

Mayor & Cabinet / Public Accounts Select Committee			
REPORT TITLE	Financial Results for 2015/16		
KEY DECISION	No	Item No.	3
WARD	N/A		
CONTRIBUTORS	Executive Director for Resources and Regeneration		
CLASS	Part 1	Date	1st June 2016

1. EXECUTIVE SUMMARY

1.1 This report sets out the financial results for 2015/16. The key areas to note are as follows:

- i. The directorates' net general fund revenue budget was overspent by £6.3m and after applying the corporately held sum of £3.2m for 'risks and other budget pressures' this reduces the overall directorates' overspend to £3.1m. This has been set out in more detail in sections five to nine of this report.
- ii. For the Dedicated Schools Grant (DSG) of £279.4m for 2015/16, there were three schools which applied for a licensed deficit by the year-end. There are a further nine schools which overspent by the year-end and will need to apply for a licensed deficit in the future. This has been set out in more detail in section 10 of this report.
- iii. The Housing Revenue Account (HRA) is projecting a £7.0m surplus. This surplus is expected to be transferred to reserves at the end of the year which will ensure that there are sufficient resources available to fund the current housing programme over the medium term. This has been set out in more detail in section 11 of this report.
- iv. Council Tax collection as at 31 March 2016 was 95.2% and was therefore 0.8% lower than this year's profile.
- v. Business Rates collection as at 31 March 2016 was 98% and was therefore 0.6% higher than the same period last year, but 1% lower than the overall target rate for the year of 99%.
- vi. The Capital Programme spend as at 31 March 2016 was £94.1m. This represents 80% of the revised budget of £118.1m. The comparable figure last year was a final spend of £122.6m, which was 89% of the revised budget of £137.3m. This has been set out in more detail in section 13 of this report.

2. PURPOSE

2.1 The purpose of this report is to set out the financial results for 2015/16 as at 31 March 2016.

3. RECOMMENDATION

3.1 The Mayor is asked to:

3.2 Note the current financial results for the year ending 31 March 2016.

4. POLICY CONTEXT

4.1 Reporting financial results in a clear and meaningful format contributes directly to the Council's tenth corporate priority: 'inspiring efficiency, effectiveness and equity'.

5. DIRECTORATE FORECAST OUTTURN

5.1 The general fund overspend against the directorates' net controllable revenue budget was £6.3m, as set out in Table 1 below. A sum of £3.2m was set aside at the time of agreeing the 2015/16 budget and was being held corporately for managing 'risks and other budget pressures'. These were for such items which, although difficult to quantify with absolute certainty, could prove significant should they have materialised over the course of the financial year. With this being the case, it was felt necessary for this sum to be applied, the consequences of which brings the directorates' year end overspend down from £6.3m to £3.1m for 2015/16. This residual overspend has been covered through the use of once-off corporate resources.

Table 1 – Directorates' Financial Results for 2015/16

Directorate	Gross budgeted spend	Gross budgeted income	Net budget	Final Outturn	Outturn over/ (under) spend	Variance
	£m	£m	£m	£m	£m	%
Children & Young People ⁽¹⁾	69.2	(17.8)	51.4	58.8	7.4	14.3%
Community Services	174.4	(79.4)	95.0	93.8	(1.2)	(1.2%)
Customer Services ⁽²⁾	92.1	(48.2)	43.9	47.8	3.9	8.8%
Resources & Regeneration	43.2	(13.6)	29.6	25.8	(3.8)	(12.8%)
Directorate Totals	378.9	(159.0)	219.9	226.2	6.3	2.8%
Corporate Items	26.3	0.0	26.3		3.2	
Net Revenue Budget	405.2	(159.0)	246.2		3.1	

(1) – gross figures exclude £279m Dedicated Schools' Grant expenditure, pupil premium expenditure £18m, Post 16 Funding £7m, and universal free meals expenditure £2m and all the matching grant income

(2) – gross figures exclude approximately £240m of matching income and expenditure for housing benefits.

6. CHILDREN & YOUNG PEOPLE

6.1 The directorate overspent by £7.4m. The outturn was generally in line with the forecasts being reported throughout the year, although the last quarter has seen the most significant month-on-month increase since the year began. The overall position for the directorate has been set out in Table 2.

