MAYOR & CABINET			
REPORT TITLE	Financial Forecasts 2017/18		
KEY DECISION	No	**Item No.**	
WARD	N/A		
CONTRIBUTORS	Executive Director for Resources and Regeneration		
CLASS	Part 1	**Date**	19 July 2017

1. EXECUTIVE SUMMARY

1.1 This report sets out the financial forecasts for 2017/18 as at 31 May 2017. The key areas to note are as follows:

i. There is a forecast overspend of £12.8m against the directorates' net general fund revenue budget. This is set out in more detail in sections five to nine of this report. This compares to a final outturn of £7m for 2016/17 which resulted after applying £2.8m of funding for 'risks and other budget pressures' against the directorates' year-end overspend of £9.8m for that year.

ii. The Dedicated Schools Grant (DSG) is expected to balance at the year end. It is expected that there will be 13 schools that require to have a licensed deficit. This is set out in more detail in section 11 of this report.

iii. The Housing Revenue Account (HRA) is currently projecting a balanced budget position. This is set out in more detail in section 12 of this report.

iv. As at 31 May 2017, some 19.3% of council tax due and 30.0% of business rates due had been collected. At this point last year, 19.1% of council tax due and 27.9% of business rates due had been collected. This is set out in more detail in section 13 of this report.

v. For the 2017/18 capital programme, the revised budget is now £116.4m, compared to the figure presented in the Budget Report 2017 of £123.5m. The budget has been amended to take into account the rolling forward of unspent budgets at the end of the last financial year and to update for known changes to grants and new projects. The changes to the 2017/18 capital programme budget are set out in appendix 1, and the updated profiling of major projects is set out in appendix 2. As at 31 May 2017, some £5.5m or 5% of the revised budget had been spent, which is below the profile figure expected if the programme is to be delivered in full. This is set out in more detail in section 14 of this report. The comparable figure to 31 May last year was 3% of the budget of £129.2m, with the final outturn being 84% of the revised budget of £84.8m.

2. PURPOSE

2.1 The purpose of this report is set out the financial forecasts for 2017/18 as at the end of May 2017, projected to the year end.

3. RECOMMENDATIONS

3.1 The Mayor is recommended to:

3.3.1 Note the current financial forecasts for the year ending 31 March 2018 and the action being taken by the Executive Directors to manage down the forecasted year-end overspend.

3.3.2 Note the revised capital programme budget, as set out in section 14 of this report, with further detail attached at appendices 1 and 2.

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 forecasts against the directorates' general fund revenue budgets are shown in Table 1 below. In summary, a forecast year end overspend of £12.8m is being reported as at the end of May 2017. At the same time last year, an overspend of some £7.7m was forecast. Members should note that for 2017/18, there is a sum of £2.1m held corporately for managing 'risks and other budget pressures' which emerge during the year. As in previous years, the Executive Director for Resources and Regeneration will give due consideration as to when it might be appropriate to apply this sum to alleviate budget pressures. This consideration will happen towards the end of the financial year, after assessing the progress that has been made to manage down the current forecast overspend.

Table 1 – Overall Directorate position for 2017/18

Directorate	Gross budgeted spend	Gross budgeted income	Net budget 2017/18	Forecast Outturn 2017/18	Variance 2017/18
	£m	£m	£m	£m	£m
Children & Young People (1)	66.7	(18.0)	48.7	55.7	7.0
Community Services	165.6	(78.6)	87.0	88.5	1.5
Customer Services (2)	100.4	(57.8)	42.6	47.2	4.6
Resources & Regeneration	73.3	(48.2)	25.1	24.8	(0.3)
Directorate Totals	**406.0**	**(202.6)**	**203.4**	**216.2**	**12.8**
Corporate Items	29.3	(0.0)	29.3	29.3	0.0
Net Revenue Budget	**435.3**	**(202.6)**	**232.7**	**245.5**	**12.8**

(1) – gross figures exclude £291m Dedicated Schools' Grant expenditure and matching grant income

(2) – gross figures exclude approximately £220m of matching income and expenditure for housing benefits.

