

<b>REPORT TO:</b>	<b>Cabinet 11<sup>th</sup> December 2017</b>
<b>SUBJECT:</b>	<b>QUARTER 2 FINANCIAL PERFORMANCE 2017/18</b>
<b>LEAD OFFICER:</b>	<b>RICHARD SIMPSON EXECUTIVE DIRECTOR RESOURCES (SECTION 151 OFFICER)</b>
<b>CABINET MEMBER:</b>	<b>CLLR TONY NEWMAN LEADER OF THE COUNCIL CLLR SIMON HALL, CABINET MEMBER FOR FINANCE AND TREASURY</b>
<b>WARDS:</b>	<b>ALL</b>
<p><b>CORPORATE PRIORITY/POLICY CONTEXT:</b></p> <p>The recommendations in the report will help to ensure effective management, governance and delivery of the Council's medium term financial strategy and ensure a sound financial delivery of the 2017/18 in-year budget. This will enable the ambitions for the borough for the remainder of this financial year to be developed, programmed and achieved for the residents of our borough.</p>	
<p><b>AMBITIONS FOR CROYDON &amp; WHY WE ARE DOING THIS:</b></p> <p>Strong financial governance and stewardship ensures that the Council's resources are aligned to enable the priorities, as set out in the Corporate Plan 2015 - 2018, to be achieved for the residents of our borough and further enables medium to long term strategic planning considerations based on this strong financial foundation and stewardship.</p>	
<p><b>FINANCIAL IMPACT</b></p> <p>The reduced financial settlement and ongoing demand pressures on a range of statutory services is resulting in pressures to the Council's budget, and resulting in a forecast overspend at Quarter 2.</p>	
<p><b>FORWARD PLAN KEY DECISION REFERENCE NO.</b></p> <p>Not a key decision</p>	
<p>The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below</p> <p><b>1 RECOMMENDATIONS</b></p> <p>Cabinet is recommended to :-</p> <ul style="list-style-type: none"> <li>i) Note the current revenue outturn forecast at the end of the second quarter of 2017/18 of <b>£797k</b>, this is before exceptional items of <b>£4.3m</b>, resulting in a total overspend of <b>£5.097m</b>, and the actions put in place to reduce the overspend;</li> <li>ii) Note the ongoing engagement with and lobbying of Government by the Council for additional funding for Croydon, both in general terms and specifically Unaccompanied Asylum Seeking Children, fire safety measures and mitigation of the impact of the Universal Credit implementation.</li> </ul>	

- iii) Note the **£3.7m** collection fund surplus which is released in 2018/19 and will offset a significant amount of the forecast overspend;
- iv) Note the HRA position of a **£0.738m** forecast underspend against budget;
- v) Note the capital outturn projection of **£37.2m** forecast underspend against budget;
- vi) Agree the strategy for the flexible use of capital receipts to deliver on going transformation and savings, detailed in section 9 of this report;
- vii) Endorse the proposed introduction of the Care Leavers Council Tax support scheme, detailed in paragraph 8.5 of this report;
- viii) Endorse the additional allocation of the Business Rates Discretionary Relief scheme, detailed in paragraph 8.14 of this report.

## 2. EXECUTIVE SUMMARY

- 2.1 This report updates the Council's financial outlook at the end of the second quarter of 2017/18, which remains against a context of a series of adverse national funding changes affecting Local Government finance.
- 2.2 The budget set in February 2017 for 2017/18 assumed grant reductions of 11.2% (**£12.9m**) in the financial year. To manage this reduction there were a number of savings totalling **£19.5m** built in to the budget. Alongside these savings there was growth of **£13.8m** and assumptions around increased levels of income.
- 2.3 Croydon Council remains under huge financial pressures, deriving notably from:
- Historic underfunding of Croydon over the last 15-20 years,
  - Cuts of more than 75% of government funding between 2010/11 and 2019/20,
  - Failure to recognise the inflationary pressures the Council is subject to,
  - Chronic underfunding of adult social care and children's social care – the Local Government Association has reported that three quarters of local authorities with responsibility for social care are showing overspends and estimates that, by 2019/20, there will be a £2billion funding gap for each of adult social care and children's social care in England,
  - Substantial population increase,
  - Significant growth in demand for services, both from demographic pressures, such as an aging population and changes to the make-up of the Croydon population
  - Impact of welfare reform, notably the benefits cap, freezing of in-work benefits, local housing allowance, universal credit,
  - Underfunding of new duties, such as Health Visiting, Deprivation of Liberty assessments and the Homelessness Reduction Act,
  - Failure to properly fund the direct and indirect costs of Croydon's status as the gateway authority for UASC,
  - Impact of the underfunding of the health economy,
  - Failure to fund the cost of building new schools,
  - Failure to fund essential safety costs associated with Grenfell Tower,
  - Restrictions on council housing, the Housing Revenue Account borrowing cap, rent restrictions, rules on right-to-buy receipts.
  - Delivering improvement as a result of the recent Ofsted inspection findings in Children's Social Care.

- 2.4 The financial monitoring process has identified a number of pressures across the council with the most significant being with Children and Adults social care. The Council's overall forecast revenue over spend of **£5.097m** is made up of Departmental over spends of **£3.840m** and exceptional items of **£4.3m**, these exceptional costs relate to additional costs associated with Unaccompanied Asylum Seeking Children (UASC) and the impact of the failure of Central Government to implement the provisions of the Immigration Act as far as they would impact on No Recourse to Public Funds costs for UASC, offset by non-departmental underspends of **£3.043m**. Without these exceptional items the forecast overspend would be **£797k**, as shown in table 1 below.
- 2.5 If the **£5.097m** forecast overspend is not reduced by the end of the year it will result in a reduction in our usable balances, either unallocated reserves or earmarked reserves. The Council's collection fund is currently in surplus, however due to accounting restrictions the surplus isn't released until the year following the year it is achieved. At the current time this is expected to be **£3.7m** and can be released on the 1<sup>st</sup> April 2018. This has not been assumed in our budget planning, and can therefore all be released to go back into reserves in 2018/19.

**Table 1 – Summary of forecast revenue outturn position at Quarter 2**

Department	Quarter 2 Forecast Variance £'000s	Quarter 1 Forecast Variance £'000s
People	4,694	1,906
Place	0	(255)
Resources	396	1,994
Chief Executives	750	450
<b>Council wide recruitment freeze</b>	<b>(2,000)</b>	<b>0</b>
<b>Departmental Overspend</b>	<b>3,840</b>	<b>4,095</b>
<b>Corporate Items</b>	<b>(3,043)</b>	<b>(3,046)</b>
<b>Sub Total</b>	<b>797</b>	<b>1,049</b>
<b>Exceptional Items</b>	<b>4,300</b>	<b>2,700</b>
<b>Total Projected Over-spend</b>	<b>5,097</b>	<b>3,749</b>

- 2.6 The Council is continuing to make a concerted drive for fairer funding for Croydon. The Leader of the Council and the Cabinet Member for Finance and Treasury met with the Immigration Minister on the 16<sup>th</sup> November and follow up discussions are taking place between council officers and the Home Office to ask for a re instatement of our Gateway funding which would increase our funding by **£2m** in 2017/18. We have also highlighted a number of other areas where prioritisation by the Home Office could result in a saving to Croydon, including prioritising unresolved appeals for families with no recourse to public funds and a co-ordinated approach to enforcement action with individuals where appeal rights are exhausted.
- 2.7 We also continue to engage with the Department for Communities and Local Government seeking funding of **£10m** for fire safety works following the tragic incident at Grenfell Tower. The Cabinet Member for Homes, Regeneration and Planning has written to the Secretary of State twice seeking commitment to fund essential safety works in Croydon. To date, responses from the DCLG have been disappointing and have failed to provide any funding, stating that our works do not meet the department's criteria of essential safety works and that the government expects Croydon to fund measures to make buildings safe.

