

**Report for:** Cabinet 14 July 2020

**Title:** 2019/20 Provisional Financial Outturn

**Report authorised by:** Jon Warlow, Director of Finance

**Lead Officer:** Frances Palopoli, Head of Corporate Financial Strategy & Monitoring, extn 3896

**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** Key

**1. Describe the issue under consideration**

1.1 This report sets out the provisional outturn for 2019/20 for the General Fund, HRA, DSG and the Capital Programme compared to budget. It provides explanations of significant under/overspends and also includes proposed transfers to/from reserves, revenue and capital carry forward requests and any budget virements or adjustments.

1.2 The Council's statutory accounts are in draft form, available for public inspection and currently being audited and there may be further adjustments to the provisional outturn arising from the completion of the audit work. Due to the impact of Covid-19 the Government has exceptionally delayed the normal statutory deadlines for completing this work, for this year only. The new statutory deadlines are 31<sup>st</sup> July for publishing the draft Statement of Account (SoA) with a deadline for completing the external audit and publicising the audited statements of 30 November 2020. It should be noted despite the extended deadlines, the Council published its accounts on 29 June.

**2019/20 Outturn Position**

1.3 The Provisional Outturn report provides the opportunity to consider the overall financial performance of the Authority at the end of March 2020 and make decisions on balances and carry forwards of unspent funds. The figures will remain provisional until the conclusion of the statutory audit process.

1.4 At year end, the overall **General Fund** revenue outturn variance for the year ending 2019/20 is in line with the forecasts provided at Quarter 2 and 3 (excluding DSG) which forecast service outturn deficits of around £5.5m which the latter report advised would be mitigated at year end through Corporate measures.

1.5 The two People Directorates have continued to face challenges living within their agreed budgets for 2019/20 albeit at a much reduced level to the

previous year. The Adults forecast outturn position has remained largely stable throughout the year, with the single largest issue the cost of on-going demand in care packages which was not able to be fully addressed when the 2019/20 budgets were set. The majority of this (pre Covid position) has been addressed as part of the 2020/21 budget build. The Children's service budget has been adversely impacted over the last part of the year by unexpected high cost placements and increased costs in SEND transport.

- 1.6 These service pressures have been mitigated by Corporate interventions. The stronger delivery of agreed MTFs savings during 2019/20 has left the corporate contingency available to offset the service overspends. In addition, there was lower than planned spend on capital financing and underspend against the North London Waste Authority (NLWA) levy and some contributions from a review of balances.
- 1.7 Overall, the General Fund closed with a small overspend of £0.032m, in effect on budget, and enabled the Council's general reserve to be maintained as planned, at the opening balance of £15.8m.
- 1.8 The outturn position for the **DSG** worsened further from the £5.4m reported in Quarter 3 and ended £7.96m overspent. The overspend essentially remains within the High Needs block and was driven by continued increases in take up of places in day schools, special schools and post 16 settings coupled with an increase in the average cost per placement, particularly those out of borough.
- 1.9 Members will be aware that pressure on High Needs budgets is a national issue facing the entire local government sector, mainly as a consequence of the expansion of age for Education, Health and Care Plan (EHCP) eligibility. The Spending Round 19 announcement of one-off additional funding (c. £4.4m) for the HNB in 2020/21 is welcome but does not cover the current run-rate or the built up deficit and, more importantly, it doesn't provide the permanent resolution that we require.
- 1.10 The ESFA have changed their view on the process for deficit recovery plans and these will now be done on an authority by authority basis. Detailed guidance is still awaited. The £7.96m 2019/20 overspend has been added to the existing £2.2m, leaving a deficit of £10.2m which must be addressed via DSG funds in the future and cannot be met from Council's General Funds unless explicit agreement is given by the Secretary of State. This Council, and the local authority sector, will continue its lobbying of Government for a sustainable solution.
- 1.11 The revised **Capital Programme** budget for 2019/20 was £295.8m and expenditure was £172.4m, an underspend of £123.4m. The majority of this (£120.0m) is slippage and has been requested to roll forward to future years of the capital programme. Of the remaining underspend, £1.14m, is proposed to be carried forward and allocated to the 2020/21 Highways budget. No resources have been lost as a consequence of programme slippage.

- 1.12 The 2019/20 **HRA** revenue net budget assumed a surplus of income over expenditure of £16.4m. The final outturn was a £3.2m reduced surplus, mainly due to a higher depreciation charge in the year, resulting in a final transfer of £13.21m to reserves (lower than the planned £16.4m).

## **2. Cabinet Member Introduction**

- 2.1 I am very pleased to be able to present a balanced outturn for the Council's General Fund for the second year in a row and confirm that we have maintained the Council's General reserve at the agreed level. This provides some much needed stability for the authority, in the face of immense uncertainties.
- 2.2 The impact of Covid-19 on our communities and our agreed plans cannot be underestimated and the ongoing lack of clear and visible support from central government at the level required is increasingly concerning. We have been through 10 years of financial austerity and now look set to face further significant turbulence as a result of the expected world-wide recession and uncertainty over the Brexit issue. It is critical that we maintain strong financial management at this time in order that we can continue to do the best for all who live and work in our Borough.
- 2.3 On top of the all of this, I must draw attention to the continued and increasing pressure that we are facing from underfunding of the High Needs Block of the DSG since this Government's expansion of the age for Education, Health and Care Plan (EHCP) eligibility. Haringey, like many other authorities across the country, has been left in a position where, despite best efforts, we are unable to meet the needs of these young people within the budget that we have been allocated. The additional one-off funds provided for 2020/21 to date in no way go far enough and do not provide the sustainable solution that these young people and their families need. We must all continue to vocally lobby for the resources we desperately need.

## **3. Recommendations**

- 3.1 Cabinet is recommended to:
- a) Note the provisional revenue and capital outturn for 2019/20 as detailed in the report;
  - b) Approve the capital carry forwards in Appendix 3 and £1.14m for Highways works;
  - c) Approve the appropriations to/from reserves at Appendix 5;
  - d) Approve the budget virements as set out in Appendix 6.

## **4. Reasons for decision**

- 4.1 A strong financial management framework, including oversight by Members and senior management is an essential part of delivering the Council's priorities and statutory duties.
- 4.2 Cabinet is responsible for the strategic management of Council resources and for taking decisions on such matters including budget management and

control, budget virements above a certain value and the achievement of value for money.

## 5. Alternative options considered

- 5.1 The Director of Finance, as Section 151 Officer, has a duty to consider and propose decisions in the best interests of the authority's finances and that best support delivery of the agreed borough plan outcomes whilst maintaining financial sustainability.
- 5.2 This report of the Director of Finance has addressed these points. Therefore, no other options have been considered.

## 6. Provisional Revenue Outturn 2019/20

- 6.1. The table below shows the provisional revenue outturn figures for 2019/20. It shows the impact of proposed movements to/from reserves on the final position and also the movement from the outturn forecast at Quarter 3 (P9).
- 6.2. **Table 1 – Provisional Outturn 2019/20**

Priority	Revised 2019/20 Budget	Outturn Before Reserve Transfers	Net Transfers To / From Reserves	Revised Outturn	Revised Outturn to Budget Variance	Q3 Forecast to Budget Variance	Forecast Variance Movement Between Q3 and Outturn
	£'000	£'000		£'000	£'000	£'000	£'000
People - Childrens	67,610	70,286	-200	70,086	2,476	1,117	1,359
People - Adults	87,372	92,174	-187	91,986	4,615	4,430	185
Place	30,881	29,885	273	30,158	-723	2	-725
Housing	20,306	19,736	-131	19,604	-701	-235	-466
Economy	6,565	7,286	320	7,606	1,041	696	345
Your Council	28,448	3,948	17,102	21,050	-7,399	-480	-6,919
<b>General Fund - Priorities</b>	<b>241,182</b>	<b>223,314</b>	<b>17,177</b>	<b>240,491</b>	<b>-691</b>	<b>5,530</b>	<b>-6,221</b>
External Finance	-241,182	-239,914	-544	-240,459	723	0	723
<b>General Revenue Total</b>	<b>0</b>	<b>-16,601</b>	<b>16,633</b>	<b>32</b>	<b>32</b>	<b>5,530</b>	<b>-5,498</b>
DSG	0	7,970	-7,956	14	14	5,394	-5,380
HRA	0	-13,210	13,210	0	0	-418	418
<b>Haringey Total</b>	<b>0</b>	<b>-21,841</b>	<b>21,887</b>	<b>46</b>	<b>46</b>	<b>10,506</b>	<b>-10,460</b>

The net transfer to reserves from the General Fund of £9.3m is largely driven by the receipt of the £8.1m first tranche of the Covid-19 grant funding before year end which is the main reason for the Your Council net spend looking low, The £7.9m transfer of the DSG deficit to reserves is also discussed in more detail in Section 7 of the report.

- 6.3 Comments on the underlying reasons for the variances within Priorities is set out in the sections below.
- 6.4 **Priority: People -Children; overspend of £2.476m**  
The People-Children's priority is reporting a spend of £70.09m against an approved budget of £67.61m resulting in an overspend of £2.48m. This is a £1.36m adverse movement on the position reported in Q3. The main drivers of the budget variance are set out below.

- 6.4.1 Children's Safeguarding and Social Care (£1.8m overspend):  
The main pressure remains in the Children in Care and Care Leavers services with an overspend of £1.1m due to the number and, more importantly, the complexity of placements. This has been further exacerbated by an overspend of £0.5m in the Children's Respite service mainly relating to placements in the Disabled Children's service.
- 6.4.2 Prevention and Early Intervention (£1.4m overspend) – the majority (£1.2m) of this is due to the provision of SEND transport costs with some further pressure from Children Centres arising from unachieved income targets and one off costs to improve the efficiency of the service.
- 6.4.3 This £3.2m budgetary pressure has been mitigated down by a positive £0.787m outturn on managed service budgets within the directorate.
- 6.5.1 **Priority: People – Adults and Public Health; Overspend £4.7m**  
Adults & Public Health has spent £92.1m against an approved budget of £87.4m resulting in an overspend of £4.7m at year end (£4.4m at Quarter 3).
- 6.5.2 Care packages account for the majority of the overspend and increased to £4.4m compared to £3.8m in Quarter 3. The following outlines the adverse variance from budget in the different service areas relating to care packages:
- Adults Placements £1.9m (£1.9m Quarter 3)  
Learning Disabilities Placements £1.1m (£0.6m Quarter 3)  
Mental Health Placements £1.4m (£1.3m Quarter 3)
- 6.5.3 The increase in the adverse pressure of £0.5m from Quarter 3 is attributable to a combination of increased demand pressures in Learning Disabilities as well as transition clients across from Children's Services. Older People/Physical Disabilities (Adults) care purchasing has remained relatively constant along with Mental Health but there has been some additional pressure due to savings slippage in the latter.
- 6.5.4 It should be noted that this demand pressure, due to new clients, client care package reviews and the cost of new care packages especially from transitional clients in Children's Services, has been recognised as part of the financial planning process and £2.7m additional funding has been built into the 2020/21 budget.
- 6.5.5 Savings have been delivered across all major service areas reaching 90% of target.
- 6.5.6 Non-care purchasing is showing an underspend of £0.5m to budget (£0.3m underspend at Quarter 3). The increase in underspend is due to lower costs

associated with fewer clients at Osborne Grove as well as reductions in some directly provided services.