5.2 For various reasons the financial forecasts at this early stage of the financial year are usually higher than resulting outturn. However, similar to the scale of the variances projected last year, the current overspending projections are significantly greater than those in recent earlier years. This suggests that the council continues to face budget pressures of a different order than normal.

5.3 Directorate Expenditure Panels (DEPs) and the Corporate Expenditure Panel (CEP) were in operation throughout 2016/17. Towards the end of last year, the

operation of the CEP in terms of its effectiveness was reviewed by the Chief Executive and the Executive Director for Resources and Regeneration. This concluded that the CEP would continue to remain in operation for at least the first half of the 2017/18 financial year. This will ensure that a regular corporate oversight of the council's financial spending position remains. Although the council ended last year with an overall overspend of £7m, these measures ensured that the variance was no worse. Although some of the budget pressures reported throughout the course of the last year have been alleviated with the allocation of corporate funding, a number of pressures have continued into this financial year. Therefore, close scrutiny of the financial position will again be very important.

5.4 Furthermore, delivering a large package of revenue budget savings for 2017/18 is managerially complex and challenging. There is an inherent risk that some savings will be delivered later than planned, which would results in overspends within the year. As a result, officers will continue to focus on monitoring the progress of savings being implemented.

5.5 The table below sets out the proportion of agreed revenue budget savings to be delivered during the course of the year. Any variances are included in the overall forecasts shown in the table above. It should be noted that the forecast delivery in the community services includes an estimated £3m to be achieved through application of the improved Better Care Fund (iBCF) rather than as originally planned. This is subject to formal agreement of the use of the iBCF by the Clinical Commissioning Group (CCG). The delivery against original plans is likely to be achieved in future years.

Table 2 – Forecast Savings Delivery

Directorate	Savings Agreed for 2017/18	Forecast Delivery	Variance	
	£m	£m	£m	%
Children & Young People	3.9	3.0	0.9	23%
Community Services	9.1	8.1	1.0	11%
Customer Services	4.1	2.7	1.4	34%
Resources & Regeneration	2.5	2.4	0.1	4%
Corporate	2.6	2.6	0.0	0%
Total	**22.2**	**18.8**	**3.4**	

6. CHILDREN AND YOUNG PEOPLE'S SERVICES

6.1 As at the end of May 2017, the Children and Young People's directorate is forecasting a £7m overspend. The actual year-end outturn being an overspend of £7m.

Table 3 – Children & Young People Directorate

Service Area	Gross budgeted spend	Gross budgeted income – including grants*	Net budget	Forecast Outturn 2017/18	Forecast over/ (under) spend
	£m	£m	£m	£m	£m
Children's Social Care – includes No Recourse to Public Funds	38.5	0.9	37.6	42.7	5.1
Education, Standards and Inclusion	2.6	1.5	1.1	1.1	0.0
Targeted Services and Joint Commissioning	25.6	13.6	12.0	13.9	1.9
Schools	0.0	2.0	2.0	(2.0)	0.0
Total	**66.7**	**18.0**	**48.7**	**55.7**	**7.0**

* 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 fall within the *children's social* care division which amounts to £5.1m. It is expected that this year, the *no recourse to public funds* budget will be in a balanced position by the year-end. The key issues relating to the directorate's budget pressures have been set out in the following paragraphs.

6.3 The placement budget for *looked after children* is currently forecast to overspend by £2.1m. This is based on an average of 453 looked after children for the year, There has been an increase in the number of residential placement this month of six. The forecast assumes all of the agreed revenue budget savings will be delivered in full.

6.4 There is an additional pressure on the *section 17* unrelated to no recourse to public funds of £0.8m and on salaries and wages which show a forecast overspend of £0.7m. In addition, a total investment of £0.6m has been made in the 'new front door' service which will bring costs down in the future.

6.5 The unachieved savings across the directorate amount to £1.6m, of which £0.7m relates to previous years savings. The other budget pressures in the rest of the directorate is within the partnerships and targeted services area.

6.6 The final outturn on schools' transport at end of 2016/17 was an overspend of £1.2m. In 2017/18, it is expected to be in the region of £0.7m. Members should note that there is currently a review of fleet and passenger transport services underway. The revenue budget savings from this review have been built into the forecast in full.

