



# PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE

**MONDAY 16 NOVEMBER 2009  
7.30 PM**

**SUB-COMMITTEE AGENDA (SCRUTINY)**

**COMMITTEE ROOMS 1 & 2,  
HARROW CIVIC CENTRE**

**MEMBERSHIP (Quorum 3)**

**Chairman: Councillor Mark Versallion**

**Councillors:**

**Ashok Kulkarni  
Janet Mote  
Anthony Seymour  
Dinesh Solanki  
Yogesh Teli**

**Ms Nana Asante  
B E Gate (VC)  
Phillip O'Dell  
Mrs Rekha Shah**

**Christopher Noyce**

**Reserve Members:**

1. John Cowan
2. Manji Kara
3. Jeremy Zeid
4. Mrs Vina Mithani
5. Stanley Sheinwald
6. Julia Merison

1. Mitzi Green
2. Mrs Margaret Davine
3. Thaya Idaikkadar
4. Keeki Thammaiah

1. Paul Scott

**Issued by the Democratic Services Section,  
Legal and Governance Services Department**

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**HARROW COUNCIL**

**PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE**

**MONDAY 16 NOVEMBER 2009**

**AGENDA - PART I**

1. **Attendance by Reserve Members:**

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) the meeting notes at the start of the meeting at the item 'Reserves' that the Reserve Member is or will be attending as a reserve;
- (iv) if a Reserve Member whose intention to attend has been noted arrives after the commencement of the meeting, then that Reserve Member can only act as a Member from the start of the next item of business on the agenda after his/her arrival.

2. **Declarations of Interest:**

To receive declarations of personal or prejudicial interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Committee, Sub Committee, Panel or Forum;
- (b) all other Members present in any part of the room or chamber.

3. **Minutes:** (Pages 1 - 6)

That the minutes of the meeting held on 20 July 2009 be taken as read and signed as a correct record.

4. **Public Questions:**

To receive questions (if any) from local residents/organisations under the provisions of Overview and Scrutiny Procedure Rule 8.

5. **Petitions:**

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Overview and Scrutiny Procedure Rule 9.

6. **Deputations:**

To receive deputations (if any) under the provisions of Overview and Scrutiny Procedure Rule 10.

7. **References from Council and Other Committees/Panels:**

To receive any references from Council and/or other Committees or Panels.

8. **Integrated Planning 2010/11 to 2012/13:** (Pages 7 - 20)

Report of the Corporate Director Finance.

9. **Revenue and Capital Monitoring 2009/10:** (Pages 21 - 54)  
Report of the Corporate Director Finance.
10. **Use of Resources Improvement Plan:** (Pages 55 - 60)  
Report of the Divisional Director Partnership Development and Performance.
11. **Scrutiny Review of the Voluntary Sector - Six Month Update:** (Pages 61 - 66)  
Corporate Director Community and Environment.
12. **Any Other Business:**  
Which the Chairman has decided is urgent and cannot otherwise be dealt with.

**AGENDA - PART II - NIL**

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**PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE**

**20 JULY 2009**

Chairman: \* Councillor Mark Versallion

Councillors: \* Mrs Margaret Davine (2)  
\* B E Gate  
\* Ashok Kulkarni  
\* Janet Mote  
\* Christopher Noyce

\* Phillip O'Dell  
\* Anthony Seymour  
\* Mrs Rekha Shah  
\* Dinesh Solanki  
\* Yogesh Teli

\* Denotes Member present

(2) Denotes category of Reserve Member

[Note: The Portfolio Holder for Performance, Communication and Corporate Services also attended this meeting to speak on the item indicated at Minute 132 below.

The Portfolio Holder for Adults and Housing also attended this meeting to speak on the items indicated at Minutes 132, 133, 134 and 135 below].

**PART I - RECOMMENDATIONS - NIL**

**PART II - MINUTES**

123. **Appointment of Chairman:**

**RESOLVED:** To note the appointment (of Councillor Mark Versallion) at the special meeting of the Overview and Scrutiny Committee on 11 May 2009 under the provisions of Overview and Scrutiny Procedure Rule 11.2 as Chairman of the Sub Committee for the Municipal Year 2009/2010.

