2020/21 Overall Financial Position, Property Disposals And Acquisitions Report that takes account of the estimated financial impact of Covid-19 and the on-going emergency

Key Decision No. FCR R.21

CABINET MEETING DATE 2020/21 **22ND FEBRUARY 2021**	**CLASSIFICATION:** **OPEN**

WARD(S) AFFECTED: ALL WARDS

CABINET MEMBER

Deputy Mayor Rebecca Rennison

Cabinet Member for Finance, Housing Needs and Supply

KEY DECISION

Yes

REASON

Spending or Savings

GROUP DIRECTOR

Ian Williams: Finance and Corporate Resources

1. CABINET MEMBER'S INTRODUCTION

1.1 This Overall Financial Position (OFP) is based on detailed December monitoring data from directorates. We are forecasting an overspend on the General Fund (i.e. excluding housing costs) of £58m before the application of the Government's emergency funding (£32.3m). Of this, £53m relates to additional expenditure and reduced income incurred on the General Fund that is owed to Covid-19. The non-Covid-19 related overspend is £5m. The total overspend estimate is lower than previously reported because the Government has now published the detailed guidance on how to calculate the council tax and business rates deficits which has reduced our estimated deficit by £5.5m.

Further Government support to partially meet the cost of lost local authority income, together with measures allowing for Council Tax and Business Rate shortfalls to be met out of future years' budgets, mean we are able to currently forecast a year end position of a £3m overspend. However, it must be noted that the additional spend and income reduction estimates shown below were made before we have been able to calculate the full impact of the current national lockdown on the demand for our services and income levels.

At this meeting, we are also presenting our budget for 2021/22. While the Government has committed to further financial support in relation to coronavirus for the coming year, overall funding still fails to address the continued growth in demand faced by local authorities and, on a day-to-day basis, the Government continues to pursue its commitment to austerity. This means that even in the midst of a global pandemic, we have had to identify savings of £11m in order to balance the coming year's budget.

Last month we provided details within the OFP of how these savings requirements would be partially met by corporate savings running across the Council. In this report we provide more detail on the directorate level savings that are required to enable us to present a balanced budget for the coming year.

We have also provided more detail on how we will be using funding the Government has provided to help meet the costs of a growing Council Tax Support (CTS) caseload, to provide every working age CTS claimant a discount of £60 up to the limit of their bill. This means that no claimant of working age on full CTS, in whatever property band, will face an increase in their anticipated tax bill. The majority of pensioners on a low income and care leavers continue to be eligible to have their bill met in full. This sits alongside a wider set of initiatives aimed at supporting those in the borough on the lowest incomes, more detail on which is provided in the budget paper. We know this is a difficult time for many Hackney residents and we want to do all we can to provide the support people need, both financially and in ensuring we deliver high quality services that are there when people need them.

2. GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES INTRODUCTION

2.1 The OFP shows that the Council is forecast to have a £58m funding shortfall (General Fund) before the application of the Government's emergency funding. This is equivalent to 5% of the total gross budget and 15% of the net budget. This is a decrease of £1.2m in the overspend from November made up of a decrease in the Covid-19 related overspend of £1.6m (resulting from the application of Contain Outbreak Management funding) and an increase in the non Covid-19 related overspend of £0.45m

2.2 As Cabinet is aware, we were awarded £17.835m of grant in the first two tranches and a further £3.516m from the third tranche of emergency funding, giving a total of £21.351m. On 12th October, the Prime Minister announced that an additional £0.919bn emergency funding would be made available for local government together with £0.1bn for those local authority leisure centres most in need. We did not receive any allocation from the leisure centre funding but our allocation from the £0.919bn was £11.032m, bringing our total emergency funding to £32.349m. According to a Government announcement before Christmas, we have also been allocated a further £11.032m for 2021/22. The 2020/21 emergency funding is reflected in the forecasts below.

2.5 With regards to the scheme that would partially compensate councils for losses in some sales, fees, and charges previously reported to Cabinet; we are required to submit 3 returns. The first covered actual losses in April, May, June, and July; the second related to losses in August, September, October, and November. The third will cover the remainder of the financial year. We have submitted the first two returns and the first return has been accepted in full and we await confirmation (or otherwise) from the Ministry of Housing, Communities and Local Government (MHCLG) on the second. Until we have data for the final four months, we cannot accurately extrapolate to an annual allocation. So, the report continues to assume our best annual estimate of £9.6m although this could change as we receive later data and MHCLG reviews our claims.

2.6 The estimates contained within this report are very indicative and will be revised further as more information becomes available. It must also be noted that the Government funding listed in this report is intended to cover the pandemic only and funding is of a one-off nature.

2.7 The position of the General Fund is shown below. The first table shows the funding shortfall of £58m of which £53m is owed to Covid-19 while the second table analyses the impact of applying Government funding.

TABLE 1: OVERALL ESTIMATED BUDGET SHORTFALL 2020/21

Revised Budgets	Service Unit	Forecast: Change from Revised Budget after Reserves	Variance from Previous Month	Amount of variance owed to Covid	Variance excluding Covid
		£k	£k	£k	£k
61,507	Children's Services	3,604	-40	2,135	1,469
25,711	Education	2,739	-	2,739	0
95,098	ASC & Commissioning	6,803	49	4,511	2,292
33,763	Community Health	1,312	17	1,710	-398
216,079	**Total CACH**	**14,458**	**26**	**11,095**	**3,363**
36,653	**Neighbourhood & Housing**	**15,105**	**536**	**14,030**	**1,075**
19,757	**Finance & Corporate Resources**	**13,165**	**-1,236**	**12,674**	**496**
0	**Reduced Council Tax & Business Rates Income**	**14,500**	**0**	**14,500**	**0**
8,947	**Chief Executive**	**994**	**-505**	**899**	**95**
31,442	**General Finance Account**	**0**	**0**	**0**	**0**
312,878	**GENERAL FUND TOTAL**	**58,222**	**-1,179**	**53,198**	**5,029**

2.8 In order to look at the budgetary implications of this shortfall in 2020/21 we must first adjust for Council Tax and Business Rates. The governing regulations require that any difference between the budgeted income and outturn income for these two income streams is not charged to the General Fund in 2020/21 but instead is charged in the following year. And so without changes to the regulations, the whole of the deficit (now estimated at £14.5m on the basis of final guidance from the Government) would all be charged to the General Fund in 2021/22 thereby increasing the budget gap by an equivalent amount in this year. As reported previously, the Government has introduced a scheme to compensate Councils for reductions in council tax and business rates receipts resulting from Covid-19 that would otherwise be fully charged to the General Fund in 2021-22.

2.9 In the 2020 Spending Review, the Government committed to compensate local authorities for 75% of irrecoverable losses in council tax and business rates income in respect of 2020-21. On the basis of budgeted data and the guidance, we forecast that the charge to the General fund in each year 2021/22 to 2023/24 will be £2.25m. £1.6m of this relates to Council tax and £0.65m to business rates. While the Government has delivered its commitment on the former - we will receive 75% compensation on irrecoverable business rates losses - it has fallen woefully short of its commitment on council tax. It has now decided that it is only prepared to compensate for irrecoverable losses arising from reducing council tax taxbases and increased CTRS claimant numbers but not for non payment and the associated bad debts. For Hackney and other councils, non-payment makes up by far the largest element of our irrecoverable losses for which we will now not receive any compensation.

2.10 The application of the emergency funding, compensatory funding and the deferral of Council Tax and Business Rates losses to future years is shown in table 2 below

TABLE 2: SHORTFALL AFTER THE APPLICATION OF GRANT

Revised Budgets	Service Unit	Forecast: Change from Revised Budget after Reserves	Amount of variance owed to COVID-19	Variance excluding COVID-19
		£k	£k	£k
61,507	Children's Services	3,604	2,135	1,469
25,711	Education	2,739	2,739	0
95,098	ASC & Commissioning	6,803	4,511	2,292
33,763	Community Health	1,312	1,710	-398
216,079	**Total CACH**	14,458	11,095	3,363
36,653	**Neighbourhood & Housing**	15,105	14,030	1,075
19,757	**Finance & Corporate Resources**	13,165	12,674	496
8,947	**Chief Executive**	994	899	95
34,403	**General Finance Account**	0	0	0
312,878	**GENERAL FUND TOTAL**	**43,722**	**38,698**	**5,029**
	Estimated Emergency Fund	**-32,349**	**-32,349**	
	Funding to Partially Compensate loss of Slaes, Fees & Charges income	**-9,575**	**-9,575**	
	FUNDING STILL REQUIRED AFTER APPLICATION OF GRANT	**1,798**	**-3,226**	

2.11 The Covid-19 gap after funding is now showing a surplus but this must be disregarded given all the uncertainties that lie ahead. In particular, it must be noted that the additional spend and income reduction estimates shown above were made before we have understood the full impact of the current national lockdown on the demand for our services and income levels. In view of the uncertainties, we cannot assume that at the end of the year, that the external funding allocations will cover all the additional spend and income losses arising from Covid-19 and further funding may well be needed before April.