2.8 As a result of work undertaken by Croydon, changes to the national policy for Universal Credit have been announced. However, these changes only take effect from 1 April 2018. As a pilot authority we have incurred costs in excess of **£3m** and will be seeing reimbursement from Government for these costs we have incurred.

2.9 Details of major variances are provided in Table 2, Section 3 of this report, with further information about all projected outturn variances available in Appendix 1 to this report.

### 3. GENERAL FUND 2017/18 REVENUE SUMMARY

3.1 The projected outturn position at the second quarter of 2017/18 is showing the effect of anticipated saving and recovery plans that are being implemented.

3.2 The 2017/18 budget was set with the inclusion of growth to help manage previously identified pressures and ambitious savings targets. Despite this growth there continues to be increasing demand for the services in the People department in relation to adult and children's social care. There are also a number of areas of budget pressures in the Resources department relating to utility costs and SEN transport.

**Table 2 – 2017/18 significant variances over £500k**

Department	Major Variances over £500k	Quarter 2	Quarter 1	2016/17 Outturn
		£'000	£'000	£'000
<b>PEOPLE</b>				
<b>Early Help and Children's Social Care (CSC)</b>	<b>Early Help and CSC Directorate</b> – Increased legal costs driven by additional demand, and delays in achieving digital and enabling savings	1,149	975	769
	<b>Care Planning Service</b> - Increase in the cost of section 17 B&B places, which are court driven. Additional costs of supernumerary and locum staff	1,208	735	2,495
	<b>Looked After Children</b> - Increase in the number of external placements and specialist foster care placements. Increase in costs due to court driven assessments.	3,241	2,113	3,093
	<b>Early Help and MASH</b> –Savings associated with supplies and services, transport and third party payment underspends.	(235)	(1,127)	(1,304)
<b>Adult Social Care &amp; All Age Disability</b>	<b>25 -65 Disability Service</b> - Increase in cost of care packages and staff costs as a result of rising demand, partly offset in Q2 by transformation funding and use of reserves	678	1,261	2,115
	<b>Over 65s provider services social care(assessment, care management &amp; hospital discharge)</b> – Overspend primarily in care packages due to increase in domiciliary care provision	870	286	(480)
	<b>Disability Commissioning and Brokerage-</b> Staffing vacancies	(560)	0	0
	<b>Directorate-</b> Delays in achieving Digital and Enabling savings and increased enhanced pension costs	717	0	0
<b>0-25 Send Service</b>	Increase in transitions, care packages and staffing costs	2,897	1,322	1,331

<b>People Directorate</b>	Improved Better Care Fund (IBCF)	(5,268)	(4,268)	0
	People Department Variances below £500k	(3)	609	1,979
<b>PEOPLE Total</b>		<b>4,694</b>	<b>1,906</b>	<b>9,998</b>

Department	Major Variances over £500k	Quarter 2 £'000	Quarter 1 £'000	2016/17 Outturn £'000
<b>PLACE</b>				
	<b>Highways</b> – Credit amounts relating to PFI Street Lighting contract	(2,404)	(1,996)	0
<b>Streets</b>	<b>Waste</b> - pressure on cost of disposal caused by 2.5% year-on-year growth on landfill tonnages plus shortfall on rebate for recycled material	1,628	1,368	1,527
	Place Department Variances below £500k	776	373	(993)
<b>PLACE Total</b>		<b>0</b>	<b>(255)</b>	<b>534</b>

Department	Major Variances over £500k	Quarter 2 £'000	Quarter 1 £'000	2016/17 Outturn £'000
<b>RESOURCES</b>				
<b>Commissioning and Improvement</b>	<b>SEN transport</b> –Increasing service demand and complexity of need	2,689	2,165	1,013
<b>Customer and Corporate Services</b>	<b>Facilities Management</b> – Capitalisation of certain FM costs and various savings on FM and Assets,	(1,229)	448	267
<b>Legal Services</b>	<b>Legal</b> – Increased use of in house legal team	(1,101)	(905)	(551)
	Resources Department Variances below £500k	37	286	(848)
<b>RESOURCES Total</b>		<b>396</b>	<b>1,994</b>	<b>(119)</b>

Department	Major Variances over £500k	Quarter 2 £'000	Quarter 1 £'000	2016/17 Outturn £'000
<b>CHIEF EXECUTIVES OFFICE</b>				
	Delay in achieving Digital advertising income	750	450	0
<b>CHIEF EXECUTIVES Total</b>		<b>750</b>	<b>450</b>	<b>0</b>

<b>Total Departmental Overspend</b>	<b>5,840</b>	<b>4,095</b>	<b>10,413</b>
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<b>Council Wide recruitment freeze (except Children's improvement posts/ HRA funded/ capital funded &amp; transformation funded posts)</b>	<b>(2,000)</b>	<b>0</b>	<b>0</b>
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<b>Revised Departmental Overspend</b>	<b>3,840</b>	<b>4,095</b>	<b>10,413</b>
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<b>CORPORATE ITEMS</b>				
	Use of contingency budget	(1,000)	(1,000)	(1,000)
	Minimum Revenue Position and Interest borrowing costs lower than projected, due to slippage within the capital programme	(2,337)	(2,337)	(1,888)
	Additional government grant anticipated – Education Services and S31 Grant	(1,220)	(1,220)	(5,888)
	Minor corporate items under £500k	1,514	1,511	(1,687)
<b>CORPORATE ITEMS TOTAL</b>		<b>(3,043)</b>	<b>(3,046)</b>	<b>(10,463)</b>
<b>SUB TOTAL BEFORE EXCEPTIONAL ITEMS</b>		<b>797</b>	<b>1,049</b>	<b>(50)</b>
<b>Exceptional Items – UASC and NRPF</b>		4,300	2,700	0
<b>TOTAL VARIANCE</b>		<b>5,097</b>	<b>3,749</b>	<b>(50)</b>