6.5.7 Commissioning – the overspend at outturn is £0.5m (£0.5m as reported at Quarter 3). The main drivers are staffing overspends in the brokerage team.

6.5.7 Public Health - the overspend at outturn is £0.2m (£0.3m overspend at Quarter 3). This was due to higher than anticipated overheads of £0.3m on the budget at the onset of the financial year that were only partially mitigated.

## 6.6 **Priority: Place - Underspend of £0.72m.**

6.6.1 The Place priority reported a favourable out-turn variance of £0.72m. This is an improved position compared to the projection at Q3, which stood at £0.02m. The £0.7m is largely due to additional parking income, waste income and reduced utility costs.

6.6.2 The majority of savings have been achieved as planned. Two savings related to parking enforcement were rated amber largely due to delays in planned activity however, the impact was mitigated in-year and delivery is planned for 2020/21.

## 6.7 **Priority: Economy – Overspend of £1.04m**

6.7.1 This represents an adverse movement of £0.345m from Qtr3 and the full pressure in this Priority arises from Operational Resilience (£1.8m overspend) offset by underspends elsewhere of £0.760m.

6.7.2 The single biggest pressure remains the non-achievement of the saving in relation to decanting Alexandra house £0.92m. This is an increase of £0.2m additional underachievement of income, an overspend in Business Rates for River Park House £0.2m, Ashley Road Depot/ Marsh Lane £0.3m and other Corporate properties £ 0.2m.

6.7.3 The 2020/21 Budget and 2020-2025 MTFs report agreed to write the Alexandra House decant saving off as undeliverable.

## 6.8 **Priority: Housing General Fund and the HRA**

### **Housing (General Fund) - Underspend £0.701m**

6.8.1 The Housing General Fund reported a favourable outturn variance of £0.701m, an improvement against the £0.235m underspend figure for Qtr3. However, this figure masks an overspend against agreed budget on the Temporary Accommodation budget of £2.841m. Further detail is provided below.

6.8.2 **Temporary Accommodation (TA)** - At the end of the year there was an overspend of £2.841m against a budget of £10.025m which has been fully covered by the application of Flexible Homelessness Support Grant (FHSG).

- 6.8.3 This pressure remained in the TA / homelessness services during the year largely because savings that were projected in the Temporary Accommodation Reduction Plan only partially failed to materialise due to increased demand as a result of the introduction of the Homelessness Reduction Act (HRA) and delays in setting up the Community Benefit Society (CBS) and commencing operations through the Capital Letters initiative. Both of the latter are now up and running and are seeking to scale up activities in 2020/21 which will hopefully have a favourable impact on the TA budget in 2020/21.
- 6.8.5 Recent announcements confirm that Flexible Homelessness Support Grant (FHSG) will continue at 2019/20 levels for 2020/21 which will support continued investment in prevention work although new cheaper supply is still the key to resolving the major overspend and levels of homeless in TA.
- 6.8.6 The impact of Covid-19 on the Housing budgets and planned activity is very uncertain at this point and the position will be reported back to Members through the quarterly Budget update reports.

#### **Housing (HRA) - Breakeven position**

- 6.8.6 The HRA end of year outturn overall position is breakeven following a £13.21m transfer to reserves for the year ending March 2020. The £13.21m transfer to reserve represents a £3.2m reduction in budgeted transfer to reserve and it is largely due higher depreciation charges in the year. However, this is an accounting treatment and, as this additional depreciation charge is moved into the major repairs reserve (MRR) which is used to finance the housing capital programme, the net result is the same and there is no negative impact on planned expenditure funding.

#### **6.9 Priority: Your Council – Underspend £7.4m**

Your Council is showing an overall spend of £21.1m against approved budget of £28.5m resulting in an outturn variance of £7.4m underspend. This represents an increased underspend of £6.9m over the Q3 forecast. Your Council contains central support services, customer services and libraries and the non-service revenue (NSR) corporate budgets. The key variances are described below.

- 6.9.1 The NSR corporate budgets are showing a net underspend of £6.9m which is due to unallocated budget resilience contingency (£3.4m), lower than anticipated capital financing costs (£2.3m), credit write-backs resulting from a data cleanse of historic purchase orders (£1.6m) and an underspend on the NLWA levy budget (£0.7m). Given these various underspends, £0.9m of planned drawdown from the grants reserve to balance the budget was not required. These variances on corporate budgets account for the significant improvement in the Your Council position from Q3 and are a consequence of corporate interventions to mitigate the overspend in the People services.

- 6.9.2 The central service budgets are showing a net underspend of £0.5m which is in line with the Q3 projections. The key underspends are in (i) Digital Services

(£0.9m) arising from delays in recruiting to vacant posts following their restructure and lower than anticipated revenue funding of minor IT capital expenditure; and (ii) the Benefits service (£1.5m) where the work of the Housing Benefit (HB) overpayment debt project team has led to a reduction in the required bad debt provision as well as the release of an accrual following a better than expected outcome from the 2017/18 subsidy claim.

6.9.3 These underspends have offset overspends in Strategic Procurement where there was a £0.9m delayed receipt of income within the London Construction Programme (LCP) as a result of delays in project approvals, and in the Revenues Service where an increase to the bad debt provision in light of the Coronavirus pandemic have contributed to a £0.5m overspend. Further smaller staffing and running cost overspends have occurred in Corporate Finance, Corporate Governance and Customer Services and Libraries broadly in line with the in-year projections

## **7. Dedicated Schools Grant (DSG)**

7.1. The DSG is broken down into four funding blocks: Schools, Central, Early Years and High Needs. The overall spend on DSG was £195.09 against budgeted spend of £187.13m resulting in an overspend of £7.96m for 2019-20.

7.2 The Schools block broke even with distribution of budget to schools in line with the APT and an agreed carry forward of £112k to be used to support School's Finance arrangements in supporting School's in Financial Difficulty.

7.3 The Early Years block position moved from an underspend of £0.230m in Qtr3 to an overspend of is £0.1m. This movement was driven by the application of actual DSG allocations based on the January census and a provision for clawback of grant of £0.15m.

7.4 The High Needs block overspent by £7.84m (Qtr3 £5.63m) which was driven by continued increases in take up of places in day schools, special schools and post 16 settings coupled with an increase in the average cost per placement as well as increased number of clients in high cost out of borough placements. Furthermore, more robust challenge of previously forecasted savings identified them as not being deliverable as planned.

7.5 The impact of the 2019/20 outturn is reflected in the movement on the DSG Reserve in the table below.

### **Table 2 – DSG Reserve**



Block	Opening Balance	Schools Forum Agreed Transfer Between Blocks	Revised Out-turn	Year end drawdown request	Closing Balance
	£(m)	£(m)	£(m)	£(m)	£(m)
Schools block	1.19	(1.10)	0.00	(0.09)	0.00
Central block	(0.01)	0.01	(0.01)	0.00	(0.01)
Early years block	2.37	(2.37)	(0.11)	0.00	(0.11)
High needs block	(5.77)	3.45	(7.84)	0.00	(10.15)
<b>Total</b>	<b>(2.23)</b>	<b>0.00</b>	<b>(7.96)</b>	<b>(0.09)</b>	<b>(10.27)</b>

\*Surplus balances are represented in the positive and deficits in the negative.

7.6 The Government's intention is that DSG deficits should not be covered from general funds therefore, the growth in the negative reserve is the extent of the 2019/20 overspend added to the existing deficit, producing a cumulative deficit of £10.27m.

7.7 This is a national issue with more authorities declaring overspends in DSG directly attributable to pressure on High Needs Block spend. The DSG pressures are likely to continue into 2020/21 despite growth of £4.35m in the 2020/21 initial High Needs Block allocation for Haringey. The ESFA have changed their view on deficit recovery plans and these will now be done on an authority by authority basis although guidance is still awaited.

## 8. Collection Fund – Council Tax & Business Rates

8.1 The Council has a statutory obligation to maintain a separate ring-fenced account for the collection of council tax and business rates. The Collection Fund is designed to be self-balancing and therefore an estimate of any accumulated surplus or deficit is made each year and factored into the following year's tax requirement. The actual benefit or burden of any in-year variance is received or borne by taxpayers in the following year.

### Council Tax

8.2 The 2019/20 in year council tax collection performance was 96.48% (target 96.5%). The Council tax surplus/deficit is distributed between the Council (80.5%) and its preceptor the GLA (19.5%) based on respective shares. There is an estimated surplus of £7.16m in 2019/20 compared to a surplus in 2018/19 of £4.34m. The latter is recognised in the 2019/20 outturn figures whilst the 2019/20 actual surplus will be distributed to the General Fund and GLA in 2020/21.

### Business Rates

- 8.3 The 2019/20 in year business rates collection performance was 96.37% (target 98.0%). Collection has improved 1.07% on 2018/19 and would have been better had the March figures not been impacted by Covid-19. The Council is part of the London BRR Pool Pilot, the pool retains 75% of business rates collected (LB Haringey receives 48% and the GLA receives 27%), the remaining 25% goes to central government.
- 8.4 There is an estimated surplus of £3.99m in 2019/20, which compares to an actual deficit of £1.61m in 2018/19. The latter is recognised in the 2019/20 outturn figures whilst the 2019/20 actual surplus will be recognised in the 2020/21.

## **9. Capital Programme Outturn**

- 9.1 The overall capital budget can and does change from that agreed by Council at its budget setting meeting to the outturn budget. A range of factors contribute to this movement: the incorporation of the previous year's brought forwards into the budget, new grants being received mid-year, and live budgeting which realigns resources in the light of scheme progress.
- 9.2 The approved capital programme is composed of schemes that have varying levels of predictability to their spend profiles. Capital maintenance programmes such as borough roads, street lighting, and the disabled facilities grant works have a rhythm and regularity to them that makes forecasting the outturn accurately, a relatively easy process.
- 9.3 Construction schemes are less predictable as they have many individual interdependent components, each of which can be impacted by external factors that can prolong the delivery process beyond that envisaged at the start. There can be extensive stakeholder engagement which can result in amendments to the original concept which in turn can impact on the design and design timescales; sometimes schemes require planning permission that can entail scheme design or delivery changes; the tendering processes may not deliver a contractor on time or an acceptable price due to market conditions; and the actual construction timetable itself is subject to external events such as the weather.
- 9.4 In addition, there are some schemes within the capital programme that rely on third parties completing tasks or agreeing to actions over which the Council has limited or no control.
- 9.5 The table below shows the movement in the approved capital programme from the revised budget at quarter 1 to the final quarter 4 budget. The provisional outturn position is also shown, and a variance calculated by comparing the quarter 4 budget with the provisional outturn.