2.12 Aside from anything else, we will make a substantial loss on business rates and council tax income which although will not impact this year (other than through reduced cash flow) will impact negatively on the General Fund in 2021/22 to 2023/24. So, the position is not as encouraging as the comparison above suggests.

2.13 Turning to the overall 2020/21 budget gap, this is now £2m (£5m excluding direct Covid-19 spend and grant) as set out in table 2 above, and so it is essential that services look again at all areas of spend to drive down the outturn further to minimise any required drawdown on corporate resources which have, as noted previously, been severely impacted upon by Covid-19 and have significantly diminished our corporate flexibility.

2.14 It must also be noted that the non-Covid-19 overspend is on an upward trajectory having increased by £3.2m since May. It is of paramount importance therefore that directorates take all steps to contain further spending increases as failure to do so will make an extremely challenging situation very much worse.

2.15 As reported in previous reports to Cabinet, It is by no means clear what the longer term financial impact on local government will be as a result of Covid-19 but it looks likely that the UK faces a significant recession, possibly its sharpest recession on record. It is also worth noting that the UK's debt is now worth more than its economy after the government borrowed a record amount in May. The £55.2bn figure was nine times higher than in May last year and the highest since records began in 1993 and it sent total government debt surging to £1.95trn. Income from tax, National Insurance and VAT all dived in May amid the coronavirus lockdown as spending on support measures soared.

2.16 Clearly this will have an impact on future public sector and local authority budgets. It seems that at this time there is much less of an appetite within Government for austerity than that following the financial crisis in 2008 but it remains to be seen whether sufficient resources are made available to put local government on a sound and sustainable financial footing going forward.

2.17 As stands, our indicative funding settlement for the coming year indicates the need for over £10m in savings and work has taken place to identify these. In the November OFP (agreed in January 2021), approval was given to £8m corporate savings. In this report, we are asking Cabinet to approve a further £3.3m of directorate level savings. These are summarised in the table below.

Table 3: Savings

Directorate	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Children and Families: Review of Virtual School, funding for clinical services and safeguarding and learning business support functions.	240	300	0	540
Hackney Education: Review of traded services, school admissions, school improvement and non-staffing costs.	332	0	0	332

Adult Services: Impact of new NHS discharge responsibilities and reduction in voids alongside the modernisation of Housing with Care services.	1,050	550	0	1,600
Public Health: Various negotiated efficiencies across contracts.	217	0	0	217
Neighbourhoods & Housing: Various management restructures, including in Parking & Markets, Environmental Operations and Streetscene. Further service integration and expansion of traded activities. Insourcing of parking enforcement in 2022/23.	837	667	640	2,144
Chief Executives: Realignment of services following corporate restructure and review of non-pay budgets.	200	0	0	200
Finance and Corporate Resources: Letting of the Annex, review of various finance teams.	425	775	0	1,200
TOTAL	**3,301**	**2,292**	**640**	**6,233**

2.18 A cumulative equalities impact assessment has been undertaken as part of savings development and the issues raised are being taken on board as part of the development of savings proposals. Each of the proposals are subject to a separate equalities impact assessment where there is a likely impact on residents and/or staff.

2.19 Council Tax Support (CTS) is a local benefit for households on low incomes, and like all benefits, need continues to rise as a result of the pandemic. In recognition of this, as part of the Local Government Finance Settlement announcement for 2021/22, the Government published details on a new grant it is introducing for 2021/22 - the Local Council Tax Support grant. The total grant is £670m and we have been allocated an indicative entitlement of £3.4m.

2.20 In a subsequent clarification from MHCLG, it was stated that the grant is “provided to authorities in recognition of the anticipated extra cost of CTS schemes in 2021/22 due to higher unemployment.” Amongst other things, this is presumably to pre-empt the anticipated impact on the CTRS caseload of the withdrawal of the furlough scheme in April. It was also stated that some of the grant could be used to provide other support to financially vulnerable households. Alongside ensuring we can continue to manage the overall cost of the Council Tax Support scheme, this also provides the opportunity to channel additional financial support directly to some of our lowest income households.

2.21 We therefore propose to use part of the grant to give every claimant of working age a discount of £60 up to the limit of their bill. This means that no claimant of working age on full CTRS support in whatever property band will face an increase in their anticipated tax bill (both the LBH and GLA element) next year. The remainder will be used to fund 60% of the additional costs of Council Tax Support as a result of the Covid related increase in CTRS claimants in 2020-21 and 2021-22.

2.22 Prior to Covid, it was the intention to work with scrutiny this year on establishing milestones for taking forward our commitment to gradually return CTRS to a 100% benefit. Given competing priorities with Covid-19, the current uncertainty over the financial settlement and the sudden fluctuation in the CTRS caseload it has been agreed with the Chair of Scrutiny Panel that this review will be postponed until next year, and so no changes are proposed to the CTRS scheme for 2021/22. It will be remembered that the scheme was revised in 2020-21 such that those who qualify for the Council Tax Reduction Scheme (CTRS) now get up to 85% paid if they are of working age which is up from 83% in 2019/20. The majority of pensioners on a low income and young care leavers (18-25) living in the borough continue to get 100% of their Council Tax paid.

2.23 On another matter, following approval by Cabinet in March 2020 to purchase leasehold properties in Council blocks, previously sold under Right to Buy. The Council has acquired the following properties for a value of £2m; 69 Scriven Court, 32 Angrave Court, 44 Regent Court; 25 Livermere Court; 19 Fermain Court. There are a further 18 properties under offer which will be reported when acquired.

3.0 RECOMMENDATIONS

3.1 To note the update on the overall financial position for December, covering the General Fund, Capital and the HRA.

3.2 To approve the corporate savings noted at 2.17 and table 3.

3.3 To approve the award to every claimant of working age a council tax discount of £60 up to the limit of their council tax bill as set out in 2.20-2.21

4. REASONS FOR DECISION

4.1 To facilitate financial management and control of the Council's finances and approve the directorate savings

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

Summary

The CACH directorate is forecasting an overspend of £14.45m after the application of reserves and grants. Covid-19 related expenditure accounts for £11.1m of the reported overspend.

Children's Services

Children's Services (CS) is forecasting a £3.604m overspend as at the end of December after the application of reserves. Covid-19 related expenditure accounts for £2.135m of the reported budget overspend. The draw down from reserves includes:

- £3.9m from the Commissioning Reserve, set up to meet the cost of placements where these exceed the current budget.
- £1.6m for additional staffing required to address a combination of increased demand across the service and management response to the Ofsted inspection.

The forecast also incorporates £4.650m of Social Care Grant funding (that is an additional £3.450m in 2020/21 when compared to the previous year). Set against this, there is a significant increase in spend driven by looked-after children (LAC) and leaving care (LC) placements costs within Corporate Parenting where the net overall spend is forecast to increase by £5.3m compared to last year (this excludes use of reserves and the Social Care Grant), however £1.34m has been identified as relating to Covid-19). There is also an increase in forecast spend on staffing across Children's Services of £2.5m when compared to last year (excluding £0.6m identified as relating to Covid-19). Furthemore, £1.6m is linked to increased staffing levels agreed in response to increased demand and additional posts agreed to assist in responding to the Ofsted recommendations arising from the inspection in November 2019 in which the Council received a '*requires improvement'* judgement.

Corporate Parenting is forecast to overspend by £3.7m after the use of £3.9m of commissioning reserves. This overspend includes £1.34m of Covid-19 expenditure. This position also includes the use of £2.9m of Social Care Grant funding that was announced in the October 2019 Budget - £0.6m is in relation to staffing costs and the remaining £2.3m is for placements. The overall position for Corporate Parenting has increased by £0.2m since November and is largely due to increased placements costs.

Gross expenditure on Looked After Children and Leaving Care placements (as illustrated in the table below) is forecasted at £25.7m compared to last year's outturn of £20.4m – an increase of £5.3m (this includes £1.34m of Covid-19 expenditure).

Table 3: Placements Summary for LAC and Leaving Care

Service Type	Budget £000	Forecast £000	Forecast Variance £000	Funded Placements	Current Placements
Residential	3,131	7,813	4,682	15	40
Secure Accommodation (Welfare)	-	21	21	0	-
Independent Foster Agency	6,488	7,898	1,410	126	154
In-House Fostering	2,400	2,174	(226)	102	91
Semi-Independent (Under 18)	1,570	3,233	1,663	25	52
Semi-independent (18+)	1,370	2,587	1,217	74	98
Family & Friends	569	1,021	453	26	46
Residential Family Centre (P & Child)	-	274	274	-	3
Other Local Authorities	-	85	85	-	3
Overstayers (18+)	290	504	214	61	61
Staying Put (18+)	200	453	253	22	33
Extended Fostering (18+)	-	80	80	-	3
UASC	-	(432)	(432)	51	45
Expenditure	16,018	25,708	9,691	502	629

**based on the average cost of placements.*

This is the gross position of £9.7m for Corporate Parenting placements including UASC income. The UASC income is in excess of the placements costs incurred for the 45 UASC placements in the service hence the additional funding is offsetting budget pressures in other placements types. As we met the threshold last year for UASC numbers (the trigger was 0.07% population of the child population), this meant that we then were eligible for an increase in the funding rate (up from £114 last year to £143 in 2020/21 per person per night). Of the additional funding received this year, £200k has been used to fund the additional UASC staffing unit within the Looked after Children service, and the remaining funds have been used to carry out age assessments and meet additional needs of UASCs.