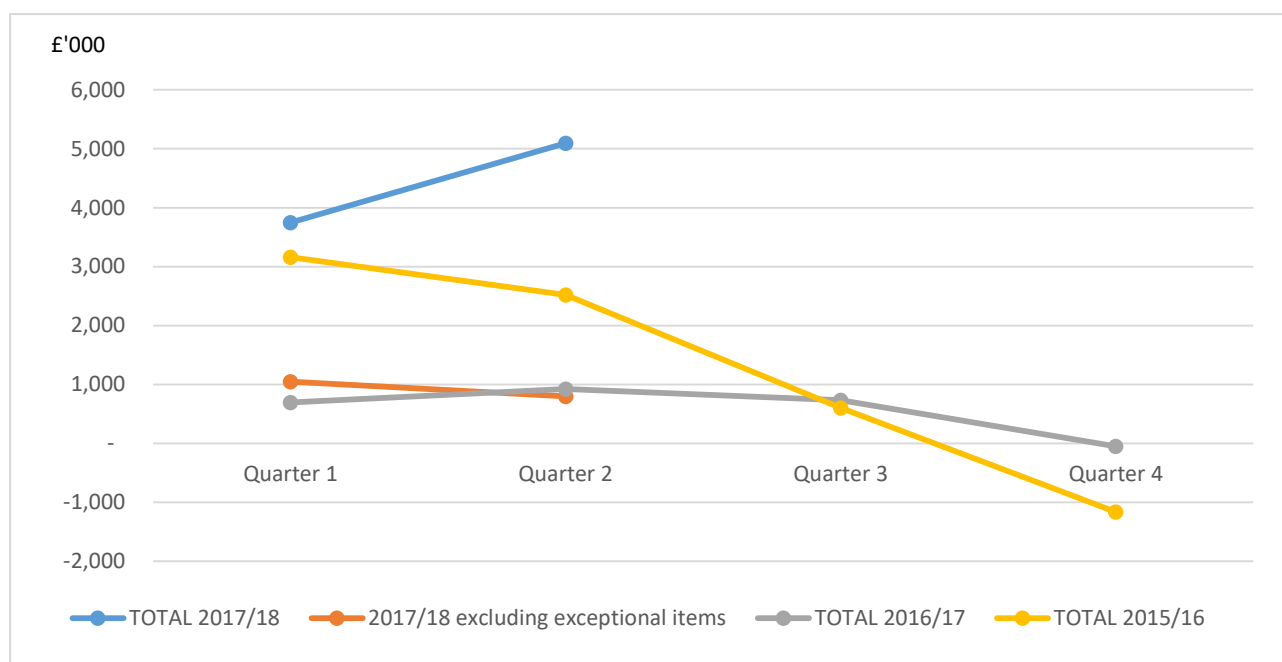
- 3.3 The People Department overspend in 2017/18 is £4.694m and continues to be made up of pressures in children's social care and adult social care. These pressures are mainly demand related and are a continuation of pressures experienced in previous years. The exceptional items also relate to the People Department and are now £4.3m, an increase of £1.6m from quarter 1.
- 3.4 The exceptional items reported at quarter 2 continue to relate to UASC and NRPF, both of which we are continuing to lobby the government to fund. The UASC pressure has increased to £3.3m and the unachievable £1m savings target for No Recourse to Public Funds remains the same as quarter 1. These items are again being shown as exceptional. The UASC increase is as a result of the Home Office continuing to only fund a fixed rate per child. While our numbers of UASC are decreasing, direct and indirect service provision costs are not decreasing at the same rate. Options to reduce this funding gap through the reduction of costs and maximising Home Office income continue to be explored. The NRPF pressure remains due to the impact of the failure of Central Government to implement the provisions of the Immigration Act. In addition to these exceptional items Croydon also funds in excess of £4m of other costs relating to NRPF across Adults, Children's and Gateway services from our own resources.
- 3.5 The Improved Better Care Funding is for a three year period and was allocated in two tranches. Tranche 1 was allocated in spending review 2015 and formed part of adult social care core funding to mitigate the reduction in core grant funding. This allocation was built in to base budgets and enabled protection from cuts. Tranche 2 was allocated in the Spring 2017 budget. This money will be spent across the health and social care sector to ensure the criteria of the funding of Meeting Adult Social Care Needs, Supporting Hospital Discharge and Stabilising the Social Care provider Market are met.
- 3.6 The national pressures faced in adult social care, estimated by the LGA to reach some £2bn by 19/20, are well documented and short term funding through the council tax precept and IBCF show government has also acknowledged these pressures in part. The pressure on children's social care is now becoming apparent. Research conducted by the Local Government Association (LGA) has revealed children's services are at breaking point with 75% of councils overspending to keep vital protections in place. The review found that in 2015/16 councils surpassed their children's social care budgets by £605m in order to protect children at immediate risk of harm. There has been an increase of 140% in child protection enquiries over the last 10 years with enquiries up to more than 170,000 in 2015/16.

- 3.7 The chair of the LGA's Children and Young People Board, has recently said: "The fact that the majority of councils are recording high levels of children's services overspend in their local areas shows the sheer scale of the funding crisis we face in children's social care, both now and in the near future."
- 3.8 There are calls on the government to introduce a fairer funding system based on demand for services. Referrals to children's services have increased and the number of children subject to child protection plans has doubled in the last decade. "Government needs to take note on this issue sooner rather than later, otherwise we are sleepwalking into another funding crisis for services that less fortunate young people rely on. LGA noted that a nationwide children's services funding gap of £2bn will exist by 2020. As detailed in this report we are continuing to experience rising demand and costs.
- 3.9 This year to date, Children's Social Care assessments have increased by 16%, and the number of children with a Child Protection Plan has also increased by 10%, resulting in the reported overspend.
- 3.10 The findings from the recent Children's Social Care Ofsted inspection have put increased pressure on our financial resources. £3m has been allocated from earmarked reserves to support the targeted improvement work over the remainder of this year. The impact on future years budget of the improvement work will be considered as the 2018/19 budget is agreed.
- 3.11 The excellent work on reducing the level of homelessness in the borough would be showing a significant favourable variance in the forecast outturn, were it not for the concerns about the level of bad debt being experienced in this area as a direct result of benefit reform, most notably the rules around universal credit.
- 3.12 With Croydon having been a Universal Credit Pilot Authority we have been unfairly subject to increased financial pressures with bad debt increasing by £1.5m in year. We will be continuing to lobby the government to correctly fund this.
- 3.13 Alongside this we have also increased our Discretionary Housing Payments from the £1.7m awarded by Government to £3.2m, with the difference of £1.5m funded directly from Council resources.
- 3.14 To help manage the budget and mitigate rising costs a Council wide recruitment freeze has been implemented for all but essential posts. It is anticipated that this will generate a £2m reduction in expenditure this year.

#### **4 GENERAL FUND REVENUE SUMMARY POSITION 2017/18**

- 4.1 Graph 1 below shows the forecast variance for 2017/18 compared to previous years. The Council continues to manage its finances through the rigorous monitoring and control of spending within the framework of the Financial Strategy.