Table 2 – Children & Young People Directorate

Service Area	Gross Budgeted Spend	Gross Budgeted Income	Net Budget	Final Outturn	Variance over/ (under) spend
	£m	£m	£m	£m	£m
Children's Social Care Services	40.0	(1.1)	38.9	43.0	4.1
No Recourse to Public Funds	3.6	0.0	3.6	5.8	2.2
Standards & Achievements	2.8	(1.9)	0.9	0.8	(0.1)
Education Infrastructure	0.1	0.0	0.1	0.1	0.0
Partnerships/Targeted Services	15.3	(3.1)	12.2	13.5	1.3
Resources & Performance	7.4	(10.4)	(3.0)	(3.1)	(0.1)
Schools	0.0	(1.3)	(1.3)	(1.3)	0.0
Total	69.2	(17.8)	51.4	58.8	7.4

* The government grants include the Adoption Reform Grant, SEND reform grant, Troubled Families grant and Music grant

- 6.2 The most significant cost pressures for the directorate fell within the *children's social care* and *no recourse to public funds* service areas and together, these amount to £6.3m. The key issues pertaining to these pressures are set out in the following paragraphs.
- 6.3 In respect of those clients with no recourse to public funds, this includes temporary bed and breakfast temporary accommodation for those clients and section 17 payments. These are families who seek support from the local authority under section 17 of the Children's Act because they claim to have no financial means of supporting themselves whilst they are in the process of attempting to regularise their stay in the UK with the Home Office. At the end of 2015/16, support was being provided to fewer than 200 clients, down from the 297 cases being supported at the start of the year. This has all resulted in an overall overspend of £2.2m for 2015/16.
- 6.4 The placement budget for *looked after children* overspent by £1.5m. The current number of looked after children totalled 465 at the year-end. For services related to *children leaving care*, this overspent by £1.3m, with the number of clients at the year-end being 147. It is worth noting that the average number for the last financial year was 74.
- 6.5 There was an additional pressure on the *section 17* budget unrelated to no recourse to public funds of £0.4m and on salaries and wages which show an overspend of £0.9m. This has mainly been created by the increased use of agency staff during the course of the year.
- 6.6 The only other cost pressure in the rest of the directorate is on schools' transport within the *partnerships and targeted services* area. The cost of travel assistance has been the main cause of the budget pressure due to the increased use of taxis for extra pupils being transported. This has resulted in overall additional costs of £1.0m on schools' transport for 2015/16.
- 6.7 All the other divisions in the directorate either spent to budget or underspent overall. For the standards and achievement division, these underspends mainly related to staff savings and additional income achieved through schools' service level agreements.

7 COMMUNITY SERVICES

- 7.1 The directorate underspent by £1.2m. This was generally in line with the forecasts being reported throughout the course of the year and the overall position for the directorate has been set out in Table 3.

Table 3 – Community Services Directorate

Service Area	Gross Budgeted Spend	Gross Budgeted Income	Net Budget	Final Outturn	Variance over/ (under) spend
	£m	£m	£m	£m	£m
Adult Services Division	115.9	(44.9)	71.0	71.8	0.8
Cultural & Community Development	20.3	(7.4)	12.9	11.9	(1.0)
Public Health	16.2	(17.6)	(1.4)	(0.9)	0.5
Crime Reduction & Supporting People	20.2	(9.3)	10.9	10.2	(0.7)
Strategy, Improvements & Partnerships	1.8	(0.2)	1.6	1.3	(0.3)
Reserves – transfers from reserves	0.0	0.0	0.0	(0.5)	(0.5)
Total	174.4	(79.4)	95.0	93.8	(1.2)