This gross position is mitigated by reserves of £3.9m and £2.3m Social Care Grant to get to a net reported position for Corporate Parenting placements of £3.6m.

Table 4: LAC/ Leaving Care Placement Analysis

Placement Type	Annual Forecast £000	Weekly Cost £000	Weekly Unit Cost (Avg)	Current YP No	Last month YP No
Residential Care	7,813	160	3,988	40	40
Secure Accommodation (Welfare)	21	-	0	0	0
Independent Foster Agency	7,898	152	986	154	155
In-House Fostering	2,174	41	452	91	95
Semi-Independent (Under 18)	3,233	63	1,203	52	52
Semi-independent (18+)	2,587	35	355	98	94
Family & Friends	1,021	19	420	46	43
Residential Family Centre (P&Child)	274	7	2,439	3	4
Other Local Authorities	85	1	406	3	3
Overstayers (18+)	504	19	309	61	61
Staying Put (18+)	453	13	403	33	35
Extended Fostering (18+)	80	1	480	3	2
UASC	(432)	36	776	45	42
Total	25,708	548	12,218	629	626

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 continued to grow year-on-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. Covid-19 has also been a factor, and has resulted in delays in young people being able to transition from these placements. We are also seeing an increase in the number of Independent Fostering Agency (IFA) placements and a stagnation in the number of in-house fostering placements. The annual cost of an IFA placement (£50k) is twice as much as an in-house fostering placement (£25k) so it is increasingly important that we maximise our in-house placements.

The forecast for LAC and LC placements is a net increase of £5.3m compared to last year (excluding reserves and Social Care Grant funding). This is largely attributed to increases in semi-independent placements (both under and over 18s) of £2.0m; Residential care £2.3m; IFAs £0.8m; and other £0.2m. This forecast includes additional expenditure of approximately £1.34m in relation to Covid-19. If we exclude the Covid-19 expenditure, the increase compared to the 2019/20 outturn is £4.0m. Management actions are continuing to be developed by the service to reduce the number and unit cost of residential placements. Given that the average annual cost of a residential placement is approximately £200k, a net reduction in placements would have a significant impact on the forecast. These management actions need to be developed so that they can be factored into assumptions for the next financial year, and the service is clear from the outset how it is going to manage these budget pressures.

This year we continue to see significant pressures on staffing, however this has been partly offset by the Social Care Grant funding which has been allocated to the service. 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 at the end of last year and cover for maternity/paternity/sick leave and agency premiums. Given the outcome of the inspection referred to above, alongside further increased demand in the system, as well as the ongoing impact of Covid-19, it is likely that staffing costs will continue to be above establishment and this is being reviewed by the service to ensure there is sufficient capacity for the coming year.

The Disabled Children's Service is forecast to overspend by £352k after the use of £476k of reserves. Staffing is projecting an overspend of £160k due to additional staff brought in to address increased demand in the service. This is offset by £215k of additional Social Care Grant funding. Commissioning is projecting a £818k overspend attributed to care packages (£492k Home Care, £381k Direct Payments, Short Breaks and other commissioning -£55k). Other operating costs pressures come to £65k.

Children In Need is forecast to overspend by £161k after the use of reserves. There are significant levels of non-recurrent funding in the service including £687k of Social Care Grant funding in recognition of staffing pressure at the start of the financial year. Recruitment to permanent Social Worker posts are in progress which should address the high numbers of agency staff currently in this service.

Young Hackney is forecast to underspend by £207k due to delays in recruitment for the Sports and Play Services and for the MUGA (Multi-Use Games Area) staff and services. This a non-recurrent underspend as a result of delayed activity due to the ongoing Covid-19 pandemic.

Access and Assessment is forecast to underspend by £201k which primarily relates to delays in recruitment and the Emergency Duty Team demand being projected as lower than anticipated for the year. The reduced demand is linked to the Covid-19 pandemic. however demand has recently started to increase again and we do not expect this to continue into the following year.

Safeguarding and Learning Service is forecast to underspend by £131k. Staffing is underspent by £143k, which is due to some vacancies in the team and delays in recruitment. Supplies and Services are also forecast to underspend by £32k (mainly due to Security Services and Hire of Room / Halls not being incurred due to Covid-19). However, this is offset by pressures in income due unachievement of income targets with a value of £45k.

Clinical Services is forecast to underspend by £59k in staffing due to delays in recruitment to their Systemic / Clinical lead posts.

Hackney Education

Hackney Education has a budget of £26.8m net of budgeted income of circa £240m. This income is primarily Dedicated Schools Grant of which the majority is passported to schools and early years settings or spent on high needs placements.

As at the end of December 2020, Hackney Education is forecasting to overspend by around £8.1m. Approximately £2.7m of this is the forecast financial impact of the Covid-19 outbreak. The balance of the overspend (£5.4m) is mainly as a result of a £8.2m forecast overspend in SEND, offset by forecast £2.8m of savings in other areas of Hackney Education. The £8.2m overspend in SEND is a result of previously reported factors, mainly a significant increase in recent years of children and young people with Education Health and Care Plans (EHCPs). The forecast is consistent with the forecast reported in the previous period.

The Government has formally confirmed its intention to ensure that local authorities are not left with the burden of SEND cost pressures and have issued new funding regulations which state that deficits arising from DSG shortfalls will not be met from local authorities' general funds unless Secretary of State approval is gained. The finance teams are working on what exactly this will mean for the Council's finances and are also consulting with the auditors and other Councils. At this time it is thought that it is unlikely these changes to funding regulations will have a material impact on the forecast.

Government expectation is that the DSG overspend will remain in the Council's accounts as a deficit balance which will then reduce in future years as additional funding is received. However, Government's commitment to this additional funding and the level this will be at remains unclear. There is therefore a financial risk to the Council of carrying this deficit forward and we will need to consider options for mitigating this risk which might include setting aside a reserve equivalent to the deficit at year end.

COVID Winter Grant - on 8 November 2020, the Government announced a significant package of extra targeted financial support for those in need over the winter period. This includes the £170 million COVID Winter Grant Scheme, which was made available in December 2020 and covers the period until the end of the financial year. DWP will provide the grant scheme funding to county councils and unitary authorities (including metropolitan councils and London boroughs) who will administer the scheme and provide direct assistance to support families with children, other vulnerable households and individuals. The grant will be used to support those most in need across England with the cost of food, energy and water bills and other associated costs.

The Council has been awarded £1.1m and a group of officers has worked on designing the best way to administer this grant. Decisions have been made on the strategy to target low-income vulnerable families with children; and Hackney Education has worked with schools and other stakeholders to issue food vouchers to families of some 14,000 children aged 0-16. The working group is continuing to look at ways in which to provide further support to families of Post-16 children with SEND and families from the Orthodox Jewish community who attend independent schools. A national scheme is currently in place until February half-term where the DfE is directly engaging with schools to provide a £15 per week food voucher per each child eligible for Free School Meals (FSM). During the February half term period, the Council will continue to provide support chargeable to the COVID Winter Grant.

A summary of the variances from budget is shown below.

Table 5: Summary HLT variance

	Variance £'000	Variance due to Covid-19 £'000	What the variance might have been excluding Covid-19 £'000
SEND Forecast (excluding transport)	8,194	250	7,944
SEND Transport	320	70	250
HLT forecast other	(421)	2,419	(2,841)
Net variance	**8,093**	**2,739**	**5,353**

The table below provides a breakdown of the forecast against service areas in the Hackney Education and an explanation for significant variances.

Table 6 - Budget Commentary Excluding the C19 Impact

Service area	2020/21 budget £k	Forecast Year-end Exp Excl C19 £k	Variance Excluding C19 £k	Budget commentary
High Needs and School Places	48,495	56,691	8,194	The forecast assumes an increase in spend by around £3.8m from what was incurred in 2019/20. A working group of key council officers continue to meet to review the forecast. Furthermore officers are undertaking a fresh review of management actions for reducing spend and the recurrent deficit.
Education Operations	3,870	3,884	14	
Early Years, Early Help and Wellbeing	42,880	43,102	222	This reflects forecast spending in children's centres and residual costs associated with an in-year closure of a school-based children's centre. The full-year budget was vired as savings so is partly offset under contingencies and recharges.

School Standards and Performance	1,968	1,702	(266)	
Contingencies and recharges	10,880	9,013	(1,867)	Forecast under-spend in contingency and savings delivered in previous years.
Delegated school funding to maintained mainstream schools	134,360	133,417	(944)	Forecast variance reflects Schools Forum agreement to vire funds from Schools Block of the DSG to the High Needs block to contribute to the SEND pressure.
DSG income	(215,633)	(215,633)		
TOTAL	**26,823**	**32,176**	**5,353**	

Adult Social Care & Community Health

The forecast for Adult Social Care is a £6.80m overspend. Covid-19 related expenditure accounts for £4.5m of the overspend. This overspend does not include Covid-19 NHS discharge related spend of £2.9m where there is an agreement to fully recharge the cost to the CCG as well as care provider support from the Infection Control Fund (£1.5m).