Graph 1 – Forecast Variances



## 5 VIREMENTS OVER £500K REQUIRING CABINET APPROVAL

5.1 There are no virements requiring approval.

## 6. HOUSING REVENUE ACCOUNT (HRA)

6.1 The current forecast for the HRA is for an estimated underspend of £0.738m. The key variances being reported at Quarter 2 are summarised in Table 3 below:

**Table 3 – 2017/18 Main variances within the HRA**

Department	Major Variances	Quarter 2 £'000	Quarter 1 £'000	2016/17 Outturn £'000
<b>HRA – HOUSING NEEDS</b>	Staff Savings – Vacant Posts	(364)	(364)	(432)
<b>HRA – DISTRICT CENTRES AND REGENERATION</b>	Staff Savings – Vacant Posts and saving on HRA project review team	(374)	(255)	(306)
<b>TOTAL HRA PROJECTED VARIANCE</b>		<b>(738)</b>	<b>(619)</b>	<b>(738)</b>

6.2 Longer term budget planning for the HRA is continuing to take place and includes reviewing the impact of the Housing and Planning Act to understand and model the impact of future rent reductions. The Council will also continue to model the likely impact of the high value asset levy, and we still await confirmation if the government will continue with this policy.

6.3 As previously reported to this Cabinet the housing LLP will be responsible for delivering 250 new affordable rented properties, alongside 250 additional street properties by 2019.

6.4 Ongoing fire safety works are continuing and will continue to be funded from the HRA as a result of the government failing to provide funding for these essential works. As previously reported this investment will be in the region of £10m, with works commencing this financial year and completing in 2018/19.



## 7. FORECAST CAPITAL OUTTURN POSITION

- 7.1 The high level Capital programme for 2017/18 is shown in Table 4 below, full details of all projects are shown in appendix 2. A forecast under spend of £37.2m is projected for 2017/18.
- 7.2 The capital programme continues to be funded from a number of different funding streams and makes use of capital receipts to support the delivery of the financial strategy. Table 5 below details the funding for the original 2017/18 budget, the revised programme and the forecast outturn.

**Table 4 – 2017/18 Capital Programme**

Original 2017/18 Budget £'000s		Carry forward from 2016/17 £'000s	Re-profiling / Increases in Schemes £'000s	Revised Budget 2017/18 £'000s	Actuals April-Sep 2017 £'000s	Forecast Outturn £'000s	Forecast Variance £'000s
68,748	PEOPLE DEPT	26,565	(21,818)	73,495	26,073	53,736	(19,759)
311,780	PLACE DEPT	21,357	(188,289)	144,848	20,654	130,006	(14,842)
6,246	RESOURCES DEPT	4,490	1,634	13,126	1,411	13,091	(35)
<b>386,774</b>	<b>GENERAL FUND TOTAL</b>	<b>52,412</b>	<b>(208,273)</b>	<b>231,469</b>	<b>48,103</b>	<b>196,833</b>	<b>(34,636)</b>
27,051	HOUSING REVENUE ACCOUNT	3,943	0	30,994	9,582	28,449	(2,545)
<b>413,825</b>	<b>CAPITAL PROGRAMME TOTAL</b>	<b>56,355</b>	<b>(208,273)</b>	<b>262,463</b>	<b>57,685</b>	<b>225,282</b>	<b>(37,181)</b>

- 7.3 The majority of the general fund borrowing detailed excluding that specifically identified for the RIF is to fund the education programme due to the inadequate level of funding received from Government and the essential need to provide school places in the borough.

**Table 5 – Sources of capital funding**

	Original Budget 2017/18 £'0000s	Revised Budget 2017/18 £'000s	Forecast Outturn 2017/18 £'000s
Borrowing	61,810	86,723	54,181
Capital Receipts	20,644	20,644	20,644
External Grants – Education	2,104	9,631	9,631
Transport for London	4,154	4,779	4,779
External Grants – Coast to Capital LEP	14,000	14,000	14,000
Better Care Fund	1,600	2,846	1,500
Other Grants	0	3,305	3,305
Section 106	745	1,685	1,685
Community Infrastructure Levy (CIL)	7,000	7,000	7,000
Borrowing (RIF)	274,717	80,000	80,000
<b>General Fund – Funding Total</b>	<b>386,774</b>	<b>232,613</b>	<b>198,725</b>
Major Repairs Allowance	17,903	17,903	17,903
Revenue Contributions to Capital	2,697	6,640	4,086
HRA Receipts	6,451	6,451	6,451
<b>HRA – Funding Total</b>	<b>27,051</b>	<b>30,994</b>	<b>28,440</b>

<b>Capital Programme Total</b>	<b>413,825</b>	<b>263,607</b>	<b>227,165</b>
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- 7.4 The main reported variances on projects within the Council's capital programme are as follows:
- 7.4.1 **New Addington Leisure Centre** (£13.30m) – this project has been reprofiled but with no overall change to the final completion date, and the majority of the work is now expected to be delivered in 2018.
- 7.4.2 **Onside Youth Zone** (£3.44m) – This scheme has been reprofiled and £133k is forecast to be spent in 2017/18. With the scheme due for completion by January 2019.
- 7.4.3 **Blackhorse Road Bridge** (£2.053m) - design work of £850k to be funded by TFL AND undertaken in 2017/18, with subsequent work expected to be delivered in 2018/19.
- 7.4.4 There are a number of other capital schemes where the cashflow is not as forecast and the spend will now take place in 2018/19.

## 8. FINANCIAL MANAGEMENT

- 8.1 The Council Tax and Business Rates are two key income streams for the Council. Collection rates for the current year are show in Table 6 below:

**Table 6 - Council Tax and Business Rates collection**

	Target collection– year to date %	Actual collection – year to date %	Variance to target – year to date %	Variance - last year - at Q2 %
Council Tax	55.12	54.66	-0.46	-0.22
Business Rates	56.76	57.57	+0.81	+1.06

### Council Tax

- 8.2 At the end of quarter 2 Council Tax collection was down by 0.46% on the end of month target. This is due to the amount of council tax owing increasing during September by £750k as a result of new dwellings becoming liable, and the removal of discounts from existing accounts. The team continues to have the five point plan to improve income as reported to this Cabinet in September 2017.
- 8.3 Because there was no opportunity to collect an instalment during September, the collection rate has been impacted at the end of Quarter 2. However, it is expected that collection of these additional amounts will have been caught up by November, and collection of 2017 council tax is expected to achieve the full year target of 97%.

### Leaving Care Council Tax Support Scheme

- 8.4 The Council is responding to a Children's Society campaign that has identified a range of disadvantages care leavers uniquely experience. In particular care leavers are a vulnerable group for council tax debt. The Children's Society details the case for care leavers at least up to the age of 21 to be exempted from paying council tax.
- 8.5 The Council agrees with the campaign's principal sentiments that young people's transition out of care and into adulthood is extremely difficult and that managing money for the first time without support from family leaves care leavers at real risk of falling into debt.