6.7 The education psychologists' budget has seen increased spending pressure due to the demand for Education Heath and Care Plan (EHCP), where the numbers issued has doubled this year. In addition, the short breaks budget is expected to overspend by £0.5m, although work is underway to bring this back within budget.

6.8 There has been no provision made in the accounts for the government's Troubled Families Programme. The second phase of the programme came into effect in 2015 and runs through to 2020. Part of the income depends on payments by results. In 2016/17, the target was to identify 964 families and make successful claims for 482 families. Some 976 families were identified and claims made for

376. While work continues with these families, it is now uncertain whether retrospective claims will be allowed for these families, the forecast also assumes that the all future targets will be met.

6.9 The key unit costs and activity levels within children's social care are summarised in the following table.

Table 4 – Fostering Client Numbers

Placement type	Average weekly unit costs		Client numbers
	May 2017 (£)	May 2016 (£)	May 2017
Local authority fostering	423	421	173
Agency fostering	940	911	181
Residential homes	3501	3410	44

6.10 The unit cost information set out in the table above demonstrates the importance of the directorate's strategy for shifting the balance of provision towards fostering, as well as reducing costs. A report which presents the Lewisham fostering statement of purpose is set out elsewhere on this agenda.

7. COMMUNITY SERVICES

7.1 As at the end of May 2017, the Community Services directorate is forecasting an overspend on £1.5m. At the same time last year, the year-end forecast was an overspend of £1.6m, with the actual year-end outturn being an underspend of £3.3m.

Table 5 – Community Services Directorate

Service Area	Gross budgeted expenditure	Gross budgeted income	Net budget	Forecast Outturn 2017/18	Forecast over/ (under) spend
	£m	£m	£m	£m	£m
Adult Services Division	114.3	(45.5)	68.8	69.9	1.1
Cultural and Community Development	16.4	(7.2)	9.2	9.3	0.1
Public Health	16.0	(17.6)	(1.6)	(1.6)	0
Crime Reduction & Supporting People	17.6	(8.2)	9.4	9.7	0.3
Strategy & Performance	1.3	(0.1)	1.2	1.2	0
Total	**165.6**	**78.6**	**87.0**	**88.5**	**1.5**

7.2 The *adult services* division is forecast to overspend by £1.1m. The main variances relate to placement budgets where existing pressures are compounded by the cost of new transition cases of £1.1m and by the difficulty in achieving the £4.5m savings required for 2017/18. The projections above assume that the majority of both the improved Better Care Fund (iBCF) and the Adult Social care Support Grant will be available to address pressures and reduce the need to impose savings. The projections also assume that £1m of the iBCF will be used to fund entirely new services. The plans for use of this funding are currently being developed and projections in future months will take full account if the financial effect of these plans.

7.3 The c*ultural and community services division* is forecasting an overspend of £0.1m. This pressure relates to budget for community centres. There was a review of the current facilities management arrangements for the seven buildings directly managed by the Community Resources Team in order to deliver a saving of £70k for the 2017/18 financial year. This work includes the option to outsource management functions to a third part provider with experience in either managing community facilities or to a social housing provider. Delays in the implementation of this work coupled with a loss of income of £36k from the closure of several building during 2016/17 following the implementation of voluntary sector accommodation plan *(report to Mayor & Cabinet on 11 November 2015*) have created the budget pressure.

7.4 There is a nil variance currently projected on the *public health* budget at this stage. It is expected that the complex set of savings required to balance the budget, including very significant changes to the London-wide arrangements for sexual health, will all be delivered. This area will be kept under close review during the financial year.

7.5 An overspend of £0.3m is projected on *crime reduction and supporting people*. This overspend relates to two separate budget pressures within the youth offending service. There are as follows:

7.5.1 There is a projected overspend of £25k on the budget for secure remand placements which has resulted from a combination of a reduction in government grant funding coupled with a significant upturn in the level of remand placements required by the courts over the past 12 months. It is relatively early in the financial year and this can be a volatile area of spend which is entirely dependent on the nature and severity of the offences being committed by young people within the borough and the operation of the court process.

