Question C5. We are interested in understanding income losses which are irrecoverable and you know will impact on your financial position. Of the income losses specified below (and as you have reported in C1), what proportion is already known/deemed to be irrecoverable in that it will permanently impact on your financial position?**

Please express your estimate as a percentage of the given source of income loss. For each income type, your loss as reported in C1 is shown below, and the equivalent amounts deemed irrecoverable and recoverable have been calculated as a guide.

<b>Sales, fees and charges</b>	<b>May 2020 (£m)</b>	<b>June 2020 (£m)</b>	<b>Full financial year 2020-21 (£m)</b>
Proportion of Sales, fees and charges income deemed irrecoverable	<input type="text" value="94.7 %"/>	<input type="text" value="94.0 %"/>	<input type="text" value="92.9 %"/>
Total sales, fees and charges loss	<input type="text" value="£ 2.136 m"/>	<input type="text" value="£ 1.925 m"/>	<input type="text" value="£ 14.892 m"/>
Irrecoverable sales, fees and charges losses	<input type="text" value="£ 2.023 m"/>	<input type="text" value="£ 1.810 m"/>	<input type="text" value="£ 13.835 m"/>
Recoverable sales, fees and charges losses	<input type="text" value="£ 0.113 m"/>	<input type="text" value="£ 0.116 m"/>	<input type="text" value="£ 1.057 m"/>
<b>Commercial Income</b>	<b>May 2020 (£m)</b>	<b>June 2020 (£m)</b>	<b>Full financial year 2020-21 (£m)</b>
Proportion of commercial income deemed irrecoverable	<input type="text" value="100.0 %"/>	<input type="text" value="100.0 %"/>	<input type="text" value="100.0 %"/>
Total commercial income loss	<input type="text" value="£ 0.359 m"/>	<input type="text" value="£ 0.359 m"/>	<input type="text" value="£ 2.435 m"/>
Irrecoverable commercial income losses	<input type="text" value="£ 0.359 m"/>	<input type="text" value="£ 0.359 m"/>	<input type="text" value="£ 2.435 m"/>
Recoverable commercial income losses	<input type="text" value="£ 0.000 m"/>	<input type="text" value="£ 0.000 m"/>	<input type="text" value="£ 0.000 m"/>
<b>Other Income</b>	<b>May 2020 (£m)</b>	<b>June 2020 (£m)</b>	<b>Full financial year 2020-21 (£m)</b>
Proportion of other income deemed irrecoverable	<input type="text" value="100.0 %"/>	<input type="text" value="100.0 %"/>	<input type="text" value="100.0 %"/>
Total other income loss	<input type="text" value="£ 0.266 m"/>	<input type="text" value="£ 0.266 m"/>	<input type="text" value="£ 1.831 m"/>
Irrecoverable other income losses	<input type="text" value="£ 0.266 m"/>	<input type="text" value="£ 0.266 m"/>	<input type="text" value="£ 1.831 m"/>
Recoverable other income losses	<input type="text" value="£ 0.000 m"/>	<input type="text" value="£ 0.000 m"/>	<input type="text" value="£ 0.000 m"/>

Confidence in accuracy of irrecoverable loss estimates (RAG rating)

AMBER

The government recognises that there might be a limited number of cases in which it is appropriate for local authorities to furlough workers and claim funding through the Coronavirus Job Retention Scheme (CJRS). This would be in exceptional cases: where staff salaries are largely funded by sales, fees and charges, where there is a significant reduction in these revenue streams which are not already offset by additional grant funding from central government, where these staff cannot be redeployed, and where the alternative would be redundancy.

**Question C6: If you are considering, or have already furloughed staff and made a claim through the CJRS, please include an estimate of the extent to which a reduction in sales, fees and charges are expected to be offset by the CJRS funding you will receive.**

You should report your figure in millions, though you can provide figures to the nearest thousand pounds (up to 3 decimal places)

£ 0.000 m

Section D: Council Tax payment plans and Local Council Tax Support (LCTS)

**Question D1: How many households – if any – has your authority agreed alternative council tax payment plans with in 2020-21? Please estimate your responses in this section as best you can.**

3,423

**Question D2. If you have agreed alternative arrangements, please also provide further detail on what the alternative payments plans look like. This could include, for example, arrangements to defer payments or to vary the amounts of payments to be taken over different months.**

We have either spread payments over the whole year or deferred payments

The following question relates to your Local Council Tax Support (LCTS).