- 8.6 As the council has a parenting role in some circumstances that lasts until the care leaver is 24, for this reason and in order to keep the scheme administratively simpler to support and not to distinguish for the purposes of exclusion any sub-set of care leaver, we propose to apply care leavers relief to every care leaver until their 25th birthday.
- 8.7 Under section 13A of the Local Government Finance Act 1992 the council has a general discretionary power to reduce liability for council tax in relation to individual cases or class(es) of cases that it may determine where national discounts and exemptions cannot be applied. This relief must be awarded by the Council in accordance with the discretionary council tax reduction powers as contained within the Local Government Finance Act 1992.
- 8.8 The Care Leaver Relief awarded by the Council will not be reimbursed by the Government but the costs will be shared with the Greater London Authority (GLA).
- 8.9 Care Leavers Relief will be available from the start of the 2018/2019 financial year.
- 8.10 The scheme is proposed to cover all care leavers and their household within the Borough who have a liability for council tax, not just those who have been supported by Croydon Council. We understand that our scheme will be the most generous scheme in England and shows Croydon Council's commitment.

### **Business Rates**

- 8.11 Business Rates collection is up by 0.81% on the target.
- 8.12 Businesses in Croydon faced a revaluation this year, which increased business rates bills across the borough. As a consequence of the revaluation, the government also announced in the budget three relief schemes to be awarded to businesses: support for small businesses; local discretionary relief; and Pub relief. Pub relief was awarded at the end of September. The small business and local discretionary business rates relief scheme have also now been approved and will award £1.7m of relief to businesses within the borough in 2017/18.
- 8.13 In July 2017 we reported to this Cabinet the draft proposed small business and local discretionary business rates relief scheme for 2017/18, since then further work has been undertaken to finalise the scheme and revised bills have been sent out to those business effected. The work to finalise the relief scheme has resulted in the discount for qualifying businesses doubling.
- 8.14 In order to support small businesses, the Council asked all businesses to pay their reduced business rates instalments, even though systems were not in a position to formally award the relief. This has a detrimental effect on collection, because the income being paid is lower than the amount recorded as owing. This has now been rectified and revised bills have been sent out.

## **9. USE OF CAPITAL RECEIPTS**

- 9.1 In March 2016 the DCLG issued guidance allowing a more flexible approach to using capital receipts. This guidance enabled local authorities to have the flexibility to use capital receipts from the disposal of property, plant or equipment assets for expenditure on projects that will generate ongoing savings and efficiencies.

- 9.2 In July 2016 (Minute ref A76/16) it was reported to this Cabinet that the Council would be taking advantage of this new flexibility, and in October 2016 as part of our Autumn Financial review it was reported to this Cabinet the programme and projects to which this new flexibility would be applied to. This section sets out the strategy for the use of capital receipts in 2017/18, and an update on the programmes and projects to be funded.
- 9.3 The latest guidance by the Secretary of State directs that, Authorities may treat expenditure which is incurred in the design of projects that will generate on-going revenue savings in public services or that will transform service delivery to reduce costs or manage demand in future years for public service partners as capital expenditure. Such expenditure must be incurred between 1 April 2016 and 31 March 2019.

### **FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY 2017/18**

- 9.4 The Council has reviewed the Flexible Use of Capital Receipts guidance and recommends that full use of this new flexibility is fully adopted and that capital receipts are used to fund expenditure that generates an ongoing saving. These schemes to be funded are encapsulated within the Efficiency Strategy and are forecast to generate on-going revenue savings through reducing costs of service delivery.
- 9.5 In using this flexibility, the Council will have due regard to the requirements of the Prudential Code and to the CIPFA Local Authority Accounting Code of Practice, and the impact on our prudential indicators.
- 9.6 The receipts being identified for use under this new level of flexibility have not been earmarked as funding for any other proposed capital expenditure and therefore there is no anticipated additional impact on the Council's prudential indicators as set out in the Council's Treasury Management Strategy.
- 9.7 Outcomes of the use of capital receipts will be monitored as part of the regular financial reporting arrangements.

### **EFFICIENCY STRATEGY**

- 9.8 As detailed above the Efficiency Strategy is the key driver to reducing costs and therefore the themes of the strategy are the key areas to be funded from capital receipts.
- 9.9 The efficiency strategy has been presented to Cabinet before and the key themes are set out again below along with a brief description:-
- 9.9.1 Getting the most out of our assets – this includes a review of our asset estate and the letting of a number of floors within Bernard Wetherill House. The sale of surplus assets including Jeanette Wallace House and the transfer of sites to Brick by Brick to develop housing. This approach will reduce on going revenue and maintenance costs and generate income from rent or sales.
- 9.9.2 Better commissioning and contract management – this is key to generating on going efficiencies and a review of all corporate contracts is taking place to ensure that we have services delivered by the right parties (i.e. split between in-house, partnerships and third party).
- 9.9.3 Managing Demand – there has been a focus on reviewing and understanding what drives demand and how demand can be managed and reduced. This has included increasing prevention services and the application of the successful Gateway approach to the 'front door' of adult social care which will bring together both cost savings and service

improvement. Expanding the Family Link workers team to assist families and high profile enforcement and prosecution of fly-tipping and other anti-social behaviours. Investment in these prevention services needs to continue.

- 9.9.4 Prevention and early intervention – investment in understanding what drives demand and how it can be prevented especially around services provided by adult and children’s social care and housing. Working with partners to undertake a risk based approach.
- 9.9.5 Integration of health and social care - As previously reported to Cabinet the Council and CCG have been working in partnership to achieve integration both in commissioning and at the point of service delivery, to provide better outcomes for residents at lower cost for the Council and the CCG. To realise further benefits of integration, the Council has been working with the CCG and committed to a process looking at the whole of the health and social care system, building on the approach of the Outcomes Based Commissioning project for over 65’s.
- 9.9.6 Delivering growth - The delivery of economic growth is a key part of our efficiency strategy. Growth can support this strategy by generating increased prosperity in the area and therefore reduced dependency on Council Services. Alongside, increased income to the Council from Business rates and Council tax.
- 9.9.7 Commercial approach - To become an innovative and entrepreneurial authority by generating extra revenue through trading and business improvement.
- 9.9.8 Digital – We continue to build on our digital by design approach, wherever possible providing services on-line to improve access whilst reducing service costs.

## **PROGRAMME TO BE FUNDED FROM CAPITAL RECEIPTS**

- 9.10 The costs incurred in delivering efficiencies and to be funded from capital receipts can also be categorised into themes and these are listed below along with a brief description:-
- 9.10.1 The Managing Demand Programme – This programme is designed to look at both front line services and back office services to understand what is driving demand and what can be done to manage and reduce demand where appropriate. Investing in prevention and avoidance activity is key to future proofing services and includes projects such as adults and children’s social care, the use of legal services, the use of office space alongside changing the behaviours of both our residents and staff.
- 9.10.2 Digital and Enabling – Over the last couple of years investment in digital services has enabled a significant shift from face to face contact to digital self-serve. This approach needs to continue where possible to generate more efficiencies. To do this investment is required in technology and training.
- 9.10.3 Investment in Improving Children’s Services – The recent Ofsted inspection requires us to invest more in children’s social care quicker, including investment in front line social work staff and back office business support. This investment is essential and will generate service improvements.
- 9.10.4 Adult Social Care Service reform – Investment in Adult Social Care services continues to be a priority to ensure the delivery of effective services within budget. To do this more investment is required to review the current delivery of services and transform them in to a fit for the future model. Partnership working with health colleagues needs to continue too. This requires investment now and will generate savings and manage costs in the future.