**Table 3 – Approved Capital Programme**

Priority	2019/20 Revised Budget QTR.1 (£'000)	2019/20 Revised Budget QTR.2 (£'000)	2019/20 Revised Budget QTR.3 (£'000)	2019/20 Revised Budget QTR.4 (£'000)	2019/20 Final Outturn (£'000)	Variance Btw Outturn & Revised Budget QTR.4 (£'000)
People - Children's	18,404	18,404	18,404	18,404	9,171	(9,233)
People - Adults	8,659	8,909	8,909	8,909	4,269	(4,640)
Place - Safe & Sustainable Places	28,164	25,780	25,780	25,780	16,588	(9,192)
Economy - Growth & Employment	71,746	69,825	69,778	67,062	42,166	(24,896)
Housing (GF) Homes & Communities	53,174	9,732	9,732	9,732	41	(9,691)
Your Council	18,278	19,988	20,034	17,750	2,851	(14,899)
<b>Total GF Capital Budget</b>	<b>198,425</b>	<b>152,637</b>	<b>152,637</b>	<b>147,637</b>	<b>75,085</b>	<b>(72,552)</b>
Housing (HRA) Housing Revenue Account	77,757	148,144	148,144	148,144	97,341	(50,803)
<b>Total Capital Budget =</b>	<b>276,182</b>	<b>300,782</b>	<b>300,782</b>	<b>295,782</b>	<b>172,426</b>	<b>(123,355)</b>

9.6 Appendix 3 provides a scheme level analysis of the outturn versus the quarter 4 budget position. The appendix also sets out the requested carry forwards from service areas with reasons supporting the request. The following paragraphs provide a high-level commentary on each service area.

- The overall Children's Services variance arises through delays to the preparation of project briefs. This in part due to the volume of briefs required and the difficulty in not being able to obtain appropriate resources to project manage the process. There were several surveys undertaken during the year which highlighted works that need to be undertaken urgently. This urgency meant that budget held by the corporate landlord was exceeded, although the service budget overall was underspent.
- The Adults Services variance relates primarily to the Supported Living schemes. These budgets were allowances placed in the capital programme to facilitate service flexibility to be able to respond to opportunities as they arose during the year. There were limited opportunities, so the budget underperformed. The full allocation of disabled facilities grant (DFG) was spent in the year.
- The Place capital programme has a variance that relates to delays to the CCTV scheme, delays to delivery of Asset Management of Council Buildings schemes, and delays to the implementation of the Parking Strategy.
- Economy & Growth's major variances relate to the Strategic Acquisitions budget which is there to provide the council with the ability to respond

quickly to opportunities in the property market, the High Road West budget where expenditure is driven by the willingness of property owners to sell their properties, the Heritage Building Improvement budgets that is linked to external owners giving agreement to projects and the Strategic Property budget which together account for 2/3's of the variance.

- The Housing GF has not achieved budgeted spend levels with the main causes being that there were no properties purchased via the use of compulsory purchase orders, delays in the resolution of a payment to a housing association and the revised strategy in relation to the wholly owned company.
  - The Housing HRA capital programme variances on the New homes Acquisition budget, the Existing Homes budget, and there have been delays on the internal and external works programme.
- 9.7 The Your Council budget has a range of ICT budgets that have variance, but there are detailed plans in place for the post shared digital environment. There were no calls on the Responsiveness Fund during the year, so this budget has a variance.
- 9.8 Of the total variance of £123.4m, £120m has been requested to be carried forward as detailed in Appendix 3. It is proposed to also carry forward £1.14m of the remaining underspend for Highways works in 2020/21, to redress the reduction made in April 2020 to establish a new Covid -19 capital contingency head.

### **Capital Programme Financing Outturn**

- 9.8 Capital expenditure is financed through a variety of sources: grants from central government, grants & contributions from the GLA, contributions from developers (S106 and S278), applying capital receipts, utilising revenue reserves, and borrowing.
- 9.9 In terms of its impact on the Council's resources, undertaking borrowing to finance expenditure impacts the revenue budget when the Council is required to borrow to finance the expenditure and this revenue expenditure is known as the capital financing costs. For the General Fund, capital financing costs are composed to two elements: interest payable on loans and the statutory minimum revenue provision (MRP). The HRA is not required to make an equivalent of MRP but does pay interest.
- 9.10 When setting the capital programme an estimate is made of both elements of the capital financing charge based on the budgeted in-year capital spend, and budgetary provision is made accordingly. Should the level of budgeted in-year capital spend not be achieved this will impact on the actual level of capital financing costs incurred.
- 9.11 The General Fund capital programme and the HRA capital programme are funded differently so they have been separated out in the following table.

Table 4 – Source Capital Funding

Source of Funding	2019/20 Revised Budget (£'000)	2019/20 Actual (£'000)	2019/20 Variance (£'000)
<b>General Fund Funding</b>			
Self-Financing - Borrowing	66,426	23,972	(42,454)
LBH - Borrowing	46,343	34,096	(12,247)
External	34,868	17,018	(17,851)
	<b>147,637</b>	<b>75,085</b>	<b>(72,552)</b>
<b>HRA Funding</b>			
Grants	5,339	4,638	(701)
Major Repairs Reserves	15,506	19,546	4,040
Revenue Contributions	26,880	29,523	2,643
RTB Capital Receipts	17,280	14,812	(2,468)
Balances & Reserves	4,439	0	(4,439)
Leaseholder Contributions to Major Works	2,551	4,367	1,816
Borrowing	76,149	24,455	(51,694)
	<b>148,144</b>	<b>97,341</b>	<b>(50,803)</b>
<b>Overall Total</b>	<b>295,781</b>	<b>172,426</b>	<b>(123,355)</b>

### Flexible Use of Capital Receipts Outturn

- 9.12 Normally capital receipts generated through the disposal of General Fund assets can only be used to fund prescribed expenditure, such as new capital expenditure or debt repayment. In 2016 the Government changed the regulations so that councils can use General Fund capital receipts flexibly (this flexibility do not apply to right to buy receipts). This flexibility is allowed if the council has a strategy for their use. The council at its budget setting meeting in February 2019 set a strategy for the flexible use of capital receipts. The following table compares the budgeted position on the flexible use of capital receipts and compares that to the actual position. It can be seen that the

Council generated slightly more capital receipts than budgeted for in 2019/20 and spent slightly less than budgeted.

Table 5 – Use of Capital Receipts

	<b>2019/20 Budgeted (£'000)</b>	<b>2019/20 Actual (£'000)</b>	<b>2019/20 Variance (£'000)</b>
Capital receipts brought forward	4,400	4,400	0
Net capital receipts in year	12,500	12,633	133
<b>Total</b>	<b>16,900</b>	<b>17,033</b>	<b>133</b>
Use of capital receipts	(7,800)	(6,380)	1,420
<b>Capital receipts carried forward</b>	<b>9,100</b>	<b>10,653</b>	<b>1,553</b>

## 10. Reserves

- 10.1 The Council holds an un-earmarked General Fund reserve. It also has a number of other earmarked reserves, which are set aside to provide contingency against unplanned events, fund one-off planned expenditure and help smooth uneven spend patterns. Council is required to annually review the adequacy of its' reserves which it did in February as part of the 2020/21 budget report. That report confirmed maintaining a General Fund unearmarked reserve of circa £15.8m. As described earlier in the report, this has been achieved with only a small reduction of £0.032m.
- 10.2 The Council undertook a detailed review of the options to fund the 2019/20 capital programme spend which resulted in some switches between application of grant and borrowing. This enabled a one-off opportunity to augment the Transformation reserve by £8.4m, in anticipation of the significant transformational activity which will be required to underpin the council's Recovery and Renewal programme.
- 10.3 The first tranche (£8.1m) of Covid-19 funding was received late in 2019/20 and this was transferred to the balance sheet in a newly created 'Covid-19 Grant' reserve in accordance with accounting guidance. This will be fully drawn down during 2020/21 to mitigate the impact of additional costs and lost income as a consequence of Covid-19.
- 10.4 As highlighted in section 7.0, the pressure against the agreed High Needs Block funding continued this financial year and led to an overall overspend of £7.9m. Statute requires that Council's do not meet DSG overspends from General

Fund (GF) resources and therefore, this balance has been taken, as a negative balance, to the Service reserve and added to the 2018/29 negative balance of £2.2m. The total negative balance now stands at £10.2m and, whilst not to be funded from the GF, currently sits within the Council's 'Services' reserves. If the Council had not received the first tranche of the Covid-19 funding, as explained in para 9.3 above, the Council's reserves would have reduced by nearly £9m in the year. The largest factor in this decline would be the overspend on Dedicated Schools Grant (DSG) of £7.9m in 2019/20.

- 10.5 A summary of the purpose of each reserve along with all the proposed in year movements to/from all reserves and resultant estimated closing position at 31/03/2020 is shown in Appendix 5. These are not expected to change, the reserve position however will not be final until the completion of the 2019/20 accounts audit.

## **11. Conclusion**

- 11.1 Overall, at the end of the 2019/20 financial year, the General Fund is balanced showing a small overspend of £0.032m, which has enabled the authority to maintain its level of General Fund reserve at c. £15.8m.
- 11.2 As discussed in section 1, the main Service pressures were in the two People priorities and the 2020/21 budget was set to address the majority of this pressure.
- 11.3 The continued underfunding of the High Needs Block of the DSG has led to a worryingly high brought forward negative balance and there as yet is no clarity over how authorities should manage this, nor any assessment of the impact on our children and young people if this figure needs to be recovered from an already insufficient budget.
- 11.4 Covid-19, which was not a live issue when Council agreed the 2020/21 Budget and 2020-25 MTFs, will have a significant impact on the Council's finances during 2020/21 and beyond. The Council continues to rely on statements from the Secretary of State that the impact of taking the necessary actions, will be compensated, however to date only two tranches have been received and therefore it is critical that the Council considers all necessary actions to enable it to set a balanced budget next year.

## **12 Contribution to strategic outcomes**

- 12.1 Adherence to strong and effective financial management will enable the Council to deliver all of its stated objectives and priorities.

## **13 Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **13.1 Finance**

There are no further Chief Finance Officer (CFO) comments or finance implications arising from this report. All related finance issues have been highlighted within the body of the report, as this is a report of the CFO.