**Question D3. Please estimate the total number of working age LCTS caseload and compare this against the authority's expectations for 2020-21, as set out in pre-COVID -19 budget calculations.**

	As at 31 May 2020	As at 30 June 2020	Average of quarterly snapshots across the full Financial Year 2020-21
Total number of working age LCTS caseload	21,366	21,460	21,500
	20,948	20,930	20,900



Total expectation of working age LCTS caseload (as set out in budget calculations pre COVID-19)

Confidence in accuracy of LCTS caseload estimates (RAG rating)

AMBER

## Section E: Allocation of £500m Covid-19 Council Tax hardship fund

Please estimate your responses in this section as best you can. However, if for any question in the section you are unable to provide a rough working estimate, you can leave the box blank and continue to the next question.

The Government has made COVID-19 Hardship Fund payments totalling £500m to local authorities.

As stated in the Hardship Fund guidance, published on 24 March 2020, it is expected that billing authorities will use the fund to provide all recipients of working age local council tax support ('LCTS') during the financial year 2020-21 with a further reduction of £150 in their annual council tax bill.

Where a taxpayer's liability for 2020-21 is, following the application of council tax support, less than £150, then their liability would be reduced to nil. Where a taxpayer's liability for 2020-21 is nil, no reduction to the council tax bill will be available.

Having allocated grant to reduce the council tax bill of working age LCTS recipients by a further £150, billing authorities should establish their own local approach to using any remaining grant to assist those in need.

Of this funding, your local authority allocation is:

£ 4.612 m

### Question E1: To date, how many Hardship Fund discounts have been applied to council tax liabilities of Working Age LCTS claimants?

21,460

### Question E2: What proportion of your working age Local Council Tax Support caseload does your answer to E1 represent?

Please express as a percentage.

100.0 %

### Question E3: To date, how much of your council's allocated hardship fund has been earmarked to current recipients of LCTS?

Please express in £m, up to 3 decimal places.

£ 3.180 m

As a percentage of your allocation, this accounts for:

69.0 %

### Question E4: What proportion of your grant funding have you allocated towards other council tax reductions or support outside of the council tax system?

Please express as percentage.

13.0 %

### Question E5: How many households have received support as set out in E4 in this way to date?

### Question E6: If you would like to provide some additional commentary on your authority's use of the Hardship Fund, please do so here.

Academy software is required to award some of this support and will not be available for implementation until early July. E4 is as at the end of May

**Section F: Availability of reserves and cashflow difficulties due to Covid-19**

In order to help us understand the impact of COVID-19 on financial sustainability, and on the basis of the funding provided to date, we would like you to provide us with some information on how you anticipate the shock will affect your authority's reserve levels and wider financial strategy.

Please provide information that is consistent with your input on income and expenditure.

**Question F1: Please provide a provisional estimate of your unringfenced reserves balance as of 31st March 2020? Please separate between unallocated and earmarked reserves.**

*Note: The fields below have been pre-populated with estimates of your unringfenced reserves balance from the 2019/20 Revenue Account data, please update with provisional outturn data if available*

You should report your estimates in millions, though you can provide figures to the nearest thousand pounds (up to 3 decimal places) if you are able to do so, with a RAG rating for confidence in estimates.

**Unallocated financial reserves - 19/20 RA**

£ 15.000 m

**Other earmarked reserves - 19/20 RA**

£ 137.240 m

**Unallocated financial reserves**

£ 15.000 m

**Other earmarked reserves**

£ 118.567 m

**Unringfenced reserves as at 31st March 2020**

Confidence in accuracy of reserves estimates (RAG rating)

GREEN

**Question F2: What percentage of your unringfenced reserves as reported in F1 are programmed for expenditure within the next three to four years within your Medium Term Financial Strategy and are therefore internally seen as unavailable for unforeseen circumstances?**

**Please separate between unallocated and earmarked reserves.**

**Percentage of unringfenced reserves as at 31st March 2020 seen as unavailable for unforeseen circumstances**

**Unringfenced reserves as at 31st March 2020 seen as unavailable for unforeseen circumstances**

**Unallocated financial reserves**

100 %

£ 15.000 m

**Other earmarked reserves**

100 %

£ 118.567 m

Confidence in accuracy of reserves estimates (RAG rating)

GREEN

**Question F3: If, in the event, you are required to deploy reserves to meet COVID-19 pressures in 2020-21, what impact would using unallocated reserves and/or other earmarked reserves have on your wider financial strategy?**

Please select all that apply

- It would require you to add to reserves in 2021-22
- It would delay planned savings/improvement plans
- Other

**Question F4: If you have selected Other, please specify.**

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**Question F5: Do you anticipate any difficulties in meeting cash flow requirements over the next three months as a result of pressures caused by Covid-19?**

We are interested in any difficulties in meeting ongoing costs from your existing resources or through normal treasury management activity such as short-term borrowing. Please use the drop-down list provided.

Section G: Additional commentary

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**Question G1. If you would like to provide some additional commentary on how the COVID-19 pandemic is impacting your authority's finances and how you are responding, please do so here.**

Many thanks for completing this form, please remember to click submit when you have finished each section and have S151 officer agreement.

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