7.5.2 Secondly, following the adverse service inspection by the Youth Justice Board, a 'new' staffing structure is being put in place to address the issues raised and to implement the HM Inspectorate of Prisons improvement plan. This is expected to create a £0.25m pressure on the core budget for the *youth offending service* in 2017/18. The service will seek to contain this, but if this remains at year end it will be funded from corporate resources and is therefore not included in the projected variance for the directorate.

7.6 The *strategy and performance* service which included the directorate management team budget is projected to spend to budget.

8. CUSTOMER SERVICES

8.1 As at the end of May 2017, the Customer Services directorate is forecasting an overspend of £4.6m. At the same time last year, the year-end forecast was an overspend of £1.6m, with the actual year-end outturn being an overspend of £1.4m.

Table 6 – Customer Services Directorate

Service Area	Gross budgeted spend	Gross budgeted income	Net budget	Forecast Outturn 2017/18	Forecast over/ (under) spend
	£m	£m	£m	£m	£m
Strategic Housing	26.0	(21.3)	4.7	4.9	0.2
Environment	35.8	(17.3)	18.5	20.9	2.4
Public Services*	33.3	(18.8)	14.5	15.5	0.8
Technology and Change	5.3	(0.4)	4.9	6.1	1.2
Total	**100.4**	**(57.8)**	**42.6**	**47.3**	**4.6**

* (excludes £210m of matching income and expenditure in respect of housing benefits.

8.2 The *strategic housing service* is projecting an overspend of £0.2m. Most areas of the service are projected to spend to budget as the once-off underspends last year totalling more than £1m are not expected to recur in 2017/18. There is a £0.2m overspend projected on the staffing budget for the *no recourse to public funds* team.

8.3 The *environment division* is forecasting an overspend of £2.4m. As at the end of May 2017, net overspends of £1m on *refuse services* and £0.3m for *strategic waste management* are projected. The projection for refuse services includes delays in implementing the move to fortnightly collections and in implementing a new service for food and garden waste collections. Additionally, it has been necessary to lease several new vehicles. There is a projected shortfall in income on the trade refuse budget and debt write offs. The strategic waste management assumes that expenditure on fly tipping continues at current levels, although it is hoped that with the initiates being developed this will reduce later in the year. Finally, there is a £0.1m pressure on the civic amenities budget.

8.4 The *passenger services* budget is projecting an overspend of £0.5m for 2017/18. A saving of £1m was originally agreed to *passenger services* budgets by Mayor & Cabinet over a two year period 2016/17 of £0.5m and 2017/18 of £0.5m. Given that these savings are yet to be delivered in full and are predicated on the successful outcome of the transport review, they have subsequently been partially reduced by growth funding of £0.5m in 2017/18. However for accounting purposes the Customer Services directorate holds no direct budget for passenger services as all costs are budgeted to be fully recharged out to the end service users (primarily Children & Young People and Community Services directorates) who are ultimate budget holders. A significant level of cost reductions are expected to be achieved by passenger services across the two year period which result in the costs recharged to these two directorates being reduced. These reduced costs will however be reflected, if not separately identified, in the user directorates projected outturn position rather than that of the Customer Services directorate.

8.5 The *green scene* budgets are projecting an overspend of £0.3m largely as a result of projected overspends on arboreal services, as a result of weather related issues and on Beckenham Place Park due to the loss of income from the golf course.

8.6 The *bereavement services* are projecting an overspend of £0.2m arising partly from higher than expected expenditure on equipment. At this stage in the financial year income is projected at 2016/17 levels, and therefore slightly below budget.

Given the volatile nature of this budget, it will be monitored closely throughout the year.

8.7 The *public services division* is forecasting an overspend of £0.8m. Some £0.3m of this is in the *revenues service*, principally in the central debtors' team and on the IMT budget for collection of council tax. There are some pressures in delivering the income target for the bailiffs' service, but this will continued to be monitored throughout the year. The gross costs of the *parking service* are £0.2m above budget and although this is likely to be substantially offset by increased income from fixed penalty notices, at this stage income has been projected to budget. The service for *housing benefits* is expected to overspend by £0.1m due to a reduction in grant received from the Department of Work and Pensions. Finally, *service point* is projected to overspend by £0.4m due to a combination of income shortfalls and need for building works in the registrars services of £0.2m and staffing overspend on the *business support* service. Business support will transfer to other directorates later in the year.