### 13.2 **Strategic Procurement**

Strategic Procurement notes the contents of this report and will continue to work with services to enable cost reductions to meet budgets: PC

### 13.3 **Legal [Gina Clarke]**

The Assistant Director of Corporate Governance has been consulted on this report.

Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action as it considers necessary to deal with the situation.

This could include, as set out in the report, action to reduce spending in the rest of the year.

The Council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.

The Cabinet is responsible for approving virements in excess of certain limits as laid down in the Financial Regulations at Part 4 Section I, and within the Executive's functions at Part 3 Section C, of the Constitution.

### 13.4 **Equality**

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

This report sets out the provisional outturn for 2019/20 for the General Fund, HRA, DSG and the Capital Programme compared to budget. It provides explanations of significant under/overspends and also includes proposed transfers to/from reserves, revenue and capital carry forward requests and any budget virements or adjustments.

The recommendations in the report are not anticipated to have a negative impact on any groups with protected characteristics. In addition to this the Councils saving programme is subject to an equality assessments, which acts to mitigate against any potential impacts for those living and working in the Borough.



## 14 **Use of Appendices**

Appendix 1 – Revenue Directorate Level Outturn

Appendix 2 – HRA Outturn

Appendix 3 – Capital Carry Forwards

Appendix 4 – Capital Programme Outturn Commentary

Appendix 5 – Appropriations to / from Reserves

Appendix 6 - Budget Virements

## 15 **Local Government (Access to Information) Act 1985**

15.1 The following background papers were used in the preparation of this report:

- Budget management papers
- Medium Term Financial Planning Reports

15.2 For access to the background papers or any further information please contact Frances Palopoli– Head of Corporate Financial Strategy & Monitoring.

	2019/20 Revised Budget	Outturn	Movement to/(from) Reserves	Revised Outturn	Outturn to Budget Variance	Q3 (P9) Forecast to Budget Variance	Movement in Forecast Variance
<b>PEOPLE: CHILDREN'S</b>	<b>67,609,582</b>	<b>70,285,860</b>	<b>-200,000</b>	<b>70,085,860</b>	<b>2,476,278</b>	<b>1,116,753</b>	<b>1,359,525</b>
PEO_CY_CH.PR Childrens	55,382,148	58,476,394	-200,000	58,276,394	2,894,246	1,260,533	1,633,713
PEO_CY_COM.PR Children's Commissioning	3,291,450	3,357,983	0	3,357,983	66,533	10,718	55,815
PEO_CY_PH.PR Children's Public Health	5,911,070	5,971,784	0	5,971,784	60,714	0	60,714
PEO_CY_SL.PR Schools & Learning	3,024,914	2,479,699	0	2,479,699	-545,215	-154,498	-390,717
<b>PEOPLE: ADULTS</b>	<b>87,371,746</b>	<b>92,173,994</b>	<b>-187,434</b>	<b>91,986,560</b>	<b>4,614,814</b>	<b>4,429,555</b>	<b>185,259</b>
PEO_AS_ASC.PR Adults Social Care	71,369,676	75,165,781	95,868	75,261,649	3,891,973	3,658,110	233,863
PEO_AS_COM.PR Adults Commissioning	4,726,320	5,672,694	-386,557	5,286,137	559,817	502,165	57,652
PEO_AS_PH.PR Adults Public Health	11,275,750	11,335,519	103,255	11,438,774	163,024	269,280	-106,256
<b>PLACE</b>	<b>30,880,994</b>	<b>29,884,339</b>	<b>273,454</b>	<b>30,157,793</b>	<b>-723,201</b>	<b>1,647</b>	<b>-724,848</b>
PLA_COM.PR Environment & Neighbourhood	28,199,844	27,295,127	273,454	27,568,581	-631,263	90,808	-722,071
PLA_COMSIN.PR Commissioning (Culture Museum & Archives)	731,150	639,212	0	639,212	-91,938	-89,161	-2,777
PLA_CFO.PR Chief Finance Officer (Alexandra Palace)	1,950,000	1,950,000	0	1,950,000	0	0	0
<b>ECONOMY</b>	<b>6,565,630</b>	<b>7,286,430</b>	<b>320,124</b>	<b>7,606,554</b>	<b>1,040,924</b>	<b>696,064</b>	<b>344,860</b>
ECO_PRD.PR Housing Regeneration & Planning	222,245	4,108	100,000	104,108	-118,137	0	-118,137
ECO_HSEGWT.PR Housing	159,840	126,860	0	126,860	-32,980	0	-32,980
ECO_PLAN.PR Planning Building Standards	2,826,513	2,599,097	34,700	2,633,797	-192,716	70,080	-262,796
ECO_PCP.PR Property & Capital Projects	-1,313,546	212,876	0	212,876	1,526,422	629,824	896,598
ECO_REGEN.PR Regeneration & Economic	4,670,578	4,343,489	185,424	4,528,913	-141,665	-3,840	-137,825
<b>HOUSING</b>	<b>20,305,676</b>	<b>19,735,720</b>	<b>-131,312</b>	<b>19,604,408</b>	<b>-701,268</b>	<b>-235,484</b>	<b>-465,784</b>
AH03.PR Housing Demand	9,885,303	12,726,106	-1,414,793	11,311,313	1,426,010	2,982,128	-1,556,118
AH05.PR Housing Commissioned Services	519,556	-906,454	0	-906,454	-1,426,010	-2,966,515	1,540,505
HOU_COMSIN.PR Commissioning	8,742,494	7,965,362	333,375	8,298,737	-443,757	-120,113	-323,644
HOU_DEN.PR Environment & Neighbourhood	1,158,323	-49,294	950,106	900,812	-257,511	-130,984	-126,527
<b>YOUR COUNCIL</b>	<b>28,448,372</b>	<b>3,948,772</b>	<b>17,100,919</b>	<b>21,049,691</b>	<b>-7,398,681</b>	<b>-479,921</b>	<b>-6,918,760</b>
COU_CFO.PR Chief Finance Officer	14,299,333	-9,584,364	17,151,563	7,567,199	-6,732,134	-163,320	-6,568,814
COU_CG.PR Corporate Governance	2,491,590	2,372,193	314,256	2,686,449	194,859	130,500	64,359
COU_CCS.PR Corporate & Customer Services	10,286,917	9,899,223	-90,966	9,808,257	-478,660	295,263	-773,923
COU_CE.PR Chief Executive	289,690	276,966	0	276,966	-12,724	-16,790	4,066
COU_SCO.PR Strategy & Communication	256,095	38,552	0	38,552	-217,543	-303,413	85,870
COU_HR.PR Human Resources	67,926	96,377	0	96,377	28,451	218,559	-190,108
COU_IT.PR IT Digital Services	292,673	-776,522	150,000	-626,522	-919,195	-1,100,000	180,805
COU_TR.PR Transformation & Resources	650,908	1,239,386	-423,934	815,452	164,544	65,974	98,570
COU_SP.PR Strategic Procurement	-186,760	386,961	0	386,961	573,721	393,306	180,415
<b>TOTAL</b>	<b>241,182,000</b>	<b>223,315,115</b>	<b>17,175,751</b>	<b>240,490,866</b>	<b>-691,134</b>	<b>5,528,614</b>	<b>-6,219,748</b>