The overall position for Adult Social Care last year was an overspend of £4.027m. The revenue forecast includes significant levels of non-recurrent funding including iBCF (£1.989m), Social Care Support Grant (£4.644m), and Winter Pressures Grant (£1.405m).

Announcements on social care funding as part of the Spending Review 2020 provided further clarity on funding levels for 2020/21 but it is still unclear what recurrent funding will be available for Adult Social Care after this period. There has been an additional £300m of non-recurrent Social Care grant funding announced for Local Authorities in the latest Spending Review 2020, and we are working through the funding as part of budget setting for the 2021/22 financial year.

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.

Care Support Commissioning (external commissioned packages of care) contains the main element of the overspend in Adult Social Care, with a £5.43m pressure. Covid-19 related expenditure accounts for £3.7m of the total budget pressure. The forecast also includes £1.4m of the Winter Pressures grant to fund the ongoing additional care package cost as a result of hospital discharges. The full £1.4m had already been committed at the beginning of the financial year.

Table 7: Care Support Commissioning (£k)

Service type	2020/21 Budget	Dec 2020 Forecast	Full Year Variance to budget	Variance from Nov 2020	Management Actions
Learning Disabilities	16,735	18,598	1,863	507	- ILDS transitions/demand management and move on strategy - Three conversations - Review of homecare processes - Review of Section 117 arrangements - Personalisation and direct payments - increasing uptake
Physical and Sensory	13,748	15,918	2,171	(697)	
Memory, Cognition and Mental Health ASC (OP)	8,297	9,451	1,154	202	
Occupational Therapy Equipment	740	653	(87)	0	
Asylum Seekers Support	170	496	327	10	
Total	39,690	45,116	5,428	22	

Physical & Sensory Support is forecasting an overspend of £2.2m. This includes a forecast of £2.0m of additional funding support for care providers in response to the Covid-19 pandemic. The remaining pressure of £0.2m relates directly to the number and complexity of care support packages in Physical and Sensory Support offset by support from NHS discharge funds. The overall position has reduced by £697k compared to the previously reported November position, primarily as a result of further funding claimed through the NHS discharge funds. The gross forecast spend on care packages in Physical Support is £19.5m (£17.8m in 19/20) and in Sensory Support is £1.20m (£1.04m in 19/20). The forecast also includes £350k of iBCF and £755k of Winter Pressure funding towards care packages in 20/21.

Memory, Cognition and Mental Health ASC (OP) is forecasting an overspend of £1.15m. The overall position has increased by £202k from the November position. The gross forecast spend on care packages for 20/21 is £12.4m (£12.2m in 19/20). The forecast also includes £650k of Winter Pressure funding and £400k of iBCF towards care packages in 20/21.

The **Learning Disabilities** service is forecasting an overspend of £1.86m, which reflects an adverse movement of £507k on the November reported position. This continues to be primarily driven by the increasing complexity of care needs for new and existing Learning Disability clients and inflationary pressures experienced by providers. The gross forecast spend on care packages in Learning Disabilities is £33.2m (£30.9m in 19/20). The forecast also includes significant non-recurrent funding from the iBCF (£1m) and Social care (£4.6m) grants. In addition a contribution from the NHS of £2.7m (£2.1m in 2019/20) for jointly funded care packages for service users has been factored into the forecast. This is building on the work completed in 2019/20 to agree the share of funding for complex care packages.

The **Mental Health** service is provided in partnership with the East London Foundation Trust (ELFT), and is forecast to overspend by £1.05m. The overall position is made up of two main elements - a £1.41m overspend on externally commissioned care services and £360k underspend across staffing-related expenditure. The gross spend on care packages in Mental Health is £5.02m (£4.9m in 19/20).

Provided Services is forecasting a £190k overspend against a budget of £10.1m. This is largely attributed to:

- Housing with Care overspend of £843k, of which the majority is in relation to the significant cost of additional agency staff cover employed for staff absences including staff shielding or self-isolating at present due to Covid-19.
- Day Care Services are projected to underspend by £576k. The Oswald Street day centre re-opened in October but is currently supporting a much reduced number of service users. Consequently staff vacancies that were forecast to be filled across the day care service are now forecast to remain vacant across the financial year.

Preventative Services
Preventative services is forecasting an underspend of £240k. Forecast underspends on Concessionary Fares (£119k) and the Interim Bed facility at Leander Court (£179k) are offset by pressures of staff costs within the Integrated Discharge service and the Information and Assessment team.

ASC Commissioning
ASC Commissioning is forecasting an £84k underspend which masks significant one-off reserve funding of £1.95m in 20/21 supporting activity within commissioning - across teams and projects including the project management office, the commissioning team, the direct payments team and supporting the Lime Tree and St Peters' care scheme prior to recommissioning. Disabled Facilities Grant funding has been applied in 20/21 to the Telecare contract. Additional grant funding of £95k has been received for domestic violence services.

Care Management and Adult Divisional Support is forecasting a £461k overspend which is driven primarily by staffing costs within the Integrated Learning Disabilities team (£369k). The team had a relatively high number of agency staff which the service is actively addressing with planned recruitment campaigns.

Public Health
Public Health is forecasting a breakeven position, and this includes £55k for the Covid-19 triage service and delays in the delivery of planned savings (£375k). There are some other miscellaneous

Covid-19 related costs in the service that have been captured in the forecast this month.

The Public Health grant increased in 2020/21 by £1.569m. This increase included £955k for the Agenda for Change costs, for costs of eligible staff working in organisations such as the NHS that have been commissioned by the local authority. The remaining grant increase has been distributed to local authorities on a flat basis, with each given the same percentage growth in allocations from 2019/20. There is a separate grant allocation for PrEP related activity that was subsequently announced and the local authority will receive £344k to fund the costs incurred this year.

The service has pressures in demand led services including sexual health, and is working closely with commissioners to ensure provision remains within the allocated sexual health budget in future financial years. In this year this is being offset by underspends in other areas of the service and from the increased grant allocation.

Hackney has been allocated £3.1m of the total £300m announced by Government to support local authorities to develop and action their plans to reduce the spread of the virus in their local area as part of the launch of the wider NHS Test and Trace Service. This funding will enable each local authority to develop and implement tailored local Covid-19 outbreak plans. A Health Protection Board has been established and plans are being developed collaboratively to allocate these funds against projects. To date, £1.3m has been committed against various projects.

Mortuary costs have substantially increased during Covid-19, and the response to the pandemic plan required the Mortality Management Group to activate the Dedicated Disaster Mortuary (DDM) plans for London. Additional capacity was required rapidly to ensure that there was enough capacity to meet predictions in the initial wave. This has come at an increased cost of approximately £23m to date across London, and based on ONS figures, Hackney’s estimated additional cost is likely to be £732k. In anticipation of increased demands on the service, a further £16m has been created as a provision across London, and Hackney’s share of this will be a further £510k. In addition there has been further £28k of one-off additional costs attributed to the pandemic. This has been factored into the reporting position.

Detailed impact of Covid-19 on CACH

This is set out below

Impact of Covid-19 on CACH Costs and Income

Additional Spend £000	Reduced Income £000	Net Effect £000	Sub-Service	Variance Narrative
684	-	684	FLIP Young Hackney and DAIS CIN, A&A and DCS DMT	**Workforce Pressure** Termination dates for some Family Learning Intervention Project (FLIP) staff have been extended and support is being provided to other service areas via Rapid Support. This is for an additional YH business support officer and DAIS intervention officer due to a peak in workload created by Covid-19 Delays in CIN and A&A agency staff leaving due to Covid-19 lockdown; additional DCS staff due to increase in workload. Increase staffing pressure due to workload cases that are not closed as a result of Covid-19.
1,090	-	1,090	Corporate Parenting (LAC)	**LAC placement costs** This relates to CP placements costs, and is due to delays in step-downs, placements being extended as well as additional support hours. We have also reflected the increased residential placements due to unavailability of foster carers/ IFAs during this period.
281	-	281	Corporate Parenting (LC) NRPF	**Care Leavers & NRPF** From April to August, £28k was provided to the clients by increasing the subsistence payment by 25%, £25 internet allowance for each family and Free School Meal allowance for children who were not receiving a school meal allowance from their school.
80	-	80	DCS / Short Breaks	**Other** This assumes pressure to apply a 10% increase to DCS home care packages in line with home care for adults providers (80k).
2,000	-	2,000	ASC - Care Support Commissioning	**ASC - Supporting the Market** Additional funds provided to care providers - estimated across 12 months
648	-	648	ASC - Provided Services & ASC Commissioning	**ASC - Workforce Pressures** Cost of engaging additional care staff to cover permanent officers shielding or self-isolating. Estimated cost of support workers for Covid-19 Urgent Housing Pathway (£53k)