- 7.2 The overall position for Community Services includes the drawdown of £0.5m from earmarked reserves in respect of adult social care – health transfer section 256 and public health.
- 7.3 The *adult services* division showed an overspend at year end of £0.8m. The main pressures remain on package and placement budgets including transport where costs increased in the final months of the financial year. The reported position includes the costs of transition which were identified as a risk, but were not funded. Additionally, the pressure on social care from accelerated discharges from hospital has continued.
- 7.4 The projected application of Better Care Fund to the service was lower than projected at the last reporting period to members for two reasons. Firstly, the slippage on health schemes was lower than expected and secondly, an additional £0.250m was reallocated to public health budgets.
- 7.5 The final underspend on the *cultural and community development division* was £1.0m. This compares to an underspend of £1.6m at 2014/15 outturn.
- 7.6 The voluntary and community sector grants budget of £5m was underspent by £0.1m, due to delays in allocation of the small and faith grants caused by a change in the grant award process. There was a further underspend of £0.1m on the Local Assemblies which resulted from late allocation of devolved assembly budgets by some wards.
- 7.7 There was an underspend of £0.5m on leisure management covering the budgets for the main leisure management contract and the associated dilapidations/repairs for leisure centres. The final underspend of £0.2m on the Libraries budget resulted from the high level of staff vacancies carried by the service during the year supplemented by smaller underspends on other operational budgets. The

community & neighbourhood development team's staffing and operational budget was also £0.1m underspent and again this was primarily due to staff vacancies.

- 7.8 For Adult Learning Lewisham (which was formerly known as Community Education Lewisham) this is now almost entirely funded from a combination of grant from the Skills Funding Agency (SFA) and student fee income totalling £3.6m. The curriculum delivery plan for the 2015/16 academic year was set in line with the available funding resources and the service spent to budget.
- 7.9 The *crime reduction and supporting people division* underspent by £0.7m. This compares to an underspend of £1.4m in 2014/15.
- 7.10 There was an underspend of £0.2m across the crime, enforcement & regulation and environmental health services due to staffing and operational budgets.
- 7.11 The budget for secure remand placements under the youth offending service has historically been highlighted as an area of financial risk. However, the 2015/16 financial year has seen relatively low levels of activity compared with previous years. Therefore, the secure remand budget had a final underspend of £50k. This variance was supplemented by a small underspend of £30k across other youth offending budgets to give a total service underspend of £80k. This position is unlikely to be repeated in 2016/17 as both the secure remand grant from the MoJ and the core youth offending grant from the Youth Justice Board have been cut.
- 7.12 The prevention and inclusion service which incorporates the drug and alcohol service and the supporting people programme was underspent by £0.35m in 2015/16. The staffing budget underspent by £0.1m as a result of staff vacancies, secondments and recruitment delays. The drug and alcohol service showed a final underspend of £0.2m which was primarily the result of the closure of the SLAM-acute assessment unit. Clients who have used this service have been redirected to other treatment pathways, but overall costs are down resulting in the underspend. These variances, totalling £0.3m, relate to services funded by public health grant, but there is sufficient eligible spend elsewhere for the grant to be retained in full. The supporting people programme of £6.9m, which is 100% general fund, underspent by £40k as a result of minor reductions in contract costs.
- 7.13 For 2015/16, savings totalling £2.7m were agreed on the budgets for *public health* and funded by public health grant. As mentioned above, eligible spend has been identified elsewhere in the council, meaning the grant can be retained in full. The budget adjustment had been carried out for grant reallocations within Community Services, reducing the net public health credit budget to £1.4m, but budget changes to other council directorates will be actioned in 2016/17.
- 7.14 Not all of the public health savings were achieved in 2015/16 with particular problems with renegotiating contracts. It is expected that these savings will be delivered in full in 2016/17. The final overspend on the public health grant was £0.5m, the main overspend being on sexual health or genitourinary medicine (GUM) services. The grant was reduced 'in-year' by £1.47m (6.2%). The Better Care Fund offset this reduction in 2015/16, but this is unlikely to be possible in 2016/17. Savings options are being developed to address the reduced grant available in that financial year.
- 7.15 The *strategy, improvements and partnerships division* underspent by £0.3m.

8. CUSTOMER SERVICES

- 8.1 The directorate overspent by £3.9m and is therefore in line with the position when it was last reported to members. The overall position for the directorate has been set out in Table 4.