2019/20 HRA Outturn					Appendix 2
HRA BUDGET 2019/20	Revised Budget	Outturn	Outturn Variance	Q3 Forecast Variance	Forecast Variance Movement Outturn vs Q3
	£000's	£000's	£000's	£000's	£000's
<b>UE0721 Managed Services Income</b>					
H39001 Rent - Dwellings	(79,091)	(79,802)	(711)	(177)	(534)
H39002 Rent - Hostels	(1,267)	(1,848)	(581)	(581)	(581)
H39101 Rent - Garages	(740)	(928)	(188)	(89)	(99)
H39102 Rent - Commercial	(738)	(698)	(40)	-	40
H39103 CBS - Lease Rental Income	-	(24)	(24)	-	(24)
H39201 Income - Heating	(294)	(607)	(313)	(302)	(11)
H39202 Income - Light and Power	(1,098)	(1,082)	16	23	(7)
H39301 Service Charge Income - Leasehold	(6,842)	(7,469)	(627)	(583)	(43)
H39401 ServChgInc SuppHousg	(1,495)	(1,469)	26	34	(8)
H39402 Service Charge Income - Concierge	(1,668)	(1,543)	125	134	(9)
H39404 Service Charge Income - Hostels	(332)	(322)	10	12	(3)
H39405 Grounds Maintenance	(2,525)	(2,466)	58	51	7
H39406 Caretaking	(1,874)	(1,808)	66	82	(16)
H39407 Street Sweeping	(2,187)	(2,271)	(85)	(70)	(15)
H40102 Water Rates Receivable	-	(1)	(1)	(1)	(0)
H40404 Bad Debt Provision - Leaseholders	18	163	145	-	145
<b>UE0721 Managed Services Income TOTAL</b>	<b>(100,832)</b>	<b>(102,176)</b>	<b>(1,345)</b>	<b>(750)</b>	<b>(594)</b>
<b>UE0722 Managed Services Expenditure</b>					
H31300 Housing Management WG	23	23	0	0	0
H32300 Housing Management NT	28	43	16	8	8
H33300 Housing Management Hornsey	-	21	21	22	(1)
H33400 TA Hostels	246	390	144	4	140
H34000 ST Area Office Manager	-	(0)	(0)	0	(0)
H34100 Estate Services ST	-	(0)	(0)	0	(0)
H34300 Housing Management ST	9	35	25	23	3
H35300 Housing Management BWF	11	0	(11)	0	(11)
H36300 Rent Accounts	-	(2)	(2)	0	(2)
H36400 Accountancy	-	3	3	0	3
H37210 Under Occupation	167	76	(91)	-77	(14)
H40001 Repairs - Central Recharges	2	(19)	(22)	-2	(19)
H40004 Responsive Repairs - Hostels	378	647	270	2	267
H40101 Water Rates Payable	-	36	36	29	7
H40104 HousMgmtRechg Central	107	123	16	16	-
H40111 Other RentCollection	135	116	(19)	0	(19)
H40201 Management Special - BWF	-	(6)	(6)	0	(6)
H40202 Management Special - Nth Tott	-	(30)	(30)	0	(30)
H40203 Management Special - Sth Tott	-	(25)	(25)	0	(25)
H40204 Management Special - Wood Grn	-	(25)	(25)	0	(25)
H40205 Management Special - Hornsey	-	(19)	(19)	0	(19)
H40206 HousMgmtRechg Energ	731	1,527	797	28	769
H40208 Special Services Cleaning	2,789	3,068	279	0	279
H40209 Special Services Ground Maint	1,838	1,668	(170)	0	(170)
H40212 HRA Pest Control	290	201	(88)	0	(88)
H40213 Estate Controlled Parking	116	25	(91)	-15	(76)
H40303 Supporting People Payments	1,816	1,870	55	0	55
H40309 Commercial Property - Expenditure	-	1	1	1	(0)
H40401 Bad Debt Provision - Dwellings	656	587	(69)	0	(69)
H40405 Bad Debt Provision - Commercial	-	6	6	-	6
H40406 Bad Debt Provisions - Hostels	68	59	(9)	13	(22)
H40801 HRA- Council Tax	150	440	290	310	(20)
<b>UE0722 Managed Services Expenditure TOTAL</b>	<b>9,558</b>	<b>10,841</b>	<b>1,283</b>	<b>362</b>	<b>921</b>
<b>UE0731 Retained Services Expenditure</b>					
H38002 Anti Social Behaviour Service	778	531	(247)	0	(247)
H39601 Interest Receivable	(296)	(375)	(79)	0	(79)
H40112 Corporate democratic Core	586	557	(29)	-30	-
H40301 Leasehold Payments	(139)	(1)	(138)	0	138
H40305 Landlords Insurance - Tenanted	318	330	12	0	12
H40306 Landlords - NNDR	135	43	(92)	0	(92)
H40308 Landlords Insurance - Leasehold	1,530	1,394	(136)	0	(136)
H40501 Capital Financing Costs	11,872	10,785	(1,087)	0	(1,087)
H40601 Depreciation - Dwellings	15,506	19,971	4,465	0	4,465
H40805 ALMO HRA Management Fee	40,482	41,077	595	0	595
H49000 Housing Revenue Account	16,361	-	(16,361)	(16,361)	-
H60002 GF to HRA Recharges	2,973	3,261	288	0	288
H60003 Estate Renewal	-	-	-	0	-
H60004 HIERS/ Regeneration Team	884	926	42	0	42
S14400 Supported Housing Central	284	343	60	0	60
<b>UE0731 Retained Services Expenditure TOTAL</b>	<b>91,274</b>	<b>78,841</b>	<b>(12,433)</b>	<b>(16,391)</b>	<b>3,958</b>
<b>Balance of HRA Account</b>		<b>(12,494)</b>	<b>(12,494)</b>	<b>(16,779)</b>	<b>4,285</b>
Transfers to/(from) Earmarked Reserves		<b>(716)</b>			
Sub - Total (REVISED Surplus)		<b>(13,210)</b>			
Transfer to Reserves		<b>13,210</b>			
<b>HRA Balance (Final)</b>		<b>0</b>			
<b>2019/20 HRA Outturn</b>					
<b>HRA BUDGET 2019/20</b>	<b>Revised Budget</b>	<b>Outturn</b>	<b>Outturn Variance</b>	<b>Q3 Forecast Variance</b>	<b>Forecast Variance Movement Outturn vs Q3</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
UE0721 Managed Services Income TOTAL	<b>(100,832)</b>	<b>(102,176)</b>	<b>(1,345)</b>	<b>(750)</b>	<b>(594)</b>
UE0722 Managed Services Expenditure TOTAL	<b>9,558</b>	<b>10,841</b>	<b>1,283</b>	<b>362</b>	<b>921</b>
UE0731 Retained Services Expenditure TOTAL	<b>74,913</b>	<b>78,841</b>	<b>3,928</b>	<b>(30)</b>	<b>3,958</b>
<b>Surplus HRA Services (within Retained)</b>	<b>16,361</b>		<b>(16,361)</b>	<b>(16,361)</b>	
<b>Balance of HRA Account</b>		<b>(12,494)</b>	<b>(12,494)</b>	<b>(16,779)</b>	<b>4,285</b>
Transfers to/(from) Earmarked Reserves		<b>(716)</b>			
Sub - Total (REVISED Surplus)		<b>(13,210)</b>			
Transfer to Reserves		<b>13,210</b>			
<b>HRA Balance (Final)</b>		<b>0</b>			

Scheme Ref. No.	Scheme Description	2019/20 Full Year Revised Budget (£'000)	2019/20 Final Outturn (Draft) Budget (£'000)	Variance Overspend / (Underspend) (£'000)	Capital Slippage Requested (Carried Forward) (£'000)	Reason for Capital Slippage
101	Primary Sch - repairs & maintenance	1,797	3,179	1,381	(1,381)	Overspend to be carried forward and reduce 2020/21 budgets
102	Primary Sch - mod & enhance (Inc SEN)	10,378	4,819	(5,559)	5,559	It should be noted that there is a slippage in the original delivery milestones due to various reasons including internal processes and design team performance. The incorporation of building envelope works into the Building Services package resulted in the value of works exceeding permissible variation under public procurement regulations, which in turn led to the re-tendering of the design consultant appointments. As a result design development and work package tendering slipped from 2019/20 to 2020/21 with construction work commencing late 2020 / early 2021. It is anticipated the forecast for 20/21 will increase as the spend has slipped to the next financial year.
103	Primary Sch - new places	365	24	(340)	340	C/f requested to enable additional provision in 2020/21
104	Early years	112	0	(112)	112	C/f requested to enable additional provision in 2020/21
109	Youth Services	124	152	28	(28)	Overspend to be carried forward and reduce 2020/21 budgets
110	Devolved Sch Capital	513	513	(0)		
114	Secondary Sch - mod & enhance (Inc SEN)	3,752	452	(3,300)	3,300	C/f requested to enable continued investment in the estate
115	Secondary Estate Mixed Development - Fortismere Secondary School	400	0	(400)	400	No c/f request as scheme to be considered in context of wider Children's Service estate
117	Children Safeguarding & Social Care	510	15	(495)	495	C/f requested to enable continued investment in the service to achieve MTFs savings by extending foster carers homes
118	Special Educational Needs Fund (New Provision Fund)	223	10	(213)		
199	P1 Other (inc Con't & Social care)	230	7	(223)	223	C/f requested to enable continued investment in the service to achieve MTFs savings by extending foster carers homes
<b>People - Children's</b>		<b>18,404</b>	<b>9,171</b>	<b>(9,233)</b>	<b>9,020</b>	

201	Aids, Adap's & Assistive Tech -Home Owners (DFG)	2,361	1,704	(657)		Underspend offset by scheme 210
207	New Day Opp's Offer	277	61	(216)	216	C/f requested to proceed with investment in Walthof Gardens
208	Supported Living Schemes	1,941	3	(1,938)	1,938	C/f requested to enable additional provision in 2020/21
209	Assistive Technology	1,120	112	(1,008)	1,008	This is not slippage as it was always a 2 year programme to deliver. The 2 major contracts are finally to be awarded and the impact of Covid19 on timescales and resources is being assessed and d has been factored in for a 3 month period.
210	Capitalisation of LA Community Equipment's	0	657	657		Overspend offset by scheme 201
211	Community Alarm Service	177	178	1		
212	Linden house Adaptation	1,176	643	(533)	533	C/f required to meet contractual commitments
213	Canning Crescent Assisted Living	842	212	(630)	630	C/f requested to enable additional provision in 2020/21
214	Osborne Grove Nursing Home	656	342	(314)	0	C/f not required as scheme being reviewed
216	Homelessness Hub	359	357	(3)		C/f not requested as scheme concluded

**People - Adults** **8,909** **4,269** **(4,640)** **4,325**

**People (Total)** **27,313** **13,439** **(13,873)** **13,345**

Scheme Ref. No.	Scheme Description	2019/20 Full Year Revised Budget (£'000)	2019/20 Final Outturn (Draft) Budget (£'000)	Variance Overspend / (Underspend) (£'000)	Capital Slippage Requested (Carried Forward) (£'000)	Reason for Capital Slippage
301	Street Lighting	1,271	1,271	0		
302	Borough Roads	3,801	3,801	0		
303	Structures (Highways)	774	83	(690)	690	C/f required to meet contractual commitments
304	Flood Water Management	638	638	0		
305	Borough Parking Plan	1,110	486	(624)	624	C/f required to meet contractual commitments
307	CCTV	2,107	39	(2,068)	2,068	Request full carry forward of variance of 2,068,000 to complete project. Costs anticipated for server replacement, server room modification were delayed due to increased requirements for corporate server cooling, which had to be implemented in advance of the CCV servers. Contract award for camera extension and refresh was executed in January and mobilised promptly thereafter however expenditure planned for the cusp of the financial year will actually be incurred in 2020/21.
309	Local Implementation Plan(LIP)	4,151	4,074	(77)	77	C/f required to meet contractual commitments
310	Developer S106 / S278	1,014	(16)	(1,030)	500	C/f required to meet contractual commitments
311	Parks Asset Management:	508	871	363	(363)	Overspend to be carried forward and reduce 2020/21 budgets
313	Active Life in Parks:	250	333	83	(83)	Overspend to be carried forward and reduce 2020/21 budgets
314	Parkland Walk Bridges	1,058	338	(720)	720	Works to bridges still required, works likely to move forward in 2020/21 due to Health and Safety issues with bridges.
316	Asset Management of Council Buildings	5,428	3,349	(2,080)	2,080	
317	Down Lane MUGA	415	2	(413)	413	The tender for this scheme has been awarded, but the contract was being finalised just as Covid-19 hit. To be processed now in 2020/21
320	LCP - Dynamic Purchasing System	157	156	(0)		C/f requested to enable additional provision in 2020/21
321	MOPAC - Crime & Disorder Reduction	211	163	(49)	49	C/f required to meet contractual commitments
322	Finsbury Park	1,266	644	(622)		
323	Parking Strategy	1,240	353	(887)	887	C/f required to meet contractual commitments
332	Disabled Bay/Blue Badge	380	7	(374)	374	C/f required to meet contractual commitments
419	NPD Phase 2 LBH Match Funding	0	(3)	(3)	3	C/f required to meet contractual commitments
<b>Place - Safe &amp; Sustainable Places</b>		<b>25,780</b>	<b>16,588</b>	<b>(9,192)</b>	<b>8,039</b>	

