Hackney

2019/20 Overall Financial Position, Property Disposals And Acquisitions Report (August 2019)

Key Decision No. FCR P97

CABINET MEETING DATE 2019/20	CLASSIFICATION:
16TH OCTOBER 2019	OPEN

WARD(S) AFFECTED:

All wards

CABINET MEMBER

Councillor Rebecca Rennison

Cabinet Member for Finance and Housing Needs

KEY DECISION

Yes

REASON

Spending or Savings

GROUP DIRECTOR

Ian Williams: Finance and Corporate Resources

1. Cabinet Member's Introduction

1.1 This is the third Overall Financial Position (OFP) report for 2019/20 and is based on detailed August 2019 provisional outturn monitoring data from directorates. We are forecasting an overspend of £4,833k at year end.

1.2 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. It must be noted that there is no guarantee that these surpluses will continue in future years and so they must be regarded as one-off funding streams only.

1.3 An explanation of each directorate's forecast outturn position is detailed in the directorate commentaries below.

1.4 As with 2018/19, our projected overspend primarily reflects severe spending cuts by central government since 2010 and increasing cost pressures in services which remain underfunded by the Government. These include social care, homelessness and special educational needs (SEN). The government's failure to provide any additional funding to date to address the inherent increasing demands and cost pressures within these services, and to support wage increases for local government staff makes our financial position next year and in the following years, extremely challenging.

1.5 In September, the Government published the Spending Review covering the 2020/21 financial year. It is true that some of the provisions make us temporarily better off than we were planning for, but it is simply too little too late. For example, £700m injected for special needs education in England is about half of what schools across the country need and the funding is only guaranteed for one year. Similarly, the £1.5bn boost for social care is again only guaranteed for one year and falls way short of covering the ongoing £2.5bn gap in funding. Worse still it only includes £1bn of grant with local authorities assumed to fund the other £0.5bn by a council tax increase.

1.6 In fact, the overall funding increase announced by the Government assumes all councils increase their council tax levels by the maximum allowable amount thereby placing further burdens on local residents. For a London borough the maximum allowable council tax increase is 4%.

1.6 Meanwhile the Fair Funding Review, which is due to now come into effect from 2021/22, will remove important funding considerations such as deprivation and homelessness from the formula the Government uses to calculate funding for boroughs. Its plans mean that some of the key issues that affect inner city areas like Hackney will effectively be ignored by the Government.

1.7 Finally, we won't know for sure how much funding we will get for 2020/21 until the Government announces it in December, and it is unlikely that we will know our funding level for 2021/22 until December of next year. It is no understatement to say that local government finances have never been so uncertain.

1.8 I commend this report to Cabinet.

2. Group Director of Finance and Corporate Resources Introduction

2.1 The OFP shows that the Council is forecast to have a £4,833k overspend which is equivalent to 0.5% of the total gross 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 be used in 2019/20 only.

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 and will manage down the overspends by a phased application of additional resources to the relevant services. It is necessary to do this in a phased way to smooth out the impact on the rest of the budget and council tax.

2.3 In September the Government published the 2019 Spending Review which set out the spending plans for 2020/21. The main provisions affecting local government are as follows: -

- the postponement of Fair Funding and the 75 per cent Business Rates Retention scheme until 2021/22
- the "roll forward" of the current core funding spending
- The decision not to roll forward the London 75 per cent Business Rates Retention Pilot into 2020-21
- An additional £700m SEND funding
- An additional £1bn social care funding
- A 1.8% increase in Public Health Grant

2.4 We are forecast to make a temporary one-year gain in 2020/21 compared to what we were planning, from the postponement of Fair Funding and the rolling forward of core funding, although these gains are partially offset by a funding loss arising from the failure to roll forward the London 75% Business Rates Retention scheme. On the basis of London Councils' and our estimates of these gains, it looks like our budget gap in 2020/21 will reduce although we will need to wait until early December for this to be confirmed. However, it must be stressed that this is one-off gain only and is not sustainable into future years. The total budget gap over the period 2020/21 to 2022/23 is £25m and so the need for making significant savings remains.