1,413	-	1,413	ASC - Care Support Commissioning	**ASC - Additional Demand** A number of care packages across ASC are now being funded by NHS discharge funds. This is the full year estimate of the additional demand cost of care packages not being supported by NHS discharge funding.
-	300	300	ASC - Care Support Commissioning	ASC - Loss of care charges income (10% estimated reduction in the collection rate).
150	-	150	ASC Commissioning	Delay in delivery of Housing Related Support savings
65	-	65	PH	**PH - Covid-19 Triage Service** Contracted cost for the year £55k + 10k other Covid-19 related costs
1,270		1,270	PH	**PH - Additional Mortuary costs**
375	-	375	PH	Delay in delivery of PH savings in Substance Misuse and the Healthier City and Hackney Fund
30	290	320	HE	**High Needs and School Places** Kench Hill Charity grant and loss of SEND traded income.
-	193	193	HE	**Education operations** Loss of traded income and additional ICT costs
-	1,018	1,018	HE	**Early Years, Early Help and Wellbeing** Loss of childcare income in children's centres.
-	502	502	HE	**Schools Standards and Performance** Loss of traded income.
706	-	706	HE	**Contingencies and Recharges** Mainly potential payments to schools to compensate for loss of children centre income and potentially supporting schools with additional costs through Covid-19 in areas not covered by Government schemes.
8,784	**2,311**	**11,095**	**Total**	

4.3 NEIGHBOURHOODS AND HOUSING

The forecast position for the Neighbourhoods and Housing Directorate is a £15.1m overspend, of which £14.0m is a direct result of Covid-19. The forecast includes the use of £1.1m of reserves, the majority of which are for one off expenditure/projects. Of the Covid-19 impact,£10.6m is an income shortfall and £3.4m additional expenditure.

Directorate Management continues to show a forecast underspend with all controllable budgets being reviewed on a monthly basis.

Environmental Operations is showing an overspend of £3.723m, which is a favourable movement of £22k from November 2020. This is due to reviews of income received in Commercial Waste which has improved slightly. The full year overspend of £3.723m is made up of £2.370m related to a shortfall in income mainly from commercial waste and hygiene services due to the lockdown as businesses have closed, and from all services which require entry into residents' homes which have been ceased in line with Government guidelines. Bulky Waste collection has seen continued improvement in expected income as it has now surpassed its covid impacted forecast by £25k. A further £1.089m expenditure relates to additional supplies and services such as PPE, and hand sanitisers for all staff, which has now been forecast to the end of March 2021. We are still very much in an uncertain period regarding Commercial Waste income due to the latest national lockdown which could severely impact quarter 4 income for the service.

Parking services is showing a net overspend of £5.8m which relates to Covid. The current lockdown has resulted in a reduced level of income across all income streams within Parking. In the first months of the first lockdown, parking income dropped by 44% from 2019/20. As restrictions were lifted, income levels rose, but due to further restrictions during the year and the additional lockdowns we continue to be prudent in our income forecast. The current forecast in parking income is £19.7m, which is a shortfall in income of £6m (24%) from budget. The Parking income forecasting model is being updated on a weekly basis taking into account actuals being received and activity volumes which will inform the forecast accordingly.

Market and Shop Front Trading is forecast to overspend by £1.487m, which is an adverse movement of £393k from the November forecast due to the increased requirements of safety measures to comply with Covid-19 restrictions and an adjustment to the income forecast. Of the £1.487m, £1.1m is an income shortfall and £387k additional expenditure which is a direct result of the lockdowns. Throughout the lockdowns we have followed Government advice to keep markets safe for social distancing which has increased the Covid-19 related expenditure. However, due to reduced footfall, take up of stalls continues to be low. The combined Markets and Shop Trading income budget is £1.6m and only £500k is expected to be realised, with this unlikely to improve given the current national lockdown.

Streetscene is showing a net overspend of £438k, of which £412k is a shortfall in income against a budget of £2.4m (16%).

Other than the impact of Covid-19, Libraries & Heritage are currently forecasting a substantial overspend due to the recharges for the Facilities Management Contract. There has been a variation to the old contract and costs have come in significantly higher than anticipated. Going forward it is likely that the forecast will continue to increase over the coming months as further costs are recharged out to directorates. The Covid-19 impact detail is listed in the table below and there continues to be a prudent approach in the service area and controllable budget forecasts are reviewed and reduced on a monthly basis to try and mitigate the additional Covid-19 costs where possible.

Leisure & Green Spaces have seen an increase in their forecast overspend in the last month due to the variation to the Corporate Facilities Management Contract and it is likely to continue to increase in future months, as Green Spaces are now being charged for costs that hadn't previously been recharged directly to the service area.The Covid-19 impact detail is listed in the able below and there continues to be a prudent approach in the service area and controllable budget forecasts are reviewed and reduced on a monthly basis to try and mitigate the additional Covid-19 costs where possible.

Planning is forecasting an overspend of £1.728m which is due to a shortfall in planning applications fee income, PPA (Planning Performance Agreement) and CIL income. There has been a £27k favourable forecast in income this month due to potential PPA agreements being paid before the end of the financial year, but there has been a slow but continued decline in planning applications since October.

The shortfall in planning application fee income is linked to a decline in the number of very large major applications being received rather than a significant fall in overall planning application numbers for the past 2 years. This has further resulted in a reduction in the CIL and s106 income due to delays in schemes starting construction. There are a number of large schemes at the pre-application stage which are due to be submitted in January to March 2021 but may roll over into 2021-22. The development industry is also putting on hold the submission of major planning applications until there is more clarity on the impact of Covid-19, Brexit and the Hackitt review on build cost and sales value as this impacts the viability and deliverability of their schemes.

Despite a 20% uplift in planning fees 2 years ago, the income has consistently fluctuated between £1.5-1.7m over the past 3 years. With a budget of £2.2m and a plateau in the housing market, this level of income is unachievable. The income target for minor applications of £1.2m is forecast to be achieved, however the cost of determination of minor applications is more than the fee received as local authorities have not yet been afforded the option by the Government of setting their own fees. In practice, major applications help subsidise minor applications therefore the shortfall in new major applications will also detrimentally affect this cross subsidy. This is a national issue which the LGA is highlighting to government, stating:

"Council planning departments work hard to approve nine in 10 planning applications as quickly as possible with the number of permissions granted for new homes doubling since 2012. However, taxpayers are still having to subsidise a £180 million annual bill to cover the cost of processing applications, which is why councils need to be able to set their own planning fees."

The Head of Planning is taking the following actions to address this budget pressure for 2020/21:

- The implementation of a new planning back office system will deliver process and cost efficiencies especially within the planning application registration and validation process, these efficiencies will help offset any underachievement of income.
- Review of the Planning Service cost base including non staff costs.
- Benchmarking with other planning authorities with a focus on sustainable caseloads.
- Review of the Growth Team activity and Planning Performance Agreements.

Within the Housing General Fund, the underspend relates to staffing vacancies.

The favourable variance within Regeneration mainly relates to Private Sector Housing, where a reduction of £20k relating to associated staff costs has been forecast. Vacancies within the Housing Strategy and Policy Team make up the remainder of the variance for the year.

The impact of Covid-19 is shown below

Additional Spend	Reduced Income	Net Effect	Sub-Service	Variance Narrative
63	99	162	Libraries & Heritage	The service is not expecting any income during 20/21 for library fines, room bookings, sales etc due to the continuing closures as a result of the lockdowns. The additional expenditure relates to the continuing costs of maintaining the service throughout lockdowns and also the additional costs which were incurred over the summer/autumn when libraries were able to re-open with social distancing measures and extra cleaning in place to ensure we were able to open our libraries safely.
715		715	Leisure Services	This is the estimate of additional costs required to support GLL who manage the Leisure centres within Hackney. The total amount is being taken from the contract surplus share which GLL are holding on Hackney's behalf. There is an agreement in place for this to be repaid at a future point.
125	331	456	Events & Green Spaces	Parks & Green Spaces have two main areas of expenditure relating to Covid-19, which are additional emptying and cleaning of the bins (£74k) across parks and green spaces and cleaning of the toilets (£71k) (which had to be re-opened due to increased usage of the parks). There are also additional parks signage costs around social distancing which are starting to filter through to the cost centres. The loss of

				income is primarily down to the Events Team - as no bookings are expected this year and Parks in general where all income including from internal sources is on a much reduced expectancy or none at all (corporate volunteering and general parks events).
1,341	2,370	3,711	Environment Ops	Environment Ops has three main areas of expenditure that have been impacted heavily by Covid-19. The use of agency staff to cover both sickness and staff absences, use of agency staff to cover food deliveries for the council, internal vehicle cleaning every day and where required to help the service or Council (£811k). This forecast is up to the end of Mar 21, previously it was up to Sept 20 and then Dec 20 but further restrictions were introduced by central Government in Sept and a national lockdown in Nov 20 and again at the end of Dec 20 and an increase in positive tests and infections has seen an accompanying rise in staff absences. The figures will continue to be reviewed regularly to update the forecast. The ongoing purchase of PPE and other equipment to aid daily operational works, such as masks, gloves and sanitizers comes to £359k. The virus has also had a large impact on income, especially Commercial Waste due to so many businesses closing during the ongoing lock down (£2,295k), also a further increase has been included in the bad debt provision of (30K) to (170K) to account for more defaulters due to businesses either struggling to reopen or struggling to continue as going concerns. This again has been revised to take into account new Government national lockdown measures. Hygiene Services are forecasting a shortfall in income due to the inability to go into people's homes and buildings (£50k) and (£25k) on bulky waste collections which had a significant drop off in requests in Apr and May 20 but has picked up significantly to allow a reduction of 25k on the original 50k impact expected on income.
0	6,025	6,025	Parking	There has been a significant impact on Parking services due to Covid-19 in all income areas from PCNs, Pay and Display, Suspension and Permits. Current full year income forecast is £19.3m against a budget of £25.8m which is a shortfall in income of £6.025m. There are various minor underspend variances in other areas of the service of (£329k) giving a net overspend position of £5.8m.
287	1,092	1,379	Markets and Shop Front Trading	Market stalls and Shop Front Trading have been heavily impacted by Covid-19 and the impact of lockdown. There was no income in quarter one