Scheme Ref. No.	Scheme Description	2019/20 Full Year Revised Budget (£'000)	2019/20 Final Outturn (Draft) Budget (£'000)	Variance Overspend / (Underspend) (£'000)	Capital Slippage Requested (Carried Forward) (£'000)	Reason for Capital Slippage
401	Tottenham Hale Green Space	2,336	911	(1,425)	1,425	C/f required to meet contractual commitments
402	Tottenham Hale Streets	4,837	6,779	1,942	(1,942)	Overspend to be carried forward and reduce 2020/21 budgets, budgets to be reviewed.
406	Opportunity Investment Fund	1,093	167	(926)	926	C/f required as OIF fund on temporary hold during lockdown period. Applications and enquiries are still coming in but need more economic certainty prior to assessing business plans and cashflow projections. OIF repayments also currently on hold until July.
411	THRS - Tottenham High Road & Bruce Grove Station Forecourt	0	15	15	(15)	Overspend to be carried forward and reduce 2020/21 budgets, budgets to be reviewed.
415	North Tott Heritage Initiative	780	127	(653)	653	Following situation with COVID-19 the council decided to delay appointment of preferred contractor for up to 3 months
418	Heritage building improvements	2,500	0	(2,500)	2,500	Due to an amendment to the heritage agreement delaying works starting on site the programme of works has slipped into the next financial. Approx. £300k is anticipated to be claimed in March 2020, and the remaining monies is anticipated to be claimed next FY.
421	HRW Acquisition	11,644	6,256	(5,387)	4,777	HRW acquisitions will continue throughout 20/21, with a number of acquisitions in the pipeline and negotiations continuing on interests across the scheme. Any slippage from 19/20 should be carried forward to cover the costs of future acquisitions. The council is indemnified against these costs by agreement with Lendlease and the same agreement also obliges the council to make these acquisitions.
427	White Hart Lane Public Realm (LIP)	776	752	(24)	24	C/f required to meet contractual commitments
429	Site Acq (Tott & Wood Green)	30,126	22,874	(7,251)	7,150	C/f requested. This capital pot is utilised flexibly for opportunistic acquisitions of sites which can deliver Housing or Employment uses, and is accessed cross-departmentally. Spend has progressed this financial year, and spend for future years should be reviewed in line with the new Sites Acquisition line approved as of 20/21 MTFs. Capital financing to be reviewed and confirmed on a case-by-case basis as per eventual use/progression of site development.
434	Wood Green Regeneration	263	68	(196)	113	Roj café – was programmed to be spent last year. Unexpected on site technical delays. This is slippage of £73.2k. Russell Park Hub project has been delayed by Covid 19 – £20k carry over to 20/21. 20k Parkside Malvern Residents Association public realm improvement works on council land scheduled to take place in 19/20, but not able due to delay caused by Covid in delivery of contingency project.
435	Wood Green Station Road	32	488	456		Overspend to be carried forward and reduce 2020/21 budgets, budgets to be reviewed within the overall priority programme.
438	Vacant possession Civic Centre - Woodside House	419	242	(177)	177	C/f required to meet contractual commitments
444	Marsh Lane	1,658	422	(1,237)	1,237	C/f required to meet contractual commitments
445	Hornsey Town Hall	0	2	2		
447	Alexandra Palace - Maintenance	710	710	0		
450	Winkfield Road (Maya Angelou Contact Centre)	63	2	(61)	61	C/f required to meet contractual commitments
452	Low Carbon Zones	307	333	25	109	C/f required to meet contractual commitments
464	Bruce Castle	219	62	(157)	157	
465	District Energy Network (DEN)	436	189	(248)	248	Overspend to be carried forward and reduce 2020/21 budgets, budgets to be reviewed.
468	Keston Road	75	0	(75)	75	C/f required to meet contractual commitments
470	Wood Green HQ, Library & Customer Service Centre	410	243	(167)	167	C/f requested to enable additional provision in 2020/21
471	Tailoring Academy Project	241	221	(20)	20	C/f required to meet contractual commitments
472	JLAC Match Fund	500	0	(500)	500	C/f required to meet contractual commitments
473	THRS - ETHR Bruce Grove Public Convenience Scheme	110	85	(25)	25	C/f requested to match fund HAZ grant award
474	Tottenham High Road Strategy	0	72	72	(72)	Overspend to be carried forward and reduce 2020/21 budgets, budgets to be reviewed.
475	THRS HOT Tottenham Green Phase 2	113	109	(4)	4	Negotiations with Lead Consultant took longer than anticipated which meant fees were not invoiced in Q4 of FY19/20 as forecast. Agreed final fee which will be invoiced in Q1 of FY20/21.
477	Strategic Regeneration & Community Assets	0	66	66	(66)	Overspend to be carried forward and reduce 2020/21 budgets, budgets to be reviewed.
478	Wood Green Good Growth Fund	943	541	(402)	121	C/f required to meet contractual commitments
479	54 Muswell Hill Health Centre	100	60	(40)	40	The CCG requirement for the space at 54 Muswell Hill has changed and they now require the whole building. This has delayed the funding process for the fit out works. It is anticipated that this will move forward this year.
480	Wood Green Regen (2)	367	0	(367)	130	Overspend to be carried forward and reduce 2020/21 budgets, budgets to be reviewed.
481	Strategic Investment Pot	950	0	(950)	950	C/f requested as 100% grant funded
482	Strategic Property	3,249	0	(3,249)	3,249	c/f requested to enable delayed projects to commence
483	Production Valley Fund (SIP)	800	89	(711)	711	C/f requested as funding 100% grant funded
484	THRS - ETHR 551B & Morrison Yard	210	74	(136)	136	C/f requested to match fund Future High Street Fund & Heritage Action Zone grant award
485	THRS - ETHR The Trampery	80	34	(46)	46	C/f requested to match fund Future High Street Fund & Heritage Action Zone grant award
486	THRS - ETHR PiTHR	50	0	(50)	50	C/f requested to match fund Future High Street Fund & Heritage Action Zone grant award
487	THRS - Enterprising Tottenham High Road (ETHR) (PM Cost)	100	110	10	(10)	C/f requested to match fund Future High Street Fund & Heritage Action Zone grant award
488	THRS - LSS - Page Green Common	460	0	(460)	460	C/f requested to match fund Future High Street Fund & Heritage Action Zone grant award
492	THRS - LSS - PM and Monitoring	50	33	(17)	17	C/f requested to match fund Future High Street Fund & Heritage Action Zone grant award
496	THRS - BGY - PM and Monitoring	30	0	(30)	30	C/f requested to match fund Future High Street Fund & Heritage Action Zone grant award
4005	SME Workspace Intensification	0	30	30	(30)	C/f requested to match fund Future High Street Fund & Heritage Action Zone grant award
4992	THRS - (HOT) PM & Monitoring	25	0	(25)	25	C/f requested to match fund Future High Street Fund & Heritage Action Zone grant award
<b>Economy - Growth &amp; Employment</b>		<b>67,062</b>	<b>42,166</b>	<b>(24,896)</b>	<b>24,178</b>	

Scheme Ref. No.	Scheme Description	2019/20 Full Year Revised Budget (£'000)	2019/20 Final Outturn (Draft) Budget (£'000)	Variance Overspend / (Underspend) (£'000)	Capital Slippage Requested (Carried Forward) (£'000)	Reason for Capital Slippage
505	TA Solutions	0	7	7	(7)	
509	CPO - Empty Homes	1,050	0	(1,050)	1,050	Funds will need to be held to cover the purchase made in 2019/20 when the claimant comes forward
512	Wholly Owned Company	5,000	0	(5,000)	5,000	C/ requested to enable the project to continue
513	54 Muswell Hill Flats	712	34	(678)	678	C/ requested to enable the project to continue
514	Notting Hill Housing Group (4 Ashley Road)	2,970	0	(2,970)	2,970	C/f required to meet contractual commitments

**Housing (GF) Homes & Communities** 9,732 41 (9,691) 9,691

202	HRA - P2 Aids, Adap's & Assist Tech -Council	1,456	913	(543)	543	C/f requested to enable additional provision in 2020/21
550	New Homes Acquisition	20,731	5,948	(14,783)	14,783	C/f required to meet contractual commitments
551	Existing Home acquisitions - TA	57,600	48,826	(8,774)	8,774	This programme will continue and expand in 2020-21. The underspend is requested to be carried forward because: A number of completions were delayed at year end due to COVID-19 reducing spend in 19/20. Volume of properties on the market at financially viable prices were not as high as anticipated reflecting the general negative impact Brexit uncertainty had on much of the property market during 2019 which only slowly started to show recovery in early 2020 prior to the COVID-19 pandemic.
590	HRA - P5 Homes for Haringey (HFH)	61,356	38,135	(23,221)	23,221	The underspend is as a result of project delays in delivering the external and internal works programme. The works are contractually committed but have been paused onsite since lockdown on 23 March. Failure to carry forward the budget could have an adverse impact on the 20/21 budget and our ability to make homes decent.
592	HRA - P4 Homeless Disturbance Payments	0	8	8	(8)	Overspend to be carried forward and reduce 2020/21 budgets, budgets to be reviewed.
599	New Homes Build Programme	7,001	3,511	(3,491)	3,491	

**Housing (HRA) Housing Revenue Account** 148,144 97,341 (50,803) 50,804

601	Business Imp Programme	155	0	(155)	122	Slippage into 20/21 of IT systems work and some refurbishments for Connected communities. Underspend will need to be carried forward into 20/21 so that these costs can be met.
602	Corporate IT Board	3,546	281	(3,265)	3,265	The capital funds in this scheme have been profiled over a four year period to reflect the support required for projects and schemes that will take place over this time frame.
603	ICT Shared Service - Set Up / Seed Money	1,684	0	(1,684)	1,684	This scheme was originally setup to support transformation programmes associated with the Shared Digital project. Now that all the Shared Digital financial settlements have been resolved, it is proposed by CIO and Director of CTR that this fund is used in conjunction with the 602 scheme to support Digital Transformation for the Council and IT support for MFTS initiatives for Haringey.
604	Continuous Improvement	3,250	1,274	(1,976)	1,976	Continuous Improvement / Evergreening consist of projects that often span more than one financial year. It was therefore agreed as part of the Evergreening initiation programme, that a carry forward of the underspend would be requested a) complete started projects and (b), fund new projects that may not have been initially identified. A re-profiling for FY20/21 has started and will identify budgets against projects.
605	Customer Services (Digital Transformation)	965	0	(965)	561	The formal costs anticipated for the Wood Green Customer Service Centre re-fit were not received due to work being paused under the Covid-19 lockdown, Therefore the estimate of £250k still stands. Work will commence to re-fit WGCSC once the lockdown is lifted. The call recording and workforce demand software has now reached its end of life, so needs to be replaced (not upgraded) - costs for this including engineer time to install are expected to be £200k Additionally, a project resource has been recruited to undertake a review of the Website content in line with customer feedback and the Borough Plan pledge. This work was intended to start in January, but delays in recruitment has resulted in the work now being commenced in May 2020, and is anticipated to take 1 year for completion. Salary costs will be approx £60k.
606	Hornsey Library Refurbishment	2,726	811	(1,916)	1,916	C/f required to meet contractual commitments
621	Libraries IT and Buildings upgrade	1,442	273	(1,169)	1,169	C/ requested to enable the project to continue
622	FOBO Programme	1,500	212	(1,288)	1,101	C/ requested to enable the project to continue
639	Ways of Working	252	0	(252)	75	C/f requested to enable the project to continue
640	Accommodation Move	200	(0)	(200)	92	C/f required to meet contractual commitments
698	Responsiveness Fund	2,000	0	(2,000)	2,000	C/f requested to enable the council to respond to in year match funding requests
699	P6 - Approved Capital Programme Contingency	30	(0)	(30)	30	C/f requested to increase contingency in 2020/21

**Your Council** 17,750 2,851 (14,899) 13,991

**TOTAL GF CAPITAL PROGRAMME** 147,637 75,085 (72,552) 69,243

**TOTAL HRA CAPITAL PROGRAMME** 148,144 97,341 (50,803) 50,804

## **Appendix 4 Capital Programme Outturn Commentary**

### **Children's Services Capital Programme 2019/20**

During 2019/20 an extensive number of surveys were undertaken in schools to inform the Children's Services asset management plan. The results of the surveys identified works that needed to be undertaken in 2019/20. The Children's Services capital programme is by either the Major Projects team or the Corporate Landlord. The major Projects team delivered 12 urgent works projects, mostly during the summer of 2019, including fire safety, boiler resilience, water hygiene (10 No.) and mound removals (2 No.). Further condition projects were also commissioned or progressed with design at a number of schools including Earlham (Boundaries/Yr 6 & Catering Block), Park View (Sports Hall Roof), Highgate Wood (Roof Works) and most recently Hornsey School For Girls (Fire Safety Works). The six sites where building services projects were previously commissioned in FY18-19 have progressed, with Envelope, Grounds and Boundaries projects being commissioned at these six sites along with two additional Building Services and Envelope projects. A number of additional projects have been commissioned in FY19-20 to meet space/pupil place requirements for the academic year commencing in September 2020 including Tiverton (for Stamford Hill & Tiverton Amalgamation), Stamford Hill Alternative Provision and suitability bulge class works for Highgate Wood and Park View.