2.5 Turning to the rolling forward of the core social care grants (winter pressures and support grant) and the new social care grant, it must be recognised that the Government has only committed to doing this for a year. Moreover, on a related matter, the ASC precept has only been confirmed for 2020/21. It follows that there is still considerable uncertainty about social care funding streams in future years.

2.6 The SEND additional funding has again only been committed to for one year and so again considerable uncertainty remains about the funding for this service.

Moreover, the injection is only about half of what will be needed nationally, and our estimated share is again about only half of what we need.

2.7 The latest position in relation to **General Fund Revenue Expenditure** is summarised in table 1 below.

Table 1: General Fund Forecast Outturn As At August 2019

Revised Budgets	Service Unit	Forecast: Change from Revised Budget after Reserves £k	Change from Previous Month £k
		£k	£k
86,623	Children's Services	1,009	313
91,094	ASC & Commissioning	3,244	4
32,764	Community Health	-	-
210,481	**Total CACH**	**4,253**	**317**
36,338	**Neighbourhood & Housing**	**78**	**-98**
14,957	**Finance & Corporate Resources**	**402**	**21**
8,938	**Chief Executive**	**100**	**33**
49,338	**General Finance Account**	**0**	**0**
320,052	**GENERAL FUND TOTAL**	**4,833**	**273**
	Application of One-Off Funding	4,833	273
	Forecast End Year Position	**0**	**n/a**

3.0 Recommendations

3.1 To update the overall financial position for August, covering the General Fund and the HRA, and the earmarking by the Group Director of Finance and Corporate Resources of any underspend to support funding of future cost pressures and the funding of the Capital Programme.

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 £4,253k after the application of reserves and drawdown of grant.

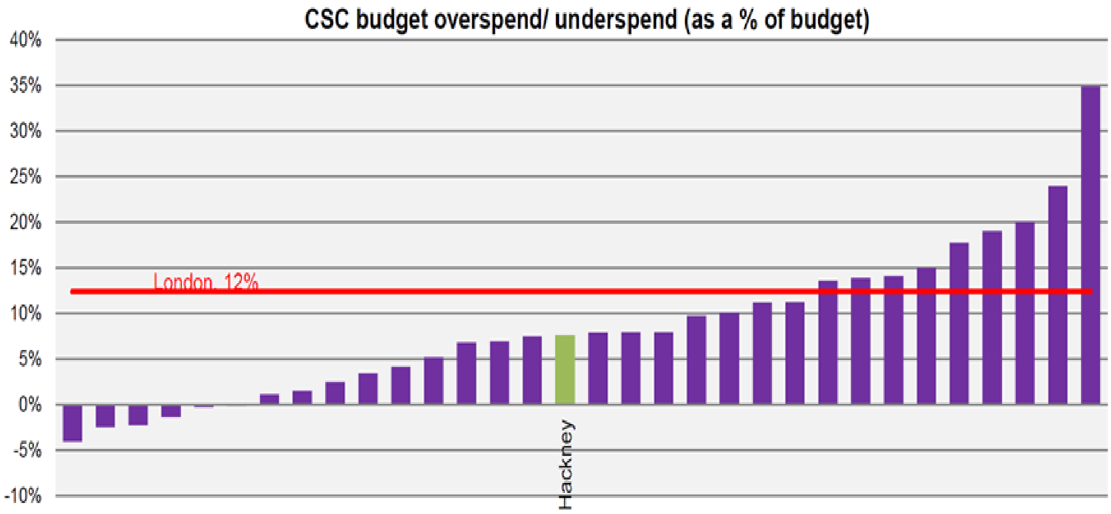
Children & Families Service

Children & Families Service (CFS) is forecasting a £1,009k variance against budget after the application of reserves and grants. The draw down from reserves includes:

- £2.3m from the Commissioning Reserve, set up to meet the cost of placements where these exceed the current budget.

- £1.1m for additional staffing required to address a combination of increased demand across the service and management response to the Ofsted focused visit earlier in the year.
- £0.6m is drawn down to offset pressures in relation to the increase in young people currently held on remand.