9.10.6 Investment in SEND – Investment has been made in SEND services already in a number of ways including the provision of more in house school places and a fundamental review of travel services for these pupils. With the rising demand for these services it is essential that further investment is made to deliver future savings in all areas of the service from initial assessment, to school places and managing the transition to adulthood.

9.10.7 Redundancy Costs – Staff costs currently account for a large proportion of our total spend and as expenditure reduces and services change it is essential that the workforce is reviewed and tailored accordingly. To reduce the workforce will result in one off redundancy costs and it is proposed that these are funded from capital receipts. At this stage the level of redundancies and the associated costs is unknown. As the budget is developed over the coming weeks in preparation for Scrutiny Committee in December this will become clear.

9.12 It is these themes listed above and any future themes as they are developed that will be funded from capital receipts.

## **10. CONSULTATION**

10.1 All departments have been consulted during the preparation of this report.

## **11. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

11.1 This report sets out the current financial position of the Council, and actions being taken to address the projected overspend.

The report is submitted by the Richard Simpson – Executive Director Resources (Section 151 Officer)

## **12. COMMENTS OF THE SOLICITOR TO THE COUNCIL AND MONITORING OFFICER**

12.1 The Solicitor to the Council comments that the Council is under a duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.

12.2 The Local Government Act 1972 Section 151 states that each local authority has a statutory duty to make arrangements for the proper administration of their financial affairs. In addition, the Accounts and Audit Regulations 2015 impose an explicit duty on the Council to ensure that financial management is adequate and effective and that they have a sound system of internal control, including arrangements for the management of risk.

12.3 “Proper administration” is not statutorily defined; however, there is guidance, issued by CIPFA on the responsibilities of the Chief Finance Officer (CFO). This states that local authorities have a corporate responsibility to operate within available resources and the CFO should support the effective governance of the authority through development of corporate governance arrangements, risk management and reporting framework. Regular monitoring of the Council’s actual expenditure to budget and forecasting of the expenditure for the full year is part of the proper administration and governance of the Council.

12.4 Statutory Guidance on the Flexible Use of Capital Receipts has been issued under the Local Government Act 2003. By Section 15(1) the Council is required to have regard to this guidance. The guidance applies with effect from 1 April 2016 to 31 March 2019. The guidance should be read alongside the Flexible use of capital receipts Direction made by the DCLG in exercise of its powers under the Local Government Act 2003 Sections 16(2) (b) and 20.

12.5 There are no further direct legal implications arising from this report.

Approved by:- Sandra Herbert, Head of Litigation and Corporate Law for and on behalf of Jacqueline Harris-Baker Director of Law and Monitoring Officer

### 13. HUMAN RESOURCES IMPACT

13.1 The items from the savings packages and action plans included in the report or those that need to be developed in response to the report are likely to have a significant HR impact. These can vary from posts not being re-filled or deleted through restructures proposals leading to possible redundancies. Where that is the case, the Council's existing policies and procedures must be observed and HR advice must be sought.

Approved by:- Sue Moorman, Director of Human Resources

### 14 EQUALITIES IMPACT

14.1 The key service areas that currently have over spend in budgets are Children's Social Care and Adults Social Care.

These are areas that provide services to customers from equality groups that share protected characteristics; such as younger people (Looked after Children), people with a disability (Children with special educational needs), older people and BME groups. There are a number of known equality and inclusion issues in the above mentioned service areas such as an over-representation of BME young people in looked after children, over-representation of BME groups and other vulnerable groups, young children with a disability who have a special educational needs and their carers, vulnerable older people with complex needs etc. The mitigating actions, on these specific services are unlikely to affect these groups more than the population as a whole. In fact, a number of those will affect these groups less.

14.2 In addition, there are policy changes made by Government that will impact on the in-year budget, in particular the delay in the implementation of the Immigration Act. The Council will work to ensure key services to Croydon residents are protected wherever possible. However, it is likely that some of the areas affected will be a reduction in Home Office funding for Unaccompanied Asylum Seeking Children, a cut to the Public Health Grant and the Youth Justice Board grant and changes to the Welfare and Housing Bill. There is a likelihood that these cuts will have a more significant adverse impact on some groups that share a protected characteristic such as age, race and disability. Changes to the Welfare and Housing Bill are also likely to have an adverse negative impact on the more vulnerable customers.

14.3 In order to ensure that our vulnerable customers that share a "protected characteristic" are not disproportionately affected by the actions proposed to reduce in year budget over spend we will ensure that the delivery of the cost reduction initiatives are informed by a robust equality analysis of the likely detrimental impact it could have on all services users and in particular those that share a "protected characteristic".

14.4 If the equality analysis suggests that the cost reductions initiatives are likely to disproportionately impact on particular group of customers, appropriate mitigating actions will be considered. This will enable the Council to ensure that it delivers the following objectives that are set out in our Equality and Inclusion Policy:

- To increase the rate of employment for disabled people, young people, over 50s and lone parents who are furthest away from the job market

- To increase the support offered to people who find themselves in a position where they are accepted as homeless especially those from BME backgrounds and women
- To reduce the rate of child poverty especially in the six most deprived wards
- To improve attainment levels for white working class and Black Caribbean heritages, those in receipt of Free School Meals and Looked After Children, particularly at Key Stage 2 including those living in six most deprived wards
- To increase the percentage of domestic violence sanctions
- To increase the reporting and detection of the child sexual offences monitored
- To reduce the number of young people who enter the youth justice system
- To reduce social isolation among disabled people and older people
- To improve the proportion of people from different backgrounds who get on well together
- To reduce differences in life expectancy between communities

## **15 ENVIRONMENTAL IMPACT**

15.1 There are no direct implications contained in this report.

## **16 CRIME AND DISORDER REDUCTION IMPACT**

16.1 There are no direct implications contained in this report.

## **17 REASONS FOR RECOMMENDATION /PROPOSED DECISION**

17.1 Given the current in year-position Executive Leadership Team have been tasked to identify options to achieve a balanced year-end position.

## **18 OPTIONS CONSIDERED AND REJECTED**

18.1 Given the current in year-position Executive Leadership Team have been tasked to identify options to achieve a balanced year-end position. The alternative would be to over-spend and draw down on balances, which would not be prudent.