				or two with minimal income in quarter 3. As the lockdown continues with the Government advice on markets being able to open the take up has been very little and it's difficult to make the areas safe for social distancing despite putting in additional resources into the markets, which has increased the Covid-19 related expenditure.
	412	412	Streetscene	All the variance relates to income shortfall. Whilst the current circumstances have decimated some areas, in particular around NRSWA (s74), there are some signs of recovery. The forecast figures are a current cautious projection for this year.
908	262	1,170	Community Safety, Enforcement & Business Regulation	Civil Protection - £564k overspend consists of expenditure for: 1) PPE sourced for procurement. 2) Overtime, extra staff costs and other expenses for staff recruited for Covid-19.. 3) Training provided to other teams such as Gold Loggists. 4) Extra infrastructure and equipment costs for needs such as temporary mortuaries, the Mobile Testing Unit site, the PPE Sub regional Hub, Food Hub etc. Enforcement - reduced income of £62k due to fewer Fixed Penalty Notices and reduced LNL for Enforcement officers. Enforcement officers overtime £126k, Agency staff for Parks £83k. CS Enforcement BR Management £28k, High court fees for Hackney Marshes & London Fields, £96k Security patrols in Parks. Licensing & Technical Support - reduced income, £150K in respect of Licensing Fee income, and £50K Levy income. Business Regulation EH & TS - Specialist Noise Advice and Control Officer overtime £7k.
3,439	**10,591**	**14,030**		

4.4 FINANCE & CORPORATE RESOURCES

Finance and Corporate Resources is forecasting an overspend of £13.1m (before the inclusion of reduced council tax and business rates income). Of this £12.7m is owed to Covid-19, which leaves a non-covid overspend of £0.4m which is spread across various services. The Covid related budget pressure has decreased by £1.25m overall. This is primarily made up of: -

(a) £940k of funding from the Contain Management Outbreak Fund being applied to cover costs associated with the 'Everyone In' rough sleeper costs (£640k) and ICT costs to enable people to work and study from home (£300k).

(b) A further £125k of Defra emergency Assistance grant was applied to cover the cost of food in hostels.

(c) There are also lower than projected costs in Customer Services (£125k)

(d) Partially offsetting these reductions in spending is an increase in lost income in Commercial Property which reflects an anticipated impact due to further lockdown restrictions (£175k).

The impact of Covid-19 on the directorate is as follows: -

Commercial Property is forecasting a £3.05m rental loss relating to Covid-19 and there was also increased expenditure on security and patrols of retail properties during lockdown. This expenditure may increase again in light of the current lockdown status.

Additional Covid-19 cost pressures in Revenues and Benefits sum to £3.0m. The reduction in Covid costs from last month is due to the food costs for hostels, which were being reported under crisis support, having been moved back to Housing Needs due to a change in funding source. The collection of benefits overpayments has reduced by £1.75m because of Covid-19. The remaining £1.65m is primarily owed to loss of court costs income, additional staffing requirements across the service to deal with increased workload resulting from Covid-19 (particularly claims management), increased administrative costs associated with re-billing (print costs and postage costs), and anticipated additional expenditure on the Discretionary Crisis Support Scheme.

Customer Services is reporting a Covid-19 related cost of £160k relating to additional staff and software needed to add capacity to handle support for vulnerable residents. The software has cost less than expected, which is reflected in the revised number which is £122k lower than previously reported.

There is an estimated £2m of Housing Needs costs arising from Covid-19.The reduction in Covid related costs from last month is due to COMF funding of £644k (Contain Outbreak Management Fund) being applied to the costs of the Rough Sleeping programme, however this is partially offset by food costs being transferred back from benefits (£195k). The overspend results from two main sources. Firstly, the service has incurred additional staff costs to carry out the rough sleeping initiative and to move people into emergency accommodation and latterly into more settled accommodation; and has incurred additional direct costs of emergency accommodation. The service has also incurred costs with landlord incentives, required to secure accommodation and is forecasting having to make provision for those residents in Temporary Accommodation unable to pay their rents due to Covid-19; and there has been a reduction in rent income.

Registration Services have been severely affected by Covid-19 which has created a forecast £500k shortfall resulting from a significant reduction in Ceremony Services (75%) and Citizenship Awards (50%). The impact of Covid-19 has led to a decrease of approximately 56% of income compared to last year whilst expenditure on staffing has also increased as there has been a requirement for sessional staff to cover front line services whilst some vulnerable staff work from home.

The Central Procurement and the Energy Team is forecasting Covid-19 related costs of £2.38m. The Covid-19 expenditure relates to PPE which is being managed as a coordinated effort across the council with the ordering being led by Procurement. The spend on PPE to date is approximately £1.9m. It is difficult to try to estimate the usage going forward, and several items of equipment are still held in stock such that in some instances the stock levels will be sufficient for several months. However, the use of PPE will probably be required over a longer period of time so a forecast of £0.5m further expenditure has been added to the spend to date to try to account for this.

There is a £677k Covid-19 cost in ICT resulting from the requirement for additional agency staff and equipment to ensure staff are able to work from home.

4.5 CHIEF EXECUTIVE

Overall, the Directorate is forecasting to overspend £0.994m of which £0.899m is owed to Covid-19. The Covid-19 related budget pressure has reduced overall by £503k from last month, this is all attributable to funding streams being applied to offset some of the costs - Contain Outbreak Management Fund grant of £450k has been set against costs associated with delivery of food (£400k) and communications costs associated with giving direction to advise staff and residents on how to avoid transmitting the virus (£50k). We also received an emergency assistance grant from DEFRA which has also been allocated partially against the food costs (£100k).

Policy, Strategy & Economic Development are reporting an overspend of £279k all of which is due to Covid-19, arising from food parcels for residents who cannot access or afford food during Covid-19, security and moving costs and Emergency Grants to 4 organisations in the Voluntary Sector to provide Covid-19 related services.

Communications is forecasting an overspend of £715k, most of which is due to the impact of Covid-19, which has reduced film, venues, and advertising income.

Legal and Governance, Chief Executive Office and HR are forecast to come in at budget.

4.6 Housing Revenue Account (HRA)

The impact of Covid-19 on the HRA is to increase net expenditure by £6.6m. of which £5.2m is an income loss - which is mainly reflected in the increase in the bad debt provision - and £1.4m is additional expenditure. Net expenditure on Housing Repairs account variance is a major component here and is mainly due to a reduction in DLO income as a result of less repairs carried out by the DLO following the announcement of a further national lockdown.

There are also variations from budget which are not related to Covid-19. The Special Services variance is due to increased costs of the integration of the Estate Cleaning service which is being reduced over 3 years. The overspend here though is offset by variations to budget within other services. There is a Supervision and Management underspend due to a reduction in anticipated court costs due to lower evictions, lower temporary accommodation costs due to a reduction in major repairs, and a reduction in recharges and corporate IT revenue expenditure. Rents, Rates, Taxes and Other Charges variance is due to increased costs expected from operational buildings.

4.7 Capital

This is the third OFP Capital Programme monitoring report for the financial year 2020-21. The actual year to date capital expenditure for the nine months April 2020 to December 2020 is £93.4m and the full-year forecast is currently **£226.6m, £7m** above the revised budget of **£219.6m.** In each financial year, two re-profiling exercises within the capital programme are carried out in order that the budgets and therefore monitoring reflect the anticipated progress of schemes. The second phase of re-profiling for 2020-21 has been completed and the January Cabinet was asked to approve a total of £0.8m into future years. A summary of the outturn by directorate is shown in the table below along with brief details of the reasons for the major variances.

Table 1 Summary of the Capital Programme

Table 1 – London Borough of Hackney Capital Programme – Q3 2020-21	Revised Budget Position	Spend at Q3	Forecast	Variance (Under/Over)	To Re-Profile 2020/21
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Children, Adults & Community Health	7,461	2,338	6,988	(474)	(621)
Finance & Corporate Resources	13,084	6,319	12,853	(231)	(1,205)
Mixed Use Development	60,487	39,838	70,063	9,576	10,641
Neighbourhoods & Housing (Non)	30,714	11,826	24,330	(6,384)	(6,590)
Total Non-Housing	**111,746**	**60,322**	**114,233**	**2,488**	**2,225**
AMP Capital Schemes HRA	47,147	13,059	44,649	(2,497)	(2,018)
Council Capital Schemes GF	3,404	2,543	11,851	8,448	448
Private Sector Housing	1,020	249	1,051	31	31
Estate Renewal	33,879	10,114	33,576	(303)	(303)
Housing Supply Programme	15,444	3,154	11,651	(3,793)	(3,793)
Other Council Regeneration	6,986	4,005	9,586	2,599	2,599
Total Housing	**107,880**	**33,124**	**112,365**	**4,485**	**(3,035)**
Total Capital Expenditure	**219,625**	**93,446**	**226,598**	**6,973**	**(810)**

CHILDREN, ADULTS AND COMMUNITY HEALTH

The overall forecast for Children, Adults and Community Health is £6.99m, £0.47m below the revised budget of £7.46m. More detailed commentary is outlined below.