The sustained pressure on CFS budgets is a position that is not unique to Hackney, as shown by the results of a survey on Children's Social Care spend carried out jointly by the Society of London Treasurers (SLT) and the Association of Directors of Children's Services (ADCS). The graph below shows how Hackney's year end position for 2017/18 (before the use of reserves) compared to other London boroughs for Children's Social Care.



A similar survey is currently underway in relation to 2018/19 outturn and this will be reported as soon as it is available.

The main budget pressures in CFS are in relation to looked after children (LAC) placements within Corporate Parenting, young people held on remand within Youth Justice and staffing in several areas across the services. Further details are set out below.

<u>Corporate Parenting</u> is forecasting to overspend by £822k after the use of £2,300k of commissioning reserves. This position also includes the use of £1,200k of non-recurrent Social Care funding that was announced in the October 2018 Budget. Spend on LAC and Leaving Care (LC) placements (as illustrated in the table below) is forecasted at £20.05m compared to last year's outturn of £18.3m – an increase of £1.7m.

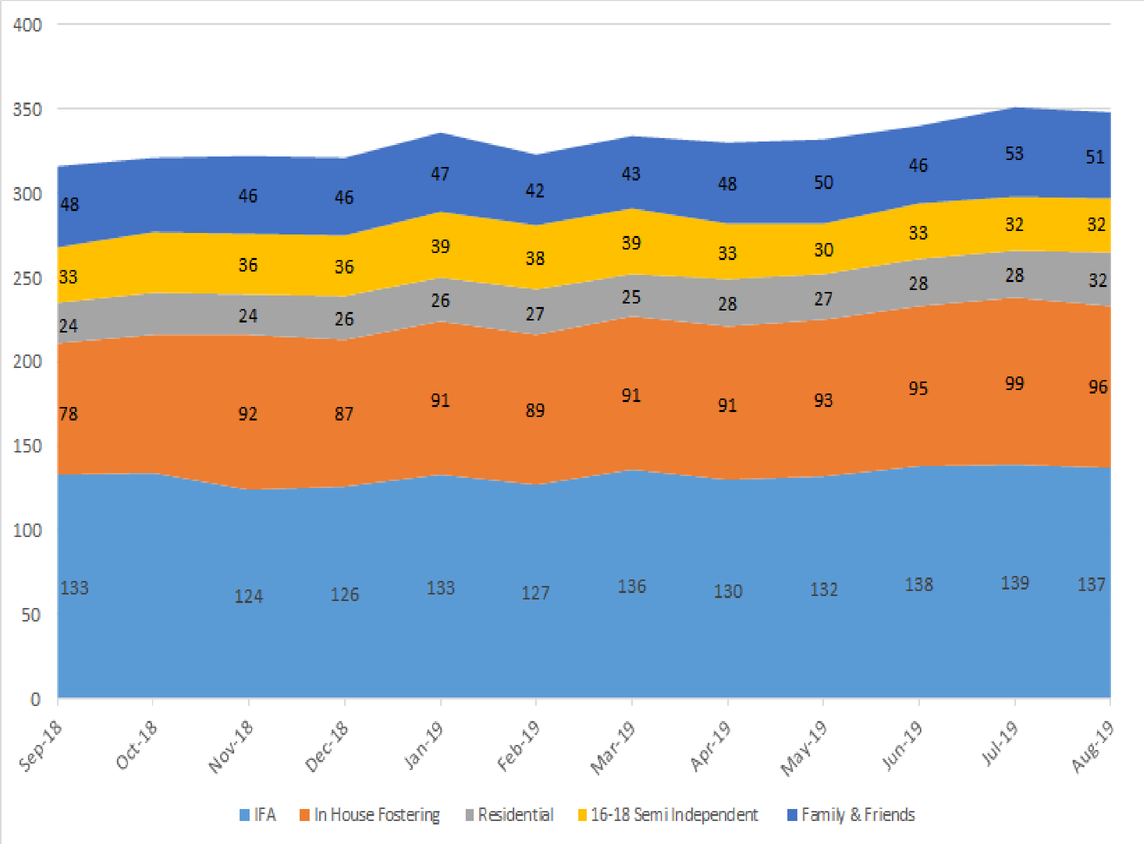
Table 2: Placements Summary for LAC and Leaving Care