8.8 The *technology and change* division is forecasting a £1.2m overspend. Last year the service delivered budget savings of £1m primarily through introducing a new shared ICT service and reducing the cost of our infrastructure contracts. For 2017/18 the division is expected to deliver a further saving of at least £0.35m, but a reduction in the division's budget, combined with a new pressure from software licences, means that overall the division is still projecting an overspend of £1.2m. This is expected to be managed down through extending the shared service to the London Borough of Southwark, subject to Mayor & Cabinet agreement, and reducing the demand for certain services, such as printing, to bring the division back to a balanced budget in 2018/19

9. RESOURCES AND REGENERATION

9.1 As at the end of May 2017, the Resources and Regeneration directorate is forecasting an underspend of £0.3m at year-end. At the same time last year, the year-end forecast was an underspend of £0.1m, with the actual year-end outturn being an underspend of £2.4m.

Table 7 – Resources and Regeneration Directorate

Service Area	Gross budgeted spend	Gross budgeted income	Net budget	Forecast Outturn 2017/18	Forecast over/ (under) spend
	£m	£m	£m	£m	£m
Corporate Resources	5.5	(3.1)	2.4	2.4	0.0
Corporate Policy & Governance	4.3	(0.1)	4.2	3.9	(0.3)
Financial Services	4.7	(1.5)	3.2	3.2	0.0
Executive Office	0.2	0.0	0.2	0.2	0.0
Human Resources	2.7	(0.3)	2.5	2.3	(0.2)
Legal Services	3.2	(0.4)	2.8	2.8	0.0
Strategy	2.4	(0.3)	2.0	1.8	(0.2)
Planning	2.6	(1.6)	1.0	1.0	0.0
Regeneration & Place	47.8	(40.4)	7.4	7.8	0.4
Reserves	0.0	(0.6)	(0.6)	(0.6)	0.0
Total	**73.3**	**(48.2)**	**25.1**	**24.8**	**(0.3)**

9.2 The *regeneration & place* division is forecasting an overspend of £0.4m. There continues to be an underachievement of income from utilities companies against the network management budget of £0.3m. This reflects improved utility company practices and IT systems. There is also a net overspend of £0.2m forecast in relation to garages that were transferred from the Housing Revenue Account in 2015/16. Officer are making continued efforts to maximise the net rental income to fully achieve budget savings. These overspends are partly offset by underspending on supplies and services and over-achievement of income in some areas to result in the overall net forecast overspend of £0.4m.

9.3 In the *corporate policy & governance* division, there is underspending forecast on both employee costs of £0.2m and on supplies & services expenditure of £0.1m. In *human resources*, there is underspending forecast on both staffing budgets of £0.1m and on staff development and training budgets of £0.1m. The *strategy* division is forecasting an underspend of £0.2m, mainly across employee cost budgets.

9.4 There are no significant variances currently being forecast within the *corporate resources*, *financial services, legal services* or *planning* divisions.

10. CORPORATE PROVISIONS

10.1 The *corporate financial provisions* include working balances, capital expenditure charged to the revenue account (CERA), and interest on revenue balances. These provisions are not expected to overspend although, with the impact of continued reductions in service budgets, there is ever greater pressure on working balances. Certainty on their outturn only becomes clear towards the end of the financial year.

11. DEDICATED SCHOOLS' GRANT

11.1 The Dedicated Schools Grant (DSG) for 2017/18 has provisionally been set by the Department for Education at £291m, although this will change during the year to reflect updated pupil numbers. Further grants are given to schools and routed through the local authority. These include the pupil premium (£16m), post 16 funding (£6m) and the universal free school meals grant (£3m) making total funds of £316m.

Schools

11.2 There were 13 schools with deficits at the year-end 31 March 2017. It is anticipated that there will be 13 schools in deficit at the end of March 2018. These are not all the same schools as some schools expect to recover their current deficit during 2017/18, but others are projected to go into deficit.