CACH Directorate Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	**£000**	**£000**	**£000**
Adult Social Care	197	7	67	(130)
Education Asset Management Plan	1,605	715	1,343	(262)
Building Schools for the Future	248	127	229	(18)
Other Education & Children's Services	980	368	1,069	89
Primary School Programmes	2,198	316	1,180	(1,018)
Secondary School Programmes	2,234	806	3,099	865
TOTAL	**7,461**	**2,338**	**6,988**	**(474)**

Adult Social Care

The overall scheme is reporting an underspend of £0.13m against a budget of £0.20m. The main variance relates to the Median Road project which has been put on hold for this financial year. The variance has been re-profiled to future years where the scheme will be reviewed.

Education Asset Management Plan

The overall scheme is reporting an underspend of £0.26m against a budget of £1.61m. This is the Borough's cyclical and periodic yearly maintenance programme for education assets. Below is a brief update on a few of the schemes:

Betty Layward School's new ventilation solution of the main hall works is complete. The underspend will now support other urgent works in the overall programme.

Holmleigh School underspend is due to the delay in confirming the works this year. As a result, the underspend will now support other urgent works in the overall programme.

Shoreditch Park Primary School repairs to the structure of the main school are completed. The external toilet works are largely complete and operational with minor decoration stil to be completed in Summer 21.. The MUGA element is complete and was handed over to the school in September 20.. The resurfacing of the playgrounds are linked to the S77 mitigation plan and are due phased completion from Summer 21 to Summer 23. The refurbishment of the internal toilets is complete with all snags addressed.

Lauriston School upgrade to the first elements of the existing heating and hot water plantworks are complete. The underspend will be re-profiled to support the 2021-22 scheduled works.

Other Education & Children's Services

The overall scheme is forecasting an overspend of £0.09m against the budget of £0.98m. The main variances relate to the expansion of Hackney's specialist resource provision (SRP) for pupils with Social, Emotional and Mental Health (SEMH) needs in the schools set out below:

Queensbridge School the construction of an additional resource on the ground floor of the annexe is complete ahead of schedule causing a minor overspend in this year's budget. The construction is in defect stage and awaiting final certificate.

Gainsborough School planned building works are ahead of plan causing an overspend this financial year. The listed building consent has been granted and the contracts have been signed.
The Garden School procurement for contractor has gone to tender although there continues to be a delay in construction due to the issues with the reallocation of the current guardians. The forecast this year relates to costs of technical advisors, architects and design fees. The plan now is to start construction next year and the budget has been re-profiled to 2021-22 to reflect this.

Primary School Programmes

The overall scheme is reporting an underspend of £1.02m against a budget of £2.20m. The main variance relates to the rolling programme of health and safety remedial works to facades of 23 London School Board (LSB) schools that began in 2017. The overall programme has been reviewed and a bid submitted to start the next phase of the works in the next financial year. The total underspend of £1.2m from this financial year's budget has therefore been re-profiled to 2021-22 to support the next phase of works.

Shacklewell School has received the final fees and the variance will be funded from 2021-22 budget.

Princess May works were delayed due to recent procurement changes. The works will now start early February and the variance re-profiled.

Secondary School Programmes

The overall scheme is reporting an overspend of £0.87m against a budget of £2.23m. The Lifecycle Programme is the Borough's cyclical and annual maintenance programme for its secondary and special schools. Below is a brief update on a few of the schemes:

Stoke Newington School the variance is due to the upgrade and refurbishment works due to complete this financial year. The budget will be reprofiled back from the 2021-22 budget to support the commitment.

Clapton Girls Academy is reporting an overspend of £0.60m for the roof works which started earlier than anticipated due to the risk of collapse. There was also a wall that collapsed at the school. These emergency replacement works caused a material variance against the budget. The variance will be covered by the 2021-22 budgets across various projects where no further work is identified.

The Urswick School Expansion the variance relates to consultancy and design costs that are currently being incurred. The budget will be reprofiled back from 2021-22 to support the overspend.

Ickburgh School variance is as a result of urgent health and safety works at the school. The variance will be covered by underspends in other projects.

FINANCE AND CORPORATE RESOURCES

The overall forecast in Finance and Corporate Resources is £82.9m, £9.3m over the revised budget of £73.6m. More detailed commentary is outlined below.

F&R Directorate Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	**£000**	**£000**	**£000**
Property Services	9,008	4,631	9,027	20
ICT	2,882	1,524	3,092	211
Financial Management	439	70	520	81
Other Schemes	755	94	213	(542)
Total	**13,084**	**6,319**	**12,853**	**(231)**
Mixed Use Development	60,487	39,838	70,063	9,576
TOTAL	**73,570**	**46,158**	**82,916**	**9,345**

Strategic Property Services – Strategy & Projects

The overall scheme is reporting an overspend of £0.02m against a budget of £9.01m. The main variance relates to refurbishment of Christopher Addison House. The project is largely completed and staff can be moved back into the building subject to Covid-19 restrictions. The project manager is reporting an overspend of £0.74m against the in-year budget of £3.15m. This variance was due to additional work identified during the refurbishment. The retention of £0.11m will be paid next year, leaving an overspend of £0.63m in this financial year. The variance will be funded from underspends in other projects which have ended.

ICT Capital

The overall scheme is reporting an overspend of £0.21m against a budget of £2.88m. Below is a brief update on a few of the schemes:

Digital Planning Programme is in the final stages of completion. This is a new digital service for Planning to enable users to submit, view and comment on a planning application. The new platform encourages the use of pre-application services, smoothing the transition between gaining feedback on a proposal and submitting an application. It will make it easier for proposals to evolve and amendments to be made during the course of the application. This is a cross borough partnership with London Borough of Southwark and London Borough of Camden. The variance is relating to consultancy fees and will be funded by grant.

The End-User Meeting Room Device Refresh variance relates to a number of additional chrome books that have been purchased as part of the new way of working. This project should have ended last financial year but due to priorities shifting to home working, more support is required to roll out new devices. The budget will be reprofiled back from 2021-22 to support the overspend in 2020-21.

Hackney Education G-Suite project is at the ‘discovery’ stage and is expected to be completed early 2021. This is the initial stage of speaking to stakeholders and basic testing. This is taking slightly longer than anticipated in quarter 2 due to staff priorities shifting toward the cyberattack work and also the complex processes that exist in Hackney Education. The budget will be reprofiled back from 2021-22 to support the overspend in 2020-21.

Other Schemes

The overall scheme is reporting an underspend of £0.54m against a budget of £0.76m. Below is a brief update on a few of the schemes:

Solar Pilot (Leisure Centres) underspend is due to a delay in the feasibility study for the installation of solar panels and this will be done in the next financial year The installation of the solar panels to the London Fields Leisure Centre will start in early 2021. The variance will be reprofiled to 2021-22.

Solar Pilot (Commercial) underspend is due to the delays in the surveys. The surveys due to be carried out have not been completed and this is having a knock on effect on the whole project. This project is the rolling programme to cover the Council’s owned roof spaces with solar panels. Most of the works that were scheduled to be carried out this year, have now been rescheduled into 2021-22 and the budget re-profiled to reflect this change.

Green Homes Programme is reporting a minor underspend due to unexpected delays to works. This project is the rollout programme of the Council's Homes grant scheme offering loft and cavity wall insulation. The budget will be reprofiled to 2021-22 to recognise the delays in the programme.

Mixed Use Developments

Tiger Way and Nile Street is forecasting an underspend of £1.55m against the budget of £4.03m. The Nightingale roof repairs are on track and in-line with the programme. The waterproofing was completed week commencing 11 January 2021. The next phase of work is to landscape the roof back in-line with planning requirements and discharge repairs on any damage caused by leaks. These works are scheduled for Quarter 4 and subject to weather conditions. As a result of Covid-19 home schooling, the lower pupil numbers on the school premises has enabled the contractors to use the available play space on the site to continue the works to the agreed timescale. At Nile Street there remains 88 units out of 175 that are not reserved although there are a couple of units with offers currently being negotiated. The variance has been re-profiled to 2021-22.

Britannia Site is forecasting an underspend of £11.1m against the respective in-year budget of £53m. As reported at the previous quarter, early works and demolition to Phase 2a (Residential) have now been suspended until July 2021. Phase 1a (Leisure) is progressing well with the revised completion date of April 2021. The tiling has commenced to all pool areas, the roofing is pushing to completion and the 'sports fencing' is 95% complete. Phase 1b (School) is progressing well with completion planned for May 2021. The 'benchmark' classroom is complete and this layout will be used as a point of reference for the other classrooms to be completed. The windows installation on the ground to fourth floors is also complete. The variance has been re-profiled to 2021-22 to reflect the change in the programme.