Service Type	Budget	Forecast	Forecast Variance	Budgeted Placements*	Current Placements	Management Actions
Residential	4,331	5,466	1,135	21	32	There are a number of initiatives in place to seek to contain these cost pressures, for example the Family Learning Intervention Project (FLIP), the Edge of Care workers, the Residential project and re-negotiation of high cost placements. The first two of these have been in train for some time and tracking of the financial impact is undertaken on a case by case basis. Evidence from this tracking indicate significant costs avoided suggesting the cost pressure would be significantly greater if these were not in place. We will continue to monitor residential placement moves and the resulting effect on other placement types across future periods. The impact of Mockingbird, the extended family model for delivering foster care with an emphasis on respite care and peer support, and new arrangements for implementing Supported Lodgings will also be reviewed going forwards.
Semi-Independent (Under 18)	1,570	1,878	308	26	32	
Other Local Authorities	-	230	230	-	6	
In-House Fostering	1,800	2,138	338	78	96	
Independent Foster Agency Carers	6,488	6,628	140	134	137	
Residential Family Centre (M&Baby)	-	203	203	-	1	
Family & Friends	569	807	238	32	51	
Extended Fostering	-	29	29	-	-	
Staying Put	200	364	164	13	25	
Overstayers	290	472	182	11	25	
Semi-independent (18+)	1,370	1,839	469	48	108	
Total	16,618	20,054	3,436	363	513	

**based on average cost of placements. Residential budget also includes one-off social care funding of £1.2m)*

The table below shows the trend in LAC placements over the past 12 months.

Table 3: Headcount Data for LAC



There have been four additional residential placements since July (14% increase), which has led to an additional pressure of £400k in the forecast this month. As illustrated in Table 3 above, since this time last year there has been a favourable movement in the ratio between IFA and in-house placements (although this has declined slightly in the last month). This is driven primarily by the in-house foster carer recruitment which has seen some success and the matching officer post which has been in the structure since 2018. At around £50k per annum the cost of a child placed in independent foster care is double that of a placement with one of our own foster carers.

One of the main drivers for the cost pressure in Corporate Parenting continues to be the rise in the number of children in costly residential placements which has now sustained for the past year and the number of under 18s in high-cost semi-independent placements. Where children in their late teens are deemed to be vulnerable, and in many cases are transitioning from residential to semi-independent placements, they may still require a high-level of support and in extreme circumstances bespoke crisis packages.

This year we have seen significant pressures on staffing. This is mainly due to over-established posts recruited to meet an increase in demand (rise in caseloads), additional capacity to support the response to the Ofsted focused visit earlier in the year and cover for maternity/paternity/sick leave and agency premiums.

Children in Need is forecasted to overspend by £417k. The overspend is mainly due to staffing overspends relating to supernumerary social worker posts to meet service pressures, maternity cover, agency premiums associated with covering vacant posts and these items collectively total £451k. Underspends in non-staffing expenditure totals £34k.

The Disabled Children's Service is forecasted to overspend by £393k. Staffing is projecting an overspend of £228k due to additional staff brought in to support backlogs in the service. The remaining overspend is attributed to placements (£122k, including homecare, direct payments and residential respite) and £43k on other expenditure. This is offset by a £148k reserve drawdown.

The Youth Justice Service is forecasting a balanced position after the use of £434k of remand reserves and an additional £123k of reserve which has been repurposed from an existing reserve to offset pressure in the service due to a major incident resulting in three young people currently being held on remand.

Overspends across the service are partly offset by underspends elsewhere in the Directorate Management Team, Safeguarding and Learning Services and No Recourse to Public Funds Team.

The Directorate Management Team is forecast to underspend by £640k. This is due to the utilisation of additional reserves within the service to offset staffing pressures, including those in Children in Need and Parenting Support service.

The Safeguarding and Learning Service is forecast to underspend by £84k. This is due to vacant posts that will not be filled this financial year. There is also pressure from unachieved income targets.

Following growth in the base budget this year the No Recourse to Public Funds (NRPF) Team is forecasting an underspend of £29k after use of £93k legal reserves. The underspend is primarily from Section 17 where we are currently supporting 69 families who have no recourse to public funds, a decrease of 7 families from the previous month. This position has improved significantly from the previous year, and the service continues to work to ensure that services are targeted at those in need.