Table 4 – Customer Services Directorate

Service Area	Gross Budgeted Spend	Gross Budgeted Income	Net Budget	Final Outturn	Variance over/ (under) spend
	£m	£m	£m	£m	£m
Strategic Housing	13.9	(10.0)	3.9	6.4	2.5
Environment	38.0	(19.2)	18.8	19.9	1.1
Public Services*	31.4	(17.6)	13.8	14.2	0.4
Technology and Change	8.8	(1.4)	7.4	7.3	(0.1)
Total	92.1	(48.2)	43.9	47.8	3.9

* - excludes £240m of matching income and expenditure in respect of housing benefits

- 8.2 The *strategic housing service* is projecting an overspend of £2.5m. This relates to nightly paid temporary accommodation, more commonly referred to as 'bed & breakfast' and the cost of the actions taken to prevent and control the impact of homelessness.
- 8.3 The number of bed and breakfast tenancies as at end of March 2016 was 546, compared to 528 reported in the last period. This compares to 559 at the end of 2014/15. Despite the recent increase, numbers appear to have reached a relative level of stability compared to the sharp increases experienced during the last financial year, which saw numbers peak at 616 in February 2015.
- 8.4 The increase in numbers has not resulted in an increase to the overall overspend in this area, because an improvement in the level of rent arrears has meant that a lower than projected contribution to bad debt was required. Furthermore, significant investment has also been made in procuring additional temporary accommodation units. The majority of these will not become fully available until early part of 2016, so will therefore impact mainly on the 2016/17 position.
- 8.5 A change in the allocations policy to help reduce nightly paid accommodation costs has meant that turnover in private sector leased properties has increased giving rise to a significantly higher void rate. This has resulted in a £0.7m overspend in this area.
- 8.6 It should be noted that there are two 2015/16 budget savings which can no longer be delivered. The first relates to hostels income of £0.2m which did not get the required Secretary of State consent. The second relates to the expected reduced costs in the housing needs service of £0.1m. This was in respect of moving the service to Holbeach, which following a revision to the accommodation plan, meant that this move did not take place.
- 8.7 Overall, these pressures have been met by applying grant income, unused balances and freezing underspent budgets elsewhere across the service.

- 8.8 The *environment division* is forecasting an overspend of £1.1m, which is an increase of £0.2m compared to the previously reported figure.
- 8.9 The overspend has arisen in the *green scene, strategic waste management and bereavement* departments within the division. The former relates to the savings proposal to increase community and voluntary sector engagement in the maintenance of small parks. When approving the proposal, members requested that additional consultation with park stakeholders should take place. This resulted in a later than planned implementation date which has subsequently slipped back further. This has resulted in a projected overspend of £0.2m.
- 8.10 As with the Council's previous dry recycling provider, some months into agreement, the current provider is claiming excessive levels of contamination and has invoiced the council for the additional costs of processing in disposal. The increased charges, significantly higher than those charged for the disposal of residual waste, has cost the council and £0.5m in this financial year. Officers are in the process of tendering for a new contractor and it is likely that the council will incur further cost increases in the next financial year.
- 8.11 For *bereavement services* income is £0.3m under budget at the end of the financial year. The total income received is at similar level to last year. Mild winters and a competitive market for crematoria services are considered to be the main cause.
- 8.12 The division is also showing a £0.1m overspend in street management. Changes in contractual arrangements with JC Decaux have resulted in an increase in the cost of providing automated public conveniences (APCs). The contract, which produced savings elsewhere within the council, meant that APCs that were previously maintained by the contractor now have to be maintained by the council.
- 8.13 The *public services division* is forecasting an overspend of £0.4m. The new business support service, agreed as a part of the 2015/16 budget savings process, is now operational. An initial assessment of the effect of mid-year implementation expected an underachievement of savings by £0.5m, which is just over half of the proposed saving of £0.9m. Some recruitment difficulties has meant that not all of the posts have yet be recruited to resulting in the service finishing the year under budget by £0.1m.
- 8.14 The newly created *enforcement service* has now completed its first full year of operation. Whilst underachieving budgeted levels of income, the service has still brought in increased amount of income to the council and are achieving collection rates exceeding the level of the previous contractors. The year-end position is a £0.4m overspend. Indications suggest that this will improve in the new financial year.
- 8.15 An underachievement of income of £0.1m is forecast in the Registrars service as a result of the non-realisation of a saving in respect of citizenship income.
- 8.16 An underspend of £0.1m is being forecast in the technology and change division. This is as a result of higher than anticipated savings arising from the new photocopying contract.