11.3 There are two schools who have not submitted a budget plan this year, both of which are working closely with the local authority officers to develop plans. At the same stage last year, there were 20 schools who had not submitted budget plans.

11.4 Currently, officers are performing 'reasonableness' and logic checks on the information provided by schools. These checks include:

- Does the budget plan income agree with funding notification?
- Is the carry forward quoted in the budget plan reasonable?
- How do the budgets set compare to the previous year's expenditure?
- Are pupil numbers predictions realistic?

11.5 The central side of the DSG is expected to end the year in balanced budget position.

12. HOUSING REVENUE ACCOUNT

12.1 The table below sets out the current budget for the Housing Revenue Account (HRA) in 2017/18. At this relatively early stage of the new financial year, no variation is being reported.

Table 8 – Housing Revenue Account

Service Area	Expenditure Budget	Income Budget	2017/18 budget	Forecast over/ (under) spend
	£m	£m	£m	£m
Customer Services – Housing	12.5	(3.5)	9.0	0
Lewisham Homes & R&M	36.9	0	36.9	0
Resources	2.1	0	2.1	0
Centrally Managed Budgets	47.8	(95.8)	(48.0)	0
Total	**99.3**	**(99.3)**	**0**	**0**

13. COLLECTION FUND

13.1 As at 31 May 2017, £24.5m of council tax had been collected. This represents 19.3% of the total amount due for the year of £127.5m. This is marginally above the profiled collection rate of 19.2% if the overall target for the year of 96% is to be met. At the same time last year, the collection rate to date was 19.1%, which is 0.2% lower than this year.

13.2 Business rates collection is at 30.0%, an increase of 2.1% compared to the same period last year, and 3.7% higher than the profiled collection rate if the overall target rate for the year of 99% is to be achieved.

14. CAPITAL EXPENDITURE

14.1 The overall spend to 31 May 2017 is £5.5m. This represents 5% of the revised budget of £116.4m. At this point last year, 3% of the budget of £129.2m had been spent, with the final outturn being 84% of the revised budget of £84.8m

14.2 The 2017/18 capital programme budget, and the capital programme budget for future years has been updated and is proposed for agreement by Mayor & Cabinet. The changes to the 2017/18 budget are set out in appendix 1 and the revised four year capital programme budget is summarised in appendix 2.

Table 9 – Capital Programme spend to date

2017/18 Capital Programme	Budget Report (February 2017)	Revised Budget	Spend to 31 May 2017	Spent to Date (Revised Budget)
	£m	£m	£m	%
Community Services	0.0	0.5	0.1	10%
Resources & Regeneration	11.6	16.3	1.2	7%
CYP	20.6	23.8	0.8	3%
Customer Services	1.7	1.4	0.0	0%
Housing (General Fund)	11.6	16.1	1.1	7%
Total General Fund	**45.5**	**58.1**	**3.2**	**5%**
Housing Matters Programme	40.8	31.3	0.5	2%
Decent Homes Programme	36.4	25.0	1.8	7%
Other HRA capital	0.8	2.0	0.0	0%
Total HRA	**78.0**	**58.3**	**2.3**	**4%**
Total Expenditure	**123.5**	**116.4**	**5.5**	**5%**

14.3 The table below shows the current position on the major projects in the 2017/18 general fund capital programme (i.e. those over £1m in 2017/18).

Table 10 – Major Capital Projects

2017/18 Capital Programme	Budget Report (February 2017)	Revised Budget	Spend to 31 May 2017	Spent to Date (Revised Budget)
	£m	£m	£m	%
Housing Regeneration Schemes (Kender, Excalibur, Heathside and Lethbridge)	6.1	8.2	0.3	4%
School Places Programme	14.4	15.2	0.5	3%
Other Schools Capital Works	6.2	7.7	0.2	3%
Disabled Facilities / Private Sector Grants	1.3	2.4	0.2	8%
Highways and Bridges (TfL)	0.0	2.8	0.2	7%
Catford town centre	4.0	2.4	0.3	13%
Asset Management Programme	3.9	4.0	0.1	3%
Highways and Bridges (LBL)	4.0	4.3	0.7	16%
Travellers Site Relocation	1.1	1.1	0.0	0%
Acquisition – Hostels Programme	0.0	1.3	0.0	0%
Grove Park Street Improvements	1.1	1.2	0.0	0%
Total Major Projects	**42.1**	**50.6**	**2.5**	**5%**
Other Projects	3.4	7.5	0.7	9%
Total Projects – General Fund	**45.5**	**58.1**	**3.2**	**5%**

14.4 The main sources of financing the capital programme are grants and contributions and capital receipts from the sale of property assets. Some £0.6m of usable receipts have been received so far this year.