Hackney Learning Trust

The Hackney Learning Trust (HLT) forecast is consolidated into the Children and Families position. As part of the delegated arrangements for HLT, any overspend or underspend at year end will result in a drawdown-from or contribution-to the HLT reserve and expenditure is reported 'on budget'.

HLT are forecasting a significant drawdown on the HLT reserve (between £3.5m and £4.5m), mainly due to pressures in special educational needs. This forecast has been updated following the latest funding updates announced by the government in July 2019. This is an early forecast that will be adjusted as data on any new demands on HLT services become known throughout the year.

Special educational needs activities cost £9.5m in excess of agreed budgets 2018/19; and expenditure is currently expected to increase by a further £2.0m in 2019/20. Within the HLT forecast, the SEND overspend is mostly offset with savings made across other HLT departments. Costs associated with special educational needs have complex cost drivers and senior leadership across HLT and the wider Council continue to look into ways where the Council might be able to bring expenditure under control. Recent reports submitted to HLT SLT estimate that HLT reserves will be fully utilised in 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 there are growing demands on the system since the reforms introduced by the Children and Families Act 2014. The impact of these factors is that, in Hackney, the number of EHCP's have increased by more than 50% since 2011. With the exception of SEN transport, SEN costs should be met from the High Needs block of the Dedicated Schools Grant– however, despite the significant rise in numbers and costs there has not been an adequate increase to this funding source.

Adult Social Care & Community Health

The forecast for Adult Social Care is a £3,200k overspend. The position for Adult Social Care last year was an overspend of £4,083k and this has improved through adjustments for corporate growth items and additional use of non-recurrent funding. The revenue forecast includes significant levels of non-recurrent funding including iBCF (£1,989k), Social Care Support Grant (£1,200k), and Winter Pressures Grant (£1,400k).

Recent announcements on social care funding as part of the Spending Review 2019 has provided further clarity on funding levels for 2020/21, however, it is still unclear what recurrent funding will be available for Adult Social Care post 2020/21. The non-recurrent funding was only intended to be a 'stop-gap' pending a sustainable settlement for social care through the Green Paper, however this is subject to ongoing delay. The implications of any loss of funding will continue to be highlighted in order that these can be factored into the Council's financial plans. This will include ensuring that it is clear what funding is required to run safe services for adults. Alongside this the service continues to take forward actions to contain cost pressures. Some of these management actions are outlined in the table below, and further information is provided in Appendix 1.

<u>Care Support Commissioning</u> (external commissioned packages of care) contains the main element of the overspend in Adult Social Care, with a £2,300k overspend. The forecast includes £1,400k of the Winter Pressures grant to fund additional costs resulting from hospital discharges. It was anticipated that the grant funding would be released through the year to offset additional pressures from hospital discharges, however an analysis of information on discharge levels and care packages has identified that the full £1,400k has already been committed.

Service type	2019/20 Budget	Aug 2019 Forecast	Full Year Variance to budget	Full Year Variance to Jul 2019	Management Actions
	£k	£k	£k	£k	
Learning Disabilities	15,000	16,081	1,082	94	- ILDS transitions/demand management and move on strategy - Multi-disciplinary review of care packages (delivered £667k) - Three conversations - Review of homecare processes - Review of Section 117 arrangements - Personalisation and direct payments - increasing uptake
Physical and Sensory	12,843	13,354	512	39	
Memory, Cognition and Mental Health ASC (OP)	7,710	8,216	505	(83)	
Occupational Therapy Equipment	740	888	148	75	
Asylum Seekers Support	170	181	11	7	
Total	36,462	38,720	2,258	132	

The Learning Disabilities service is the most significant area of pressure with a £1,082k overspend. £290k of this pressure arises from the estimated costs of new transition clients in the year. This forecast pressure is significantly less than last year due to the application of both budget growth and one-off funds in this service area.