9. RESOURCES AND REGENERATION

- 9.1 The directorate underspent by £3.9m. This was generally in line with the forecasts being reported throughout the course of the year and the overall position for the directorate has been set out in Table 5.

Table 5 – Resources and Regeneration Directorate

Service Area	Gross Budgeted Spend	Gross Budgeted Income	Net Budget	Final Outturn	Variance over/ (under) spend
	£m	£m	£m	£m	£m
Corporate Resources	5.0	(2.3)	2.7	2.2	(0.5)
Corporate Policy & Governance	3.8	0	3.8	3.4	(0.4)
Financial Services	5.2	(1.2)	4.0	3.4	(0.6)
Executive Office	0.2	0	0.2	0.2	0.0
Human Resources	3.0	(0.3)	2.7	2.3	(0.4)
Legal services	3.0	(0.4)	2.6	2.4	(0.2)
Strategy	2.5	(0.5)	2.0	1.7	(0.3)
Planning	3.3	(1.6)	1.7	1.0	(0.7)
Regeneration & Asset Management	17.2	(7.0)	10.2	9.5	(0.7)
Reserves	0.0	(0.3)	(0.3)	(0.3)	0.0
Total	43.2	(13.6)	29.6	25.8	(3.8)

- 9.2 The *corporate resources* division has underspent by £0.5m. This is principally due to underspending against grant funded programmes within the anti-fraud and corruption team. A request has been made to carry forward an element of the funding into the 2016/17 financial year.
- 9.3 The *corporate policy & governance* division has underspent by £0.4m. This is mainly in respect of staffing costs where the outcome of the staffing reorganisation has resulted in a number of vacant posts, plus a number of secondments to other areas of the council.
- 9.4 The *financial services* division has underspend by £0.6m. This partly relates to the contingency for the directorate that is held within this division. There is also underspending due to vacant posts, and additional income receivable from schools and the pension fund.
- 9.5 The *human resources* division has underspent by £0.4m. This is mainly due to vacant posts across the division. There are also reduced training costs where setup delays by the new learning provider has resulted in a reduction in commissioned training.
- 9.6 The *legal services* division has underspent by £0.2m. The underspend is mainly within the procurement section and is due to vacant posts and underspending on supplies and services.
- 9.7 The *strategy* division has underspent by £0.3m. This is mainly due to lower than anticipated recruitment of apprentices in this year's cohort, and a staffing underspend due to vacant posts in the communications unit.

- 9.8 The *planning* division has underspent by £0.7m. The main areas of underspending are within development management of £0.1m, where very high levels of income are being partly offset by higher staffing and supplies and services expenditure to cope with the associated high workload; and land charges of £0.4m, where search fees income has exceeded the budget by over £0.15m. There has also been receipts of new burdens grant in relation to previous restitution claims totalling £0.2m. There is also an underspend within the conservation section of £0.1m due to vacant posts.
- 9.9 The *regeneration & asset management* division has underspent by £0.7m. There are a number of under and overspends in this area which include increased income from commercial rents and underspending on staffing costs being partly offset by reduced network management income from utility companies and the costs of managing the corporate estate. The net expenditure at outturn has been lower than forecast due to reduced supplies and services expenditure (including energy costs) and additional income receipts.

10. DEDICATED SCHOOLS' GRANT

- 10.1 The overall position on the Dedicated Schools' Grant (DSG) budget settlement for 2015/16 is set out in Table 6.

Table 6 – Dedicated Schools' Grant Settlement for 2015/16

DSG Area	Before Academy Recoupment	After Academy Recoupment
	£m	£m
Schools block	214.6	188.1
Early years block	21.2	21.2
High needs block	43.5	42.6
Total additions for non-block funding	0.1	0.1
Total DSG allocation	279.4	252.0

Note: The above table excludes the Pupil Premium (£18m), Post 16 funding (£7m), and Universal Free School Meals Grant (£2m).