NEIGHBOURHOODS AND HOUSING (NON-HOUSING)

The overall forecast in Neighbourhoods and Housing (Non) is £24.3m, £6.4m under the revised budget of £30.7m. More detailed commentary is outlined below.

N&H – Non Housing Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	**£000**	**£000**	**£000**
Museums and Libraries	1,310	226	730	(580)
Leisure Centres	890	0	890	0
Parks and Open Spaces	6,827	2,579	5,509	(1,318)
Infrastructure Programmes	9,136	3,391	7,233	(1,903)
Environmental & Other Schemes	5,845	3,002	5,594	(251)
Public Realms TfL Funded Schemes	3,387	2,100	2,435	(952)
Parking and Market Schemes	0	17	94	94
Other Services	100	0	100	0
Regulatory Services	0	0	0	0
Safer Communities	1,133	378	763	(370)
Regeneration	2,086	134	982	(1,105)
Total	**30,714**	**11,826**	**24,330**	**(6,384)**

Parks and Open Spaces

The overall scheme is forecasting an underspend of £1.31m against the budget of £6.83m. Below is a brief update on some of these schemes:

Play Area Refurbishment and Clissold Park Paddling Pool funding was approved later than anticipated and this affected project delivery. The decision was taken to move both projects to the next financial year and the variance has been re-profiled to 2021-22.

Abney Park and Shoreditch Park Restoration had severe delays due to the pandemic which has affected the programme of works causing the variance this financial year. The works will continue into 2021-22, therefore, the variance has been re-profiled.

Springfield Park Restoration successfully completed on Friday 15 January 2021 and handed back to Parks. The contractor was due to complete on 23 December 2020 however there were some snagging items to be addressed so it delayed granting Practical Completion before Christmas. This completes the hugely ambitious project to restore Springfield Park House (Grade 2 Listed) and the adjacent stable block; to build a new community events building; to build new and refurbished play facilities; improvements to the landscaping; with the aim to deliver a new family activity, school and volunteering programme. In 2017 the Council, in partnership with the Springfield Park User Group, successfully secured grant funding from the Heritage Lottery Fund of £3.2m towards the overall funding of the project of £4.2m. This funding was a major investment to the project to achieve the vision for the park to restore the heritage of the park and its buildings, to widen the park's visitor base and to generate income that will contribute to the financial security of the park. The White Lodge will create a 'Hub' of activity, expanding areas for outside eating and play. The Glass House is designed to offer a range of functions to include wedding hire, adult education and yoga classes. The stable block will provide new lettable / work spaces. There will be increasing participation in arts and cultural activities and education opportunities such as food growing and volunteering of various kinds for all ages to promote good health and wellbeing in the community. The ecology and biodiversity of the park will protect and conserve the valuable habitats with the quality management and maintenance of hard and soft landscaping.

Infrastructure

The overall scheme is forecasting an underspend of £1.90m against the budget of £9.14m. A number of Highways Schemes will not take place in this financial year so the underspend has been removed out of this year's budget and re-profiled to the 2021-22 budget to reflect the actual spend for the works identified.

Regeneration (Non-Housing)

The overall scheme is forecasting a £1.12m underspend against the budget of £2.09m. Below is a brief update on a few of the schemes:

Ridley Road Improvements is the most significant variance caused by a slight delay with the procurement of the contractors. Architects have drafted RIBA Stage 3 detailed designs for Ridley Road and Ashwin Street projects and produced RIBA Stage 4 specifications and costs. The Council will review and sign this off at the end of January 2021, prior to a final presentation to the local community before the schemes are implemented. Implementation is scheduled to commence in February 2021 and practical completion due by the end of Quarter 2 2021/2022. The variance has been re-profiled to reflect the anticipated spend.

80-80a Eastway (Old Baths) Old Depot and Surrounding Spaces Project works are progressing well. The enabling works to the Eastway site has started. The build of a new classroom and MUGA (Multi Use Games Area) to commence in March 2021. The contractors and a payment schedule will be received before the Quarter 4 forecast. An upfront payment for manufacture will be incurred in 2020-21 and 50% of contract expected to be incurred in 2021-22. The variance has been re-profiled to 2020-21 to support the anticipated spend.

HOUSING

The overall forecast in Housing is £112.4m, £4.5m above the revised budget of £107.9m. More detailed commentary is outlined below.

Housing Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	**£000**	**£000**	**£000**
AMP Housing Schemes HRA	47,147	13,059	44,649	(2,497)
Council Schemes GF	3,404	2,543	11,851	8,448
Private Sector Housing	1,020	249	1,051	31
Estate Regeneration	33,879	10,114	33,576	(303)
Housing Supply Programme	15,444	3,154	11,651	(3,793)
Woodberry Down Regeneration	6,986	4,005	9,586	2,599
Total Housing	**107,880**	**33,124**	**112,365**	**4,485**

AMP Housing Schemes HRA

The overall scheme is forecasting an underspend of £2.5m against the budget of £47.1m. The forecast has been amended to reflect the impact of Covid-19 and the deferral of several programmes to the next financial year. For example, Bannister House payments which were due from October 2020 and now starting January 2021 and Seaton Point new kitchens and bathrooms were delayed due to Covid-19. The variance has been reprofiled to 2021-22 to recognise the affected programme of works.

Council Schemes GF

The overall scheme is forecasting an overspend of £8.5m against the budget of £3.4m. The variance relates to leaseholder buybacks of previously owned Council properties. 15 completions are now expected this financial year which is an increase from last quarter. 30% of the costs will be funded through RTB receipts.

Private Sector Housing

The overall scheme is forecasting a minor overspend of £0.3m against the budget of £1m. Disabled Facilities Grant has seen an increase in activity since the earlier part of the year due to contractors re-starting works. There is also an element of the contractors trying to play catch up on the backlog of works created during the first lockdown and an increase in referrals from Adult Social Care. Warmth and Security Grants has seen a reduction based on current activity levels compared to the previous quarter which included capacity for the increase in case applications during the colder months but as yet this has not materialised.

Estate Regeneration

The overall scheme is forecasting a minor overspend of £0.3m against the budget of £33.9m. Below is a brief update on some of the schemes:

The Marian Court reduction in spend this year relates to the demolition works which were slightly delayed whilst the final tenants are decanted. The variance has been reprofiled to 2021-22.

The Nightingale underspend relates to construction works starting next year. The majority of spend this year relates to consultant fees. The variance has been reprofiled to 2021-22.

The Frampton Park and Lyttleton House are completed and residents have moved in. The increase in spend is due to the use of the project contingency to cover some ‘Change Requests’ from the contractor. The budget from 2021-22 has been re-profiled back to current year to cover this overspend.

The Tower Court works are progressing well after a slow down earlier in the year due to Covid-19. The work will continue into 2021-22 and the variance has been reprofiled.

Housing Supply Programme

The overall scheme is forecasting an underspend of £3.8m against the budget of £15.4m.

Wimbourne Street and Buckland Street are currently out to tender for a construction contractor and the works will begin during 2021-22.

Downham Road, Balmes Road, Tradescant House, Woolridge Way , 81 Downham Road and Hertford Road planning applications are to be submitted this financial year. The design work will continue into 2021-22 and the variance has been reprofiled.

Pedro Street continues to be the most significant variance which relates to the main construction works that have been delayed due to the discovery of ground contamination. The various options are currently being considered but they will all have an adverse impact on project costs and delivery timescales. This is the reason for the reduction in spend from last quarter’s forecast. The work will continue into 2021-22 and the variance has been reprofiled.

Mandeville Street works on site with handover due in April 2021. The work will continue into 2021-22 and the variance has been reprofiled.

Daubeney Road project is now on site and should be complete by summer 2021. The variance has been reprofiled to reflect the actual programme of works.

Woodberry Down Regeneration

The overall scheme is forecasting an overspend of £2.6m against the budget of £7m. The main overspend relates to an increase in Buybacks compared to previous estimates, with 19 expected to be completed this financial year and 9 already completed. The majority will be used as Temporary Accommodation until demolition. The variance will be supported by the 2021-22 budget.

5.0 DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

This budget monitoring report is primarily an update on the Council's financial position and there are no alternative options here and the savings are part of a process to balance the budget next year

6.0 BACKGROUND

6.1 Policy Context

This report describes the Council's financial position as at the end of December 2020. Full Council agreed the 2020/21 budget on 26th February 2020.

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 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 and 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.

Report Author	Russell Harvey – Tel: 020-8356-2739 Senior Financial Control Officer russell.harvey@hackney.gov.uk
Comments of the Group Director of Finance and Corporate Resources	Ian Williams – Tel: 020-8356-3003 Group Director of Finance and Corporate Resources ian.williams@hackney.gov.uk
Comments of the Director of Legal	Dawn Carter-McDonald – Tel: 0208-356-4817 Head of Legal and Governance dawn.carter-mcdonald@hackney.gov.uk