Work is ongoing with the Clinical Commissioning Group (CCG) colleagues to embed the joint funding model for high cost Learning Disability packages as business as usual. There is an agreement between both parties for all packages to be reviewed for joint funding. A process of quarterly reconciliation and financial reimbursement will be managed through the Learning Disability Section 75 review group on behalf of the Planned Care Workstream. The CCG have committed to ring-fence £1.9 - £2.7m within their financial planning for 2019/20 and £1.9m has been factored into the forecast above. The partners also acknowledged that by implementation of the joint funding policy the amount paid for health need will be based on the assessment of patient/residents and that health needs for individuals could be potentially less or more than the initial identified range. Progress has been slow in embedding the joint funding model which has resulted in fewer than expected cases going through the panel process to date. This is being closely monitored by all partners and measures have been taken to ensure completion of all joint funding assessments by the end of the year, which includes having dedicated project support from the PMO in adult services to ensure the smooth day to day operation of the process, given its high priority and funding risk.

Physical & Sensory Support is forecasting an overspend of £512k, whilst Memory, Cognition and Mental Health ASC (OP) is forecasting an overspend of £505k. The cost pressures being faced in both service areas has been driven by the significant growth in client numbers as a result of hospital discharges in 2018/19, which has been partially mitigated by one-off funding from the Winter Pressures grant of £1,400k.

Discussions have been held with the service in order to develop a set of management actions to mitigate the ongoing cost pressure as a result of increased clients being discharged from hospital with more complex needs. These actions include the creation of a multi-disciplinary team (MDT) to facilitate the review of care packages, and this has delivered savings to date of £667k (full year effect). As a result of the savings achieved the MDT project has been extended for a further six months to the end of Jan 2020.

The Mental Health service is provided in partnership with the East London Foundation Trust (ELFT) and is forecast to overspend by £552k. The overall position is made up of two main elements - a £724k overspend on externally commissioned care services and £173k underspend across staffing-related expenditure.

Provided Services is forecasting a £84k overspend, while Preventative Services is forecasting an underspend of £421k. The latter is mainly accounted for within the Median Road position, while project plans for an in-house interim bed provision is confirmed. Full year expenditure of £512k on outsourced interim beds is noted within the forecast position.

ASC Commissioning is forecasting a £752k overspend due to delays in delivering savings from the Housing Related Support (HRS) service. Plans have been developed and the service is confident they will deliver these savings next year as part of the ongoing redesign. The savings target was revised to incorporate savings attributed to telecare charging. The decision not to go ahead with telecare charging was taken after benchmarking against other local authorities which highlighted the planned charging proposals would only yield a small amount of additional income which would not be sufficient to meet the agreed savings target. New proposals around assistive technology are now being looked at and is expected to inform the charging model for service users going forward.

Public Health

Public Health is forecasting a breakeven position. There are pressures in the service due to the delay in implementation of the Public Health restructure and the review of physical activity for adults. However, this pressure is being managed within the overall budget and it is not anticipated to result in an overall overspend.

Sexual health service is delivering progress as expected to support the financial sustainability of the wider Public Health service as the competitive pricing achieved through the Pan London contract is beginning to show better value for money. The forecast has been updated to reflect the agreed increase of sexual health tariffs (ISHT) across London as part of the recent ISHT review. There is also a progressive uptake of e-services alongside clinical service provision and both activities are subject to continuous review with commissioners to ensure sustainable future provision within allocated SH budget in this financial year.

4.3 Neighbourhoods And Housing

The forecast position for Neighbourhoods and Housing Directorate is a £78k overspend - an improvement of £98k from the July forecast. The forecast includes the use of £1.5m of reserves, the majority of which are for one off expenditure/projects.

There is a forecast overspend in Planning services of £147k, which is an improvement of £42k since the July forecast. The reason for the overspend is due to a projected shortfall of £147k against the planning application fee income budget, (£2.3m), after offsetting higher than budgeted Planning Performance Agreement (PPA) receipts. A detailed review of major applications and potential income has been undertaken and those 25 major developments currently at pre-application stage with a target submission date during this financial year have been reflected in the forecast, alongside trend-based forecasts for income from minor applications which continue to be stable. The position on these developments will be closely monitored and changes reflected in the forecast going forward. There has been no assumption of income from proposed developments where pre-application advice has not recently been requested.