- 10.2 There were two secondary schools with licenced deficit budgets at the year end. These were Sedgehill and Deptford Green schools. There was one primary school with a licensed deficit, being All Saints. At the end of the financial year there are a further nine schools which have deficit balances and will need to apply for a licensed deficit.
- 10.3 Total school balances fell by £2m in 2015/16. The final balance held by schools including external funds now stands at £12.4m. This should not detract from the fact that overall, secondary schools have a cumulative deficit of £1.6m, with seven of the 11 secondary schools in deficit.
- 10.4 The most significant overspend at the year-end was on high needs pupils, which totalled £2.3m. There was a further pressure of £0.2m on early years. The high needs overspend was caused by more placements being made to providers outside of Lewisham. These placements were not in the independent sector, but in further education colleges, other local authorities, maintained schools and

academies. The fund set aside from previous year's carry forward was £2.5m and this allowed the DSG to balance at the end of 2015/16.

11. HOUSING REVENUE ACCOUNT

11.1 The Housing Revenue Account (HRA) is reporting expenditure to its budget position after transfers to reserves as at 31 March 2016. Table 7 sets out the budgets and year end variances by services. It should be noted that a final surplus of £7m was achieved in 2015/16, compared to the figure of £2.3m which was previously reported. As with previous years, the surplus is transferred into reserves and reinvested in HRA services in future years as a part of the 30 year business plan.

Table 7 – Housing Revenue Account

	Expenditure Budget	Income Budget	Net Budget	Final Outturn	Variance over/ (under) spend
	£m	£m	£m	£m	£m
Customer Services - Housing	11.8	(3.0)	8.8	8.9	0.1
Lewisham Homes & R&M	36.1	0	36.1	33.6	(2.5)
Resources	2.1	0	2.1	1.8	(0.3)
Centrally Managed Budgets	50.8	(97.8)	(47.0)	(44.3)	2.7
Total	100.8	(100.8)	0.0	0.0	0.0

11.2 Lewisham Homes manages certain budgets on behalf of the council in addition to those formally delegated to them. Following two years of underspending, the repairs and maintenance budget has underspend again this year. This in part reflects the continued investment in the decent homes programme, which has tended to reduce demand for day to day repairs and maintenance as properties are brought up to standard. The final underspend was £2.5m, an increase of £1.5m compared to the previous report.

11.3 A review of asset management spending requirements has been undertaken and officers are currently considering the outcome. It is envisaged that any underspend in repairs and maintenance will be reinvested in revised asset management priorities arising from the review.

11.4 An end of year review of bad debt provisions has resulted in a reduction of the required contribution by £1.9m.

11.5 In addition to the underspend in repairs and maintenance budgets, and bad debt provision, the surplus includes £1.6m arising from increased tenants' rental, leaseholder service charge and other income. The former has arisen due to lower than budgeted void rates in respect of tenanted properties. The additional leaseholder income is as a result of major works income.

11.6 Reduced interest costs of £0.7m and an unused contingency of £0.3m are the most significant variations that contribute to the balance of the surplus.

11.7 Overall, the HRA has made a surplus on its activities during 2015/16. It will continue to build upon its reserves on an annual basis and this is mainly to ensure

that there are sufficient resources available to fund the current 30 year business plan which seeks to continue to invest in decent homes and to significantly increase the supply of housing in the borough over the medium to long term.

11.8 After transfers to reserves, the HRA is reporting a balanced budget position.

12. COLLECTION FUND

12.1 As at 31 March 2016, £104.6m of council tax had been collected. This represents 95.2% of the total amount due for the year of £109.8m. This is 0.8% below the overall target of 96%. The rate achieved at this time last year was 95.1%.

12.2 Business rates collection is at 98% for 2015/16, which is an increase of 0.6% compared to the same period last year, but 1% lower than the overall target rate for the year of 99%.

13. CAPITAL EXPENDITURE

13.1 The overall spend for 2015/16 is £94.1m, which is 80% of the revised budget of £118.1m. The comparable expenditure figure last year was a final spend of £122.6m, which was 89% of the revised budget of £137.3m. Table 8 below provides a breakdown of the budget and expenditure for both the general fund and the HRA.

Table 8 – Capital Programme

2015/16 Capital Programme	2015/16 Revised Budget	2015/16 final spend	Spend (Revised Budget)
	£m	£m	%
Community Services	0.7	0.8	114%
Resources & Regeneration	13.2	10.5	80%
Children and Young People	45.9	43.8	95%
Customer Services	0.8	0.5	63%
Housing (General Fund)	18.7	16.5	88%
Total General Fund	79.3	72.1	91%
HRA - Council	6.8	2.7	40%
HRA - Lewisham Homes	32.0	19.3	60%
Total HRA	38.8	22.0	57%
Total Expenditure	118.1	94.1	80%

13.2 Table 9 shows the current position on the major projects in the 2015/16 general fund capital programme, i.e. those over £1m in 2015/16.