124. **Attendance by Reserve Members:**

**RESOLVED:** To note the attendance at this meeting of the following duly appointed Reserve Member:-

Ordinary Member

Reserve Member

Councillor Ms Nana Asante

Councillor Mrs Margaret Davine

125. **Declarations of Interest:**

**RESOLVED:** To note that the following interests were declared:

Agenda Item 11 – Scrutiny Review of Obesity – Eighteen Month Update

Councillor B E Gate declared a personal interest in that his wife worked in a General Practice and his daughter occasionally worked in another. He would remain in the room to take part in the discussion and decision relating to this item.

Councillor Janet Mote declared a personal interest in that her daughter was a paediatric nurse. She would remain in the room to take part in the discussion and decision relating to this item.

Councillor Mark Versallion declared a personal interest in that he was a non-executive board Director of the North West London NHS Hospitals Trust. He would remain in the room to take part in the discussion and decision relating to this item.

Agenda Item 12 – Progress Update – Lean Housing Responsive Repairs Project

Councillor Yogesh Teli declared a personal interest in that he was Assistant (Support Member) to the Portfolio Holder for Adults and Housing. He would remain in the room to take part in the discussion and decision relating to this item.

Councillor Dinesh Solanki declared a personal interest in that, from September 2009, he would be Assistant (Support Member) to the Portfolio Holder for Adults and Housing. He would remain in the room to take part in the discussion and decision relating to this item.

Councillor Barry Macleod-Cullinane declared a prejudicial interest in that as the Adults and Housing Portfolio Holder and a Member of the Executive, he had been involved in decisions relating to this matter. Under the provisions set out under the Code of

Conduct for paragraph 12.1 (2) (Part 5A of the Council's Constitution), and at the Chairman's invitation, he would remain in the room for the purposes of making representations, answering questions or giving evidence relating to the business.

Councillor Paul Osborn declared a prejudicial interest in that he was the Performance, Communication and Corporate Services Portfolio Holder and a Member of the Executive, he had been involved in decisions relating to this matter. Under the provisions set out under the Code of Conduct for paragraph 12.1 (2) (Part 5A of the Council's Constitution), and at the Chairman's invitation, he would remain in the room for the purposes of making representations, answering questions or giving evidence relating to the business..

Agenda Items 13/14/15: Decent Homes/Right to Manage/Housing Revenue Account  
Councillor Yogesh Teli declared a personal interest in that he was Assistant (Support Member) to the Portfolio Holder for Adults and Housing. He would remain in the room to take part in the discussions and decisions relating to these items.

Councillor Dinesh Solanki declared a personal interest in that, from September 2009, he would be Assistant (Support Member) to the Portfolio Holder for Adults and Housing. He would remain in the room to take part in the discussion and decision relating to this item.

Councillor Barry Macleod-Cullinane declared a prejudicial interest in that as the Adults and Housing Portfolio Holder and a Member of the Executive, he had been involved in decisions relating to this matter. Under the provisions set out under the Code of Conduct for paragraph 12.1 (2) (Part 5A of the Council's Constitution), and at the Chairman's invitation, he would remain in the room for the purposes of making representations, answering questions or giving evidence relating to the business.

126. **Appointment of Vice-Chairman:**

**RESOLVED:** To appoint Councillor B E Gate as Vice-Chairman of the Sub-Committee for the 2009/2010 Municipal Year.

127. **Minutes:**

**RESOLVED:** That the minutes of the meeting held on 31 March 2009 be taken as read and signed as a correct record.

128. **Public Questions, Petitions and Deputations:**

**RESOLVED:** To note that no public questions, petitions or deputations were put at the meeting under the provisions of Overview and Scrutiny Procedure Rules 8, 9 and 10 (Part 4F of the Constitution) respectively.

129. **References from Council and Other Committees/Panels:**

**RESOLVED:** To note that there were no references from Council or other Committees.

130. **Chairman's Report:**

In accordance with the Local Government (Access to Information) Act 1985, this item was admitted late to the agenda in order that the Sub-Committee could agree any actions arising for implementation. The report had not been available at the time the agenda was dispatched and circulated due to the proximity of the Chairman's Briefing to the meeting.

The Chairman introduced a report, which set out issues considered by him since the last meeting of the Sub-Committee.

A Member suggested that, in relation to the proportion of gas servicing certificates outstanding, as identified in the Improvement Board Housing Scorecard, Kier be encouraged to address the problem. The Chairman replied that the issue could be included in the next quarterly review if it remained unresolved.