In order to mitigate the income shortfall, the Head of Service is re-modelling staffing in the major applications team to enable Team Leaders to take on additional case load work for major applications and reduce staffing costs within the service.

Building Control income is on an upward trend with an additional income source through the inspection of boiler replacements on housing estates. £50K income has been assumed in the forecast as at July and there is the potential for a further £90K this year – this will be confirmed and reflected in the forecast next month. In addition, the Council has been advised that several private sector 'Approved Inspectors' for Building Control work have had their insurance indemnity removed, which is expected to result in more local authority Building Control chargeable work over the coming months. It is anticipated that continued improvements in the Building Control position will off-set any shortfalls against Planning's wider income targets.

Street scene is forecast to under spend by £63k which is an improvement of £32k from previous month which is due to additional income. There is an ongoing analysis of Street scene income to determine potential improvements in the outturn position for 2019/20 as initial figures indicate that due to an increasing number of developments across the borough Streetscene is likely to overachieve its income budget for the year resulting in an increased underspend for the full year.

Parking and Markets, Community Safety, Enforcement and Business Regulation (CSEBR), and Leisure and Green Spaces are forecasting break-even positions, with Libraries showing a minimal forecast overspend. Directorate Management is forecasting a marginal underspend.

Housing General Fund is forecast to be just below budget at this stage, with marginal variances within both Housing and Regeneration.

4.4 **Finance & Corporate Resources**

The forecast is an overspend of £402k.

The overspend in Facilities Management (£450k) 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.

Financial Management and Control are forecasting an underspend of £345k due to vacancies across all services

Directorate Finance Teams are projecting an underspend of £105k.which mainly relates to salaries and projected additional income from service fees

Revenues and Benefits and Business Support, Registration and Audit and Anti-Fraud are forecast to come in at budget.

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 accommodation costs over time.

4.5 Chief Executive

Overall the Directorate is forecasting to overspend by £100k after forecast reserves usage.

Communications, Culture & Engagement

The service is forecasting an overspend of £160k. This partly reflects residual costs relating to Hackney House and partly reflects an estimate of the advertising revenue that may be lost as a result of the Government’s decision to prohibit the fortnightly publication of Hackney Today and a recent court case which upheld this decision.

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

The Culture team will be spending a higher amount on the carnival this year due to increasing numbers of attendees and the need to move the main stage to a new location due to this. It has been agreed for the funding to come from Neighbourhood Community Infrastructure Levy.

Legal & Governance

The combined Legal & Governance Service are forecasting an underspend of £60k on their budget.

There is an overspend reported in Governance which is primarily due to Internal Printing Recharges estimated at £31k which has no budget and £47k is for an unfunded Team Manager's post previously funded by HRA. The management team is reviewing current and future income to establish sources of additional income for the 2019/20 financial year.

Internal Legal is projecting an underspend of £135k in relation to under spends on salaries budget. A £126k salary underspend is mainly due to vacancies and there is also additional income from Traded Services and HLT £49k.

All other services are forecast to come in at budget.

4.6 HRA

The projected outturn on the HRA is at budget.

Income

The only significant variation on income is Other charges for services and facilities which is over budget by £960k and is mainly due to the extension of the LBH collection of water rates on behalf of Thames Water. The income was negotiated to continue throughout 2019/20 after the budgets had been set. In addition, income from gross dwellings is forecast to be £393k over budget which primarily reflects a new lease agreement for properties rented to housing associations.

Expenditure

Repairs and Maintenance is £1,212k 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 of is due to agreed increased costs within estate cleaning, but this is expected to reduce in 2020/21 as the effects from restructuring of the service are realised.

There is an underspend on Supervision and Management which is due to a reduction in consultancy staff which is partly offset by an increase in recharges from Housing Needs which is currently under review due to increased workloads from Homeless Reduction Act and the unrealised (50%) vacancy factor included in the 2019/20 budget setting.

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 August 2019. Full Council agreed the 2019/20 budget on 21st 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 Member for Finance, HMT, Heads of Finance and Assistant 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 All other legal implications have been incorporated within the body of this report.

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