13.3 The table illustrates that the main sources of financing the programme include grants and contributions, and capital receipts from the sale of property assets. £23.3m of usable receipts have been received in 2015/16, comprising £2.8m in respect of previous year's housing stock transfers, £10.2m (net) from housing right-to-buy sales and £10.3m from other sales.

Table 9 – Major Capital Projects

2015/16 Capital Programme	2015/16 Revised Budget	2015/16 Final Spend	Spend (Revised Budget)
	£m	£m	%
Housing Regeneration Schemes (Kender, Excalibur, Heathside and Lethbridge)	3.5	1.5	43%
Primary Places Programme	28.2	32.0	113%
BSF – Sydenham School	4.9	4.2	86%
BSF – Brent Knoll School	1.7	1.5	88%
Other Schools Capital Works	10.5	5.9	56%
Disabled Facilities / Private Sector Grants	1.3	1.2	92%
Asset Management Programme	1.1	1.0	91%
Acquisition – Hostels Programme	4.5	4.5	100%
Property Acquisition – LH	7.0	8.0	114%
Highways & Bridges - Transport for London	4.4	3.8	86%
Highways & Bridges LB Lewisham	3.5	3.5	100%
Other Schemes less than £1m	8.7	5.0	57%
Grand Total	79.3	72.1	91%

14. FINANCIAL IMPLICATIONS

- 14.1 This report concerns the financial results for the 2015/16 financial year. However, there are no financial implications in agreeing the recommendation of this report.

15. LEGAL IMPLICATIONS

- 15.1 The Council must act prudently in relation to the stewardship of Council taxpayers' funds. The Council must set and maintain a balanced budget.

16. CRIME AND DISORDER ACT IMPLICATIONS

- 16.1 There are no crime and disorder implications directly arising from this report.

17. EQUALITIES IMPLICATIONS

- 17.1 There are no equalities implications directly arising from this report.

18. ENVIRONMENTAL IMPLICATIONS

- 18.1 There are no environmental implications directly arising from this report.

19. HUMAN RESOURCES

- 19.1 There are no human resources implications directly arising from this report.

20. CONCLUSION

- 20.1 The overall net general fund overspend against the directorates' net general fund budgets was £6.3m. After applying the sum of £3.2m, which was set aside in agreeing the 2015/16 budget for 'risks and other budget pressures', this brings the final overspend down to £3.1m.
- 20.2 Since the start of the financial year and the first public report of the financial forecast position to Mayor & Cabinet in July 2015, the Executive Directors have continued to put in place a number of measures designed to alleviate the council's overall budget pressures to help bring spending back into line with budget. These measures have included the strengthening of local controls on particular expenditure in the short term. In addition to this and with regards to the most significant budget pressures which the council faces in 'no recourse to public funds' and 'children's social care' which ended the year at a combined overspend of £6.2m, officers have provided sharper focus on tackling the activities which are driving these costs.
- 20.3 As the new financial year begins, with a new set of challenges in terms of the delivery of revenue budget savings, the council will continue to apply sound financial controls. It is clear that the short and medium-term outlook will remain difficult. However, the Executive Director for Resources and Regeneration will continue to work with directorate management teams across the council to effect the necessary continued actions to manage their services.

BACKGROUND PAPERS AND FURTHER INFORMATION

Short Title of Report	Date	Location	Contact
Budget 2016/17	24 February 2016 (Council)	5 th Floor Laurence House	Selwyn Thompson
Financial Forecasts 2015/16	22 July 2015 and 11 November 2015 and 10 February 2016 (M&C)	5 th Floor Laurence House	Selwyn Thompson
Financial Outturn 2014/15	3 June 2015 (M&C)	5 th Floor Laurence House	Selwyn Thompson
Budget 2015/16	25 February 2015 (Council)	3 rd Floor Laurence House	Selwyn Thompson

For further information on this report, please contact:

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