15. FINANCIAL IMPLICATIONS

15.1 This report concerns the financial forecasts for the 2017/18 financial year. However, there are no direct financial implications in noting these.

16. LEGAL IMPLICATIONS

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

17. CRIME AND DISORDER ACT IMPLICATIONS

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

18. EQUALITIES AND ENVIRONMENTAL IMPLICATIONS

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

19. CONCLUSION

19.1 The council will continue to apply sound financial controls throughout the duration of the financial year. However, the short and medium term outlook remains difficult and the continued strong management and fiscal discipline will be required to enable the council to meet its financial targets for 2017/18 and beyond.

BACKGROUND PAPERS AND APPENDICES

Short Title of Report	Date	Location	Contact
Financial Outturn for 2016/17	7th June 2017 (M&C)	5th Floor Laurence House	Selwyn Thompson
2017/18 Budget	22nd February 2017 (Council)	5th Floor Laurence House	David Austin

For further information on this report, please contact:

Selwyn Thompson, Head of Financial Services on 020 8314 6932

APPENDIX 1

PROPOSED 17/18 CAPITAL PROGRAMME (APPROVED TO LATEST BUDGET

	Total	Total
	£'000	£'000
APPROVED CAPITAL PROGRAMME BUDGET		
Full Council – 22 February 2017		**123,580**
Underspends carried(forward from 2016/17		5,524
New Schemes		
Park Tennis courts refurbishment	410	
Adult Learning Lewisham – developing invitational centres	185	
2017 Early Years capital funding	274	
PLACE Deptford	1,105	1,974
Approved variations on existing schemes		
Additional Funding		
Disabled facilities grant	447	
Day Services re(modelling and Community Hub development	19	
Education catering investment	250	
TfL Highways Programme	2,807	3,523
Re(Phasing Budgets		
General Fund	1,454	
Housing Revenue Account	(19,622	(18,168
Revised Capital Programme Budget 2017/18		**116,433**

APPENDIX 2

Major Projects over £2m	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m
GENERAL FUND					
ICT (Tech Refresh	0.8	0.5	0.5	0.5	2.3
School Places Programme	15.2	14.2			29.4
Schools (Minor Works Programme	3.5				3.5
Schools (Other Capital Works	4.2				4.2
Highways & Bridges (TfL	2.8				2.8
Highways & Bridges (LBL	4.3	3.5	3.5	3.5	14.8
Catford town centre regeneration	2.4	5.0	0.0	0.0	7.4
Asset Management Programme	4.0	3.9	2.5	2.5	12.9
Kender and Excalibur Regeneration	2.7				2.7
Heathside & Lethbridge Regeneration	5.5	1.1			6.6
Lewisham Homes – Property Acquisition			6.0		6.0
Disabled Facilities Grant	1.2	0.7	0.7	0.7	3.3
Private Sector Grants and Loans	1.2	0.6	0.6	0.6	3.0
Other Schemes	10.3	0.9	0.2	0.2	11.6
	58.0	**30.3**	**14.0**	**8.0**	**110.4**
HOUSING REVENUE ACCOUNT					
Aids and Adaptations	0.4	0.4	0.5	0.5	1.8
Hostels Programme	1.6	0.4	0.4	0.4	2.8
Housing Matters Programme	31.3	66.7	23.7	1.9	123.6
Decent Homes Programme	25.0	36.2	38.1	53.1	152.4
	58.3	**103.8**	**62.7**	**55.9**	**280.6**
TOTAL PROGRAMME	**116.4**	**134.1**	**76.7**	**63.9**	**391.1**