The Corporate Landlord team completed works across most of the sites in the Schools and Education estate including reactive works, urgent works from flash reports and compliance works. The reactive works are identified by the schools or the team during site visits to the schools and consist largely of repair & maintenance. These works include boiler replacements/repairs, drainage/plumbing issues and roof leaks as examples.

### **Adults Capital Programme 2019/20**

The Assessment service, which provides aids and adaptations, was able to provide major adaptations for the residents of Haringey who are either living in their own properties or are a tenant of a social landlord (Housing Association). The service provided has delivered on the priorities of the Borough Plan in relation to Housing, People and Place. The majority of the major adaptations provided have been conversions of bathrooms into level access wet rooms so that people can look after their own personal care and are less reliant of support from Adult Social Care. The service delivered 92 wet rooms, 13 other types of bathroom adaptations, 69 various types of lifts e.g. stair lifts, through floor lifts, ceiling track hoists, 2 kitchen adaptations, 4 internal adaptations e.g. door widening and 18 external adaptations including extensions and ramps. The service also delivered the Homelessness Hub and largely completed the Linden house supported living project.

### **Place Capital Programme 2019/20**

The Street lighting Capital allocation of £1,271k was utilised to fund measures including the replacement of 282 street lighting Columns, the installation of 666 led lanterns and the 4285 illuminated street lighting repairs. The Borough roads capital allocation of £3,801k was utilised to fund measures including relaying 33 footways and resurfacing 22 streets and 1693 potholes. Approximately 10,371 repairs were raised in 19/20. Highways Structures allocation of £85k was utilised to commence repairs to the North Hill retaining wall. The 20 Flood Water Management capital allocation of £638k was utilised to fund measures including the repair or improvement of about 5,000 gullies, the installation of the 2 sustainable drainage schemes and updating catchment flood modelling.

The 2019/20 TfL funded LIP capital programme of £4,151k funded wide ranging transport orientated projects, initiatives and maintenance across the borough. Including £310k towards the development of a liveable neighbourhood project in Crouch End, £300k towards the resurfacing of principal roads, £201k towards the installation of EV charging infrastructure, £541k towards the installation of anti-



suicide measures on Hornsey Lane Bridge, £299k for active travel programmes, £86k for cycle training, £863k for measures to support walking and cycling and £546k for traffic calming and road safety measures.

In 2019/20 the capital programme was under significant pressure to undertake both the routine asset management works as well as cover a backlog of work identified to regain the 22 Green Flag Awards. Significant work was undertaken to convert the old Bowling Green in Markfield Park to a new all-weather sports facility. Complete and open three new outdoor gyms in Downhills Park, White Hart Lane Park and Markfield Park. Improve and upgrade playgrounds across all 22 Green Flag Parks. Improve the drainage of rugby pitch in Downhills Park. Parkland Walk Bridges scheme completed surveys, design solutions and costing of works to the four bridges at Stapleton Hall, Upper Tollington, Stanhope Road and Vicarage Road. Temporary works to support the arches of the bridges to keep the public safe. A project to construct a new All Weather Pitch in Down Lane Park was successfully tendered and a contract awarded during the 19/20 financial year however a start on site could not be agreed prior to the lockdown and therefore this scheme was delayed. The scheme will now be completed in 2020/21.

In Finsbury Park there was the replacement of the Over 8's playground with a state of the art new play space. Refurbishment of the under 8's play area. Addition of the Steel Warriors Gym. Upgrade of the Netball and Volleyball Courts. Renovation of the McKenzie Garden. Contribution to the upgrade of the tennis courts. Asset management works included works to bins, benches, paths, lighting, security improvements to entrances and water mains.

### **Economy & Growth Capital Programme 2019/20**

The acquisition of commercial and residential properties continued in support of the High Road West scheme with two industrial units and 10 residential units being acquired. In addition, the Council acquired Alexandra House and continued with the regeneration of Tottenham Hale through its partnership with Argent Related. The combined value of these schemes represents 86% of the Economy & Growth capital programme spend. The balance of expenditure is spread across a large number of schemes such as:

551B High Road & Morrison Yard - A GLA Good Growth Fund (GGF) project to deliver enhanced workspace to support local businesses

Bruce Grove Public Conveniences – A GLA GGF project for the renovation and extension of a Grade II listed Council owned building and provide a new commercial unit.

Chestnut Road Public Realm Scheme – a public realm improvements project including footway and cycleway resurfacing, landscaping, a new pocket park and green areas, improved lighting, street furniture, outdoor play and gym equipment, CCTV and a sustainable urban drainage system.

Connecting Wood Green - A GLA GGF project to deliver community-led regeneration including the refurbishment of Penstock Tunnel, improvements to the Library Mall, repurpose and activate six old industrial units at Coburg Road to create new workspace and an area for community events. The programme is nearing completion.

Ferry Lane Public Realm Scheme - a public realm improvements project including footway, cycleway and road resurfacing, landscaping, new trees, improved drainage and an improved zebra crossing.

Low Carbon Zones - Planning and procurement underway to deliver a new air quality monitoring station in Wood Green, and two mobile monitoring stations.

OIF/PVF - Opportunity Investment Fund – A loan fund for businesses in Tottenham and Wood Green looking for capital funding to grow (floorspace and jobs). 19/20 spend £162k approx. Two businesses fully repaid their loans. OIF expanded to cover Wood Green and other industrial estate areas.

Production Valley Fund – A cross-borough loan fund led by Haringey and partnered with Enfield and Waltham Forest funded by the SIP programme administered by the City of London.

Selby Urban Village project is shared aspiration between Haringey Council and the Selby Trust to deliver a community focused, mixed-use development on the Selby Centre and Bull Lane Playing Field sites. The proposed development will include 200+ new homes on the existing Selby Centre site, of which approximately 50% will be council homes, a new building for the Selby Centre, new sports, and leisure facilities, improved public spaces, new retail units.

Tailoring Academy, Tottenham and Wayra Tottenham - A 11,000 sq ft state-of-the-art clothing production and training facility which opened in November with the aim to create 50 new jobs, with the potential for more than 500 more, almost 750 apprenticeships. Preparing to launch Wayra Tottenham - a new partnership between Haringey Council & Wayra UK Ltd to form an accelerator business hub – an incubator for local digital start-up companies.

The Trampery at 639 High Road - A GLA GGF project for the remodelling of the Grade II building to provide additional flexible workspaces, an open frontage to the High Road and provide a shared commercial kitchen for local microbusinesses. Agreements signed and a design team appointed.

Tottenham Green Phase 2 Public Realm Scheme - a public realm improvements project including new public precinct space outside the Library to cater for outdoor events and meetings, a new Children's Library Garden, lighting, crossing and paving improvements, new trees.

## **Housing Capital Programme 2019/20**

### **New Council homes**

In May 2018, the Council committed to deliver a new generation of Council homes at Council rent, with the first thousand by 2022 – the first true new Council homes in Haringey for nearly 40 years. After its first full financial year, the programme to deliver on this commitment is on track having built up capacity and spent £7.29 million of capital to kick-start the programme. In July 2019, Cabinet agreed the programme's first construction contract: £3.26 million to complete architectural and technical designs and construct eleven new Council homes at Templeton Road on the site of a former car park. 358 new Council homes on ten sites achieved planning permission during 2019/20. While the COVID-19 crisis is delaying progress, at year-end work had started on 337 of those homes at six sites. For these sites, the Council had drawn down £11.9 million of the Mayor of London's £59.7 million capital grant allocation for the programme up to March 2022. Five of these six sites were acquired at the planning or pre-planning stage from developers: 500 White Hart Lane, Welbourne Centre, Plevna Crescent, Red House and 1a Ashley Gardens. While the Council's strong preference is for new homes to be built by the Council itself, on its own land, prudent acquisitions of developer-led homes will continue to form an important strand of the programme, particularly during its early phases when it will allow the Council to deliver homes at greater speed.

### **Existing stock**

In 2019/20, over £35 million was invested in maintaining and improving the Council's housing stock with a further £15.5 million committed as part of the mobilisation for new capital projects starting on

site in 2020/21. Resident satisfaction with works has remained high at around 95% across the capital programme. In 2019/20, Homes for Haringey (HfH) completed the vestiges of the Decent Homes programme with 163 dwellings receiving internal and external improvements. 3,000 dwellings benefited from mechanical and electrical works, including communal lighting, CCTV upgrades, door entry replacement and lift renewal. Alongside existing Fire Risk Assessment (FRA) projects, HfH also started to develop additional building safety works programmes in response to new and emerging government guidance. These include the provision of Automatic Fire Detection to street dwellings and the replacement, in timber, of front entrance fire doors. Works were delivered to over 696 tenanted homes as part of the new Internal works programme. The works include kitchen, bathroom, electrical and heating upgrades. At Broadwater Farm, works carried out include the installation of a new estate wide district heating system and a kitchen and bathroom replacement programme. These programmes are both now nearing completion. Design and other pre-tender work has also been progressed on the new energy centre, the demolition of Northolt and Tangmere blocks and strengthening/refurbishment of the 10 retained blocks.