### **CONTACT OFFICER:**

**Richard Simpson** Executive Director Resources (Section 151 Officer). Tel number 020 8726 6000 ext. 61848

### **BACKGROUND PAPERS – none**



**REVENUE VARIATIONS OVER £100K WITH EXPLANATION**

**Appendix 1**

<b>Division</b>	<b>Explanation of variance</b>	<b>Qtr 2 Amount (£000)</b>	<b>Qtr 1 Amount (£000)</b>
<b>Early Help and Children's Social Care (CSC)</b>	<b>Early Help and CSC Directorate</b> - Increased legal costs and delayed digital and enabling savings	1,149	975
	<b>Care Planning Service</b> - Increase in the costs of Section 17 B&B places, which are court driven. Additional costs of supernumerary and locum staff.	1,208	735
	<b>Looked After Children (LAC)</b> - Increase in the number of external placements and specialist foster care placements.	3,241	2,113
	<b>Safeguarding and LAC Quality Assurance</b> - Additional cost of locum posts within Safeguarding and Quality Assurance	478	403
	<b>Early Help and MASH</b> – Revised savings forecast associated with supplies and services, transport and third party payments.	(235)	(1,127)
	Other Minor Variances < £100k	4	33
	<b>Sub-total Early Help Children's Social Care</b>	<b>5,845</b>	<b>3,133</b>
<b>Gateway &amp; Welfare</b>	<b>Bereavement and Registrars</b> - Income shortfall	84	85
	<b>Universal Credit</b> – increased costs	1,500	1,500
	<b>Temporary / Emergency Accommodation</b> – reduced use of B&B and accommodation whose cost exceeds Local Housing Allowance	-1,500	-1,500
	<b>Sub-total Gateway &amp; Welfare</b>	<b>84</b>	<b>85</b>
<b>Adult Social Care &amp; All Age Disability</b>	<b>Adult Social Care and All Age Disability Service</b> - Delayed digital and enabling savings and increased enhanced pensions and legal costs	717	305
	<b>25-65 Disability Service</b> - Increase in cost of care packages and staff costs as a result of rising demand, mitigated by transformation funding and use of reserves	678	1,261
	<b>Disability Commissioning and Brokerage</b> - Underspend relates to staffing vacancies leading to delays in commissioning	(561)	(311)
	<b>Mental Health</b> - Increase in cost of care packages, will be partially met through iBCF funding	458	233
	<b>Over 65s provider services (assessment, care management &amp; hospital discharge)</b> – Overspend primarily in care packages due to increase in domiciliary care provision	870	286
	<b>Over 65s Commissioning</b> – a number of minor variances	(30)	125
	<b>Day and Employment Services</b> - Unachievable savings on externally provided day care and lower than budgeted levels of income	245	433
	<b>Transformation and Clienting</b> – additional funding from transformation reserves	(250)	(121)
	<b>Safeguarding</b>	(204)	0
	Other Minor Variances < £100k	0	(58)
	<b>Sub – Total Adult Social Care &amp; All Age Disability</b>	<b>1,923</b>	<b>2,153</b>
<b>0-25 Send Service</b>	Increase in Transitions, care packages and staffing costs.	2,897	1,322
	<b>Subtotal - 0-25 Send Service</b>	<b>2,897</b>	<b>1,322</b>
<b>Education and Youth Engagement</b>	Other Minor Variances > £100k	0	(23)
	<b>Subtotal Education and Youth Engagement</b>	<b>0</b>	<b>(23)</b>
<b>Housing Need</b>	Other Minor Variances > £100k	0	(33)
	<b>Sub-total Housing Need</b>	<b>0</b>	<b>(33)</b>

Division	Explanation of variance	Qtr 2 Amount (£000)	Qtr 1 Amount (£000)
People Directorate	Additional funding to cover the increased costs associated with National Insurance in the People Department	(787)	(463)
	IBCF funding	(5,268)	(4,268)
	<b>Sub-total People Directorate</b>	<b>(5,555)</b>	<b>(4731)</b>
	<b>Total Forecast Variance – People Department</b>	<b>4,694</b>	<b>1,906</b>

Division	Explanation of variance	Qtr 2 Amount £'000	Qtr 1 Amount £'000
Place Directorate	Additional funding to cover increased NI costs across the Place Department.	(330)	(226)
	<b>Sub-total Place Directorate</b>	<b>(330)</b>	<b>(226)</b>
Streets	<b>Waste</b> – pressure on cost of disposal caused by 2.5% year-on-year growth on landfill tonnages plus shortfall on rebate for recycle material	1,628	1,368
	<b>Street Lighting</b> – Credit amounts relating to the PFI street lighting contract	(2,404)	(1,996)
	Other Minor Variances < £100k	(62)	(79)
	<b>Sub-total Streets</b>	<b>(838)</b>	<b>(707)</b>
Safety	<b>Parking</b> - Forecast reduced to break-even to account for closure of Ann's Place due to Brick by Brick development.	0	(150)
	<b>Neighbourhood Operations</b> – FPN issuance rates are lower than budgeted, along with staff overspends and unachievable external recharges.	324	194
	<b>Public Protection</b> - shortfall on HMO licensing fees and one-off employee costs	168	121
	<b>Licensing</b> - under recovery of licencing income (low take-up on the new Street Trading fee structure). Additional costs in relation to Surrey Street Market (inc. cleaning at North End).	227	227
	Other Minor Variances < £100k	14	99
	<b>Sub-total Safety</b>	<b>733</b>	<b>491</b>
Planning	<b>Development Management</b> – staff pressures driven by agency cover and increased legal fees.	318	0
	Other Minor Variances <£100k	37	0
	<b>Sub-total Planning</b>	<b>355</b>	<b>0</b>
District Centres and Regeneration	Minor Variances <£100k	80	187
	<b>Sub-total District Centres and Regeneration</b>	<b>80</b>	<b>187</b>
	<b>Total Forecast Variance – Place Department</b>	<b>0</b>	<b>(255)</b>

**RESOURCES DEPT**

Division	Explanation of variance	Qtr 2 Amount £'000	Qtr 1 Amount £'000
<b>Customer and Corporate Services</b>	<b>Business Support and Customer Contact</b> - Delay on delivery of digital and enabling savings and under recovery of business support income	605	1,118
	<b>ICT</b> - Saving on the ICT contract	(702)	(877)
	<b>Facilities Management</b> – Capitalisation of FM costs	(1,229)	448
	<b>HR and Finance Service Centre</b> - Under achievement of early payment discounts due to fewer suppliers joining the programme	106	102
	<b>Other Minor Variances &lt; £100k</b>	(116)	0
	<b>Sub-total Customer and Corporate Services</b>	<b>(1,336)</b>	<b>791</b>
<b>Commissioning and Improvement</b>	<b>SEN Transport</b> - Non delivery of previously identified savings and increasing service demand and complexity of need	2,689	2,165
	Other Minor Variances < £100k	(67)	(20)
	<b>Sub-total Commissioning and Improvement</b>	<b>2,622</b>	<b>2,145</b>
<b>Finance Investment and Risk</b>	<b>Assets</b> - Underachievement of rental income	155	115
	Other Minor Variances < £100k	50	(5)
	<b>Sub-total Finance Investment and Risk</b>	<b>205</b>	<b>110</b>
<b>Governance</b>	Other Minor Variances < £100k	20	46
	<b>Sub-total Finance Investment and Risk</b>	<b>20</b>	<b>46</b>
<b>Legal</b>	Overachievement of income	(1,011)	(930)
	Other Minor Variances < £100k	0	26
	<b>Sub-total Legal</b>	<b>(1,011)</b>	<b>(904)</b>
<b>Human Resources</b>	Additional income and staff savings	(104)	(194)
	<b>Sub-total Human Resources</b>	<b>(104)</b>	<b>(194)</b>
	<b>Total Forecast Variance - Resources</b>	<b>396</b>	<b>1,994</b>