HfH also completed mobilisation and site set up for delivery of the first phase of the new external capital works programme, which includes roof renewal, window replacement and external/communal area decorations. These works will provide improved quality housing for over 1,400 homes, that will contribute to achieving the Borough Plan target of 95% of homes meeting the Decent Homes standard by March 2022. Detailed surveys were also completed in 2019/20 in preparation for delivering the second phase of the external capital works programme in 2020/21. Other pre-construction activities carried out in 2019/20 included the appointment of a contractor to deliver the Noel Park PODs project and engagement with residents to finalise the detailed design. The project entails the removal and replacement of back addition bathroom PODs to 228 properties. These PODs were installed in the 1970s and are now in a very poor condition. Subject to Cabinet approval, the procurement process has been completed for a major external and communal work package at Turner Avenue where internal modernisation works have already started.

### **Your Council Capital Programme 2019/20**

The Your Council capital programme has a range of disparate schemes. The programme includes the approved capital contingency, the Responsiveness Fund, ICT budget and the Libraries programme. During the year the Libraries programme continued renovation work on Hornsey Library & the Library building & ICT programme and invested £1.5m in the Council's ICT infrastructure.

## Reserves Table

Appendix 5

	Note	Balance at 31/03/18 £'000	Transfer In 2018/19 £'000	Transfer Out 2018/19 £'000	Balance at 31/03/19 £'000	Transfer In 2019/20 £'000	Transfer Out 2019/20 £'000	Balance at 31/03/20 £'000
<b>General Fund Reserve</b>	i	(15,493)	(346)	0	(15,839)	0	11	(15,828)
<b>General Fund earmarked reserves:</b>								
Schools reserve	ii	(7,707)	(2,675)	0	(10,382)	(1,868)	1,925	(10,325)
Transformation reserve	iii	(8,075)	(3,345)	5,325	(6,095)	(8,574)	4,023	(10,646)
Services reserve	iv	(6,420)	(7,809)	6,351	(7,878)	(1,941)	13,919	4,100
PFI lifecycle reserve	v	(9,764)	(3,920)	0	(13,684)	(1,396)	0	(15,080)
Debt repayment reserve	vi	(5,413)	0	367	(5,046)	0	0	(5,046)
Insurance reserve	vii	(5,161)	(751)	0	(5,912)	(329)	0	(6,240)
Unspent grants reserve	viii	(8,491)	(9,235)	10,389	(7,337)	(3,867)	2,229	(8,975)
Community infrastructure reserve	ix	(3,000)	0	3,000	0	0	0	0
Labour market growth resilience reserve	x	(1,255)	0	550	(705)	(142)	334	(513)
Financing reserve	xi	(6,247)	0	0	(6,247)	(44)	4,600	(1,691)
IT infrastructure reserve	xii	(838)	(2,162)	0	(3,000)	0	0	(3,000)
Resilience reserve	xiii	(5,074)	(2,229)	0	(7,303)	0	0	(7,303)
Covid 19 Grant	xiv	0	0	0	0	(8,094)	0	(8,094)
Other reserves	xv	(726)	0	0	(726)	0	0	(726)
<b>GF earmarked reserves:</b>		<b>(68,215)</b>	<b>(32,126)</b>	<b>25,983</b>	<b>(74,313)</b>	<b>(26,255)</b>	<b>27,029</b>	<b>(73,539)</b>
<b>Total General Fund Usable Reserves</b>		<b>(83,708)</b>	<b>(32,472)</b>	<b>25,983</b>	<b>(90,152)</b>	<b>(26,255)</b>	<b>27,040</b>	<b>(89,367)</b>
<b>Housing Revenue Account</b>		<b>(30,552)</b>	<b>(897)</b>	<b>124</b>	<b>(31,325)</b>	<b>0</b>	<b>16,451</b>	<b>(14,874)</b>
<b>Housing Revenue Account earmarked Reserves:</b>								
HRA Smoothing reserve		(6,339)	0	6,339	0	0	0	0
Homes for Haringey		(1,301)	(124)	0	(1,425)	0	716	(709)
<b>HRA earmarked reserves</b>		<b>(7,640)</b>	<b>(124)</b>	<b>6,339</b>	<b>(1,425)</b>	<b>0</b>	<b>716</b>	<b>(709)</b>
<b>Total HRA Usable Reserves</b>		<b>(38,192)</b>	<b>(1,021)</b>	<b>6,463</b>	<b>(32,750)</b>	<b>0</b>	<b>17,167</b>	<b>(15,583)</b>

## Description of Reserves Purpose and 2019/20 Usage

**General Fund Reserve** - The purpose of the general fund reserve is to manage the impact of emergencies or unexpected events. Without such a reserve, the financial impact of such events could cause a potential financial deficit in the general fund, which would be severely disruptive to the effective operation of the authority. The reserve should militate against immediate service reductions if there were any unforeseen financial impacts.

**Schools Reserve** - This balance represents the net balances held by the Council's 63 schools. The Secretary of State for Education allows Local Authorities to have within their Scheme for Financing Schools a provision whereby surplus balances that are deemed excessive can be withdrawn from the school in question and applied elsewhere within the Dedicated Schools Budget.

**Transformation Reserve** - This reserve is earmarked for the costs associated with the Council's Transformation programmes including the investment necessary to deliver longer term efficiencies and change, together with the associated costs of redundancies and decommissioning.

**Services Reserve** - It is Council policy that services may request funds to be carried forward, this is subject to approval by the Cabinet in the year-end financial outturn report. This reserve earmarks those funds to either be carried forward to the following financial year or retained. This reserve also includes the Dedicated Schools Grant (DSG) balance which is currently a negative £2.2m balance for 2018/19. The Council is instigating recovery planning.

**PFI Lifecycle Reserve** - The PFI reserve is increased by PFI grant received in excess of contractual payments. This will be utilised to fund future years' PFI related costs.

**Treasury Reserve** - The treasury reserve represents funds the Council has set aside for debt related costs including the potential repayment of debt and for funding of future capital expenditure.

**Insurance Reserve** - The Council self-insures a number of risks including liability, property and theft. Insurance claims are erratic in their timings and so the Council maintains a reserve to smooth the charge to the Council's revenue account in the same way as a premium to an external insurance provider would smooth charges to the revenue account. The increase to the reserve level has been

made possible by a reduced provision requirement. As the Council carries relatively high levels of excess and it is deemed prudent to use provide greater resilience against future claims.

**Unspent Grants Reserve** - This reserve holds grant income which has been received and recognised in the year they have been allocated to the authority, but which will finance related expenditure in future years. These come with conditions setting out how the funding must be used.

**Community Infrastructure Reserve** – This reserve was created as part of the 2013/14 budget setting in recognition that the Council would need to grow its revenue base (Council Tax/Business Rates) as government funding reduced. This agenda is now being delivered via the capital programme as well as from the impact that the lifting of the HRA borrowing cap has had on building new dwellings and therefore, this balance has been re-allocated.

**Labour Market Growth Resilience Reserve** - It is beneficial for the Council to support people into work and this reserve will support activities which achieve that aim.

**Financing Reserve** - This reserve was created to hedge the risks associated with funding the transformation programmes across the MTFS which rely increasingly on the application of flexible capital receipts.

**IT Infrastructure Reserve** - The Council has built into base budgets limited provision for the planned maintenance and renewal of certain assets as, by their nature these costs are irregular in their occurrence.

**Resilience Reserve** - This reserve is used as a measure to offset non-delivery / delay of planned savings and other budget risks contained within the MTFS. It provides additional robustness and financial resilience for the Council.

**Covid 19 Grant** - This grant reserve is to help mitigate the costs and loss of income that will arise from the Covid 19 Pandemic

**Other Reserves** - This reserve represents other small reserve balances held by the Council.

Analysis by Priority of Movements In/Out of the Three Main Service Related Reserves							
	Transformation Reserve		Services Reserve		Unspent grants Reserve		
	£'000		£'000		£'000		
Opening Balance 01/04/2019	-6,095		-7,878		-7,337		
	Transfers in	Transfers Out	Transfers in	Transfers Out	Transfers in	Transfers Out	
Children's	0	0	-50	0	0	296	
Adults	0	1,334	-319	171	0	0	
Place	-8,574	1,389	-246	1,202	0	168	
Economy	0	0	-335	1,350	-761	23	
Housing	0	0	-911	2,640	-2,667	1,688	
Your Council	0	1,300	-80	55	-439	55	
Total Transfers (In)/Out	-8,574	4,023	-1,941	5,418	-3,867	2,230	
Closing Balance (31/03/2020)	-10,646		-4,401		-8,974		

## Virements for Approval (2019/20)

Period	Priority	Service/AD Area	Rev/ Cap	In year	Next year	Reason for budget changes	Description
10	Economy	Regeneration & Housing	Revenue	280,200	280,200	Budget Realignment	Budget realignment in-line with agreed Capital Projects staffing restructure and HRA allocations
12	People	Adults	Revenue	5,699,000		Budget Allocation	Better Care Fund Section 75 budget allocation 2019-20.

<b>Total 2019/20</b>	<b>5,979,200</b>	<b>280,200</b>
----------------------	------------------	----------------

## Virements for Approval (2020/21)

Period	Priority	Service/AD Area	Rev/ Cap	In year	Next year	Reason for budget changes	Description
2	Your Council	Digital Services	Revenue	4,307,343	2,283,043	Budget Realignment	Realignment of Digital Services budgets to match operational needs.
2	People	Adults	Revenue	6,749,000	6,749,000	Budget Realignment	Realignment of IBCF budget allocation for 2020-21.
2	People	Adults	Revenue	1,148,000	1,148,000	Budget Realignment	Realignment of Winter Pressures Funding allocation for 2020-21.
2	People	Adults	Revenue	979,500	979,500	Budget Realignment	Realignment of Social Care Support Grant allocation for 2020/21
3	People	Adults	Revenue	6,696,018	6,696,018	Budget Realignment	Realignment of Adults budgets to better allocate MTFS growth and savings adjustments
3	People	Adults	Revenue	4,319,740	4,319,740	Budget Realignment	Realignment of additional IBCF, Social Care Support Grant (SR19 element) and BCF uplift allocations
3	People	Adults	Revenue	5,675,678	5,675,678	Budget Realignment	Realignment of Better Care Fund Section 75 budget allocation 2020-21
3	People	Childrens	Revenue	677,070	677,070	Budget Realignment	Admissions team budget realignment to match operational needs.
3	People	Childrens	Revenue	929,820	929,820	Budget Realignment	Quality and Improvement team budget realignment to match operational needs.
3	People	Childrens	Revenue	853,496	0	Budget Allocation	Stonecroft childrens centre budget allocation for 2020-21.
3	People	Childrens	Revenue	320,000	320,000	Budget Realignment	Disabled childrens team salary budget realignment to match operational needs.

<b>Total 2020/21</b>	<b>32,655,665</b>	<b>29,777,869</b>
----------------------	-------------------	-------------------