**CHIEF EXECUTIVES DEPT**

Division	Explanation of variance	Qtr 2 Amount £'000	Qtr 1 Amount £'000
<b>Communication and Engagement</b>	Unachievable digital advertising income	750	450
	<b>Total Forecast Variance - Chief Executives</b>	<b>750</b>	<b>450</b>

**CORPORATE ITEMS**

<b>Division</b>	<b>Explanation of variance</b>	<b>Qtr 2 Amount £'000</b>	<b>Qtr 1 Amount £'000</b>
ALL DEPARTMENTS	Council Wide recruitment freeze	(2,000)	0
	<b>Departmental Variance</b>	<b>3,840</b>	<b>4,095</b>
<b>CORPORATE ITEMS</b>	Use of contingency budget	(1,000)	(1,000)
	Additional Utility costs	1,121	1,121
	Lower interest borrowing costs and Minimum Revenue Provision	(2,337)	(2,337)
	Additional grants – Education Services and S31 Grant	(1,220)	(1,220)
	Other	393	390
	<b>Total Forecast Variance – Corporate</b>	<b>(3,043)</b>	<b>(3,046)</b>
	<b>SUB TOTAL BEFORE EXCEPTIONAL ITEMS</b>	<b>797</b>	<b>1,049</b>
	<b>Exceptional Items – UASC and NRPF</b>	<b>4,300</b>	<b>2,700</b>
	<b>Total Overspend</b>	<b>5,097</b>	<b>3,749</b>

## 2017/18 Q2 Capital Outturn Forecast

Category	2017/18 Original Budget £000s	2016/17 carry forward £000s	In Year Budget Adjusts. £000s	2017/18 Revised Budget £000s	2017/18 Q2 Actual £000s	2017/18 Outturn Forecast £000s	Forecast Variance £000s
Adults ICT	0	993	0	993	144	300	(693)
Disabled Facilities Grants	1,600	601	645	2,846	244	1,500	(1,346)
Bereavement Services	1,300	43	0	1,343	0	17	(1,326)
Unsuitable Housing Fund	0	0	250	250	0	80	(170)
Education – DDA	0	139	(5)	134	36	134	0
Education - Fixed term expansion	0	2,813	242	3,055	679	3,059	4
Education - Major Maintenance	2,000	78	1,423	3,501	1,006	3,514	13
Education - Miscellaneous	4,383	3,992	(5,963)	2,412	496	2,336	(76)
Education - Permanent Expansion	43,698	12,095	(8,157)	47,636	22,853	36,933	(10,703)
Education - Secondary Schools	150	224	(340)	34	25	34	0
Education - Special Educational Needs	13,500	4,133	(9,913)	7,720	457	5,741	(1,979)
Onside Youth Zone	2,117	1,454	0	3,571	133	133	(3,438)
<b>People Sub-Total</b>	<b>68,748</b>	<b>26,565</b>	<b>(21,818)</b>	<b>73,495</b>	<b>26,073</b>	<b>53,781</b>	<b>(19,714)</b>
East Croydon Station Bridge	0	1,200	(1,200)	0	0	0	0
Empty Homes Grants	500	0	0	500	178	500	0
Fairfield Halls (Council)	1,500	0	0	1,500	139	1,500	0
Fairfield Halls (RIF)	17,600	0	0	17,600	0	17,600	0
Feasibility Fund	0	0	0	0	119	119	119
Growth Zone	2,000	0	0	2,000	38	2,000	0
Highways Programme	5,000	0	0	5,000	156	5,000	0
Measures to Mitigate Travellers	0	125	0	125	0	50	(75)
New Addington Leisure Centre	8,500	8,060	2,000	18,560	624	5,264	(13,296)
Old Ashburton Library	1,155	90	0	1,245	1,324	2,122	877
P&D Machine Replacement Programme	0	1,161	0	1,161	1,058	1,499	338
Public Realm	0	4,228	0	4,228	1,313	4,228	0
Purley MSCP	0	117	0	117	0	117	0
Salt Barn	0	611	0	611	1	2	(609)
Section 106 Schemes	0	786	104	890	272	811	(79)
Surrey Street Market	0	418	0	418	364	418	0
TFL - Local Implementation Programme	4,154	0	625	4,779	843	4,779	0
Thornton Heath Public Realm	0	2,105	0	2,105	544	2,105	0
New Waste Contract Vehicles	1,094	0	846	1,940	0	1,940	0
Brick by Brick Programme (RIF)	269,117	0	(214,317)	54,800	12,500	54,800	0
Affordable Housing LLP (RIF)	0	0	9,100	9,100	0	9,100	0
Affordable Housing LLP - Reducing EA/TA (RIF)	0	0	12,500	12,500	0	12,500	0
CIL Local Meaningful Proportion	1,000	0	0	1,000	60	1,000	0
Waste and Recycling Investment	160	2,456	0	2,616	1,121	2,552	(64)
Blackhorse Road Bridge	0	0	2,053	2,053	0	0	(2,053)
<b>Place Sub-Total</b>	<b>311,780</b>	<b>21,357</b>	<b>(188,289)</b>	<b>144,848</b>	<b>20,654</b>	<b>130,006</b>	<b>(14,842)</b>

Category	2017/18 Original Budget £000s	2016/17 Slippage £000s	Budget Adjusts. £000s	2017/18 Revised Budget £000s	2017/18 Q2 Actual £000s	2017/18 Outturn Forecast £000s	Forecast Variance £000s
Corporate Property Maintenance Programme	2,000	727	0	2,727	470	2,692	(35)
ICT and Transformation	3,000	3,763	0	7,519	941	7,519	0
Emergency Generator (Data Centre)	0	0	1,200	1,200	0	1,200	0
Finance and HR System	1,126	0	434	1,560	0	1,560	0
Ward Programmes	120	0	0	120	0	120	0
<b>Resources Sub-Total</b>	<b>6,246</b>	<b>4,490</b>	<b>1,634</b>	<b>13,126</b>	<b>1,411</b>	<b>13,091</b>	<b>(35)</b>
<b>GENERAL FUND TOTAL</b>	<b>386,774</b>	<b>52,412</b>	<b>(208,273)</b>	<b>231,469</b>	<b>48,103</b>	<b>196,878</b>	<b>(34,591)</b>
Major Repairs & Improvements Programme*	26,771	3,228	94	30,093	9,532	28,319	(1,774)
Larger Homes	100	324	(94)	330	9	9	(321)
Special Transfer Payments	180	391	0	571	41	121	(450)
<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>27,051</b>	<b>3,943</b>	<b>0</b>	<b>30,994</b>	<b>9,582</b>	<b>28,449</b>	<b>(2,545)</b>
<b>LBC CAPITAL PROGRAMME TOTAL</b>	<b>413,825</b>	<b>56,355</b>	<b>(208,273)</b>	<b>262,463</b>	<b>57,685</b>	<b>225,327</b>	<b>(37,136)</b>

\*includes fire safety works of £10m.