**RESOLVED:** That (1) the report be endorsed;

(2) the following issues be examined when the 2009-10 Q1 scorecards become available:

- Improved street and environmental cleanliness – litter, detritus and graffiti

- Average time in B&B (weeks)
- Tenants with more than 7 weeks rent arrears (as a percentage of total number of tenants)
- Provision of Gas Servicing Certificates outstanding
- Reviews for clients 18+ as a percentage of total service users
- Percentage in residential accommodation.

(3) the Chairman submit a summary of Harrow-wide performance issues, as identified through the Chairman's meetings and the performance and Finance Scrutiny Sub-Committee, to the next available meeting of the Overview and Scrutiny Committee.

131. **Scrutiny Review of Obesity - Eighteen Month Update:**

In accordance with the Local Government (Access to Information) Act 1985, this item was admitted late to the agenda in order that the Sub-Committee could consider the update provided. The report had not been available at the time the agenda was dispatched and circulated due to the need to compile a large number of contributions from different directorates and external partners.

The Sub-Committee considered a joint report of various Council Directorates and the Harrow Primary Care Trust, which provided an update on progress with implementing the recommendations of the scrutiny review of obesity, completed in January 2008.

The location of vending machines in council buildings was queried. There was concern that the Council's aim to encourage healthy eating options was not being adequately promoted, and the installation of machines dispensing chocolate and crisps went against the answers given by the Leader of the Council's and the Chief Executive's assurance that such machines would not be installed. It was noted that where the machines were located there was always a healthy option available. Members also acknowledged that adults had the ability to make informed choices regarding what they ate.

A Member commented that the development of the obesity strategy had been planned before the scrutiny review of obesity began and expressed concern that there had not been a published account of overall developments. It was stated that the latest indication from the Harrow Primary Care Trust was that the obesity strategy would be delivered over three years, but that the latest version of the strategy had not yet been reported to a scrutiny committee. It was noted that, as it was a joint venture, a proactive approach was required by all relevant parties.

A Member commented that the Council-run Men's Health Week was well organised and he would enquire if there were plans to repeat the event. Another Member added that it appeared that men were less likely to approach their doctors for check-ups, which might identify cancer in its early stages. The Chairman stated that the issue of communicating the importance for men to attend check-ups would remain on the agenda until everybody was satisfied that sufficient gains had been made.

A Member suggested that the obesity strategy might benefit from a visible conclusion, one where an evaluation could be made as to whether the process had been successful or not, thereby providing a platform for further recommendations. It was noted that, due to the multi-disciplinary approach it might appear that the obesity strategy was unfocused. The Vice-Chairman added that, as the obesity strategy would be wrapped up in 2010, it would be advisable that a report on the progress of the obesity strategy be presented to the next Sub-Committee after the May 2010 Local Government elections.

**RESOLVED:** That the report be noted.

(See also Minute 125).

132. **Progress Update - Lean Housing Responsive Repairs Project:**

The Corporate Director of Adults and Housing introduced a report, which provided the background and an introduction to the processes involved in a Lean Project and the decision to engage with a number of Directorates to commence a pilot review of the Housing Responsive Repairs service. The report set out areas where there was significant potential for improving the service, in addition to an outline of the progress made to date.

The Corporate Director informed the Sub-Committee that, as part of the Council's service improvement drive, a Lean Thinking Pilot Project had been commissioned with the aim of training the team to be able to identify and establish new approaches to service improvement and efficiency as well as capacity building across the Housing Responsive Repairs service. He added that there were two factors driving this Project: (i) significant budget pressures on the repairs service (ii) the results of the tenants' satisfaction survey, highlight the poor quality of repairs.

The Lean Thinking Pilot Project was also concerned with analysing, in a methodical and sensible manner, the complex relationship between the Council, its contractors and its stakeholders. An internal perspective would be eschewed in favour of the tenants' points of view, which it was hoped would better highlight what was working effectively and what was not working. The project consisted of four stages, of which two were currently underway:

- Mobilisation phase: providing an overall view of the Housing Response Repairs system;
- Analysis phase: taking a more detailed view by bringing together front line staff and managers to analyse the nature of demand, capacity, flow and waste across all aspects of the Housing Response Repairs system.

The Corporate Director of Adults and Housing added that three problems had been identified:

- the financial control process: this was a large area with over 50% of orders requiring variance (where Kier had to report back when work was perceived to cost more than initially advertised). Variances had been highlighted as an issue which caused delays;
- parts availability: Kier did not hold spare parts locally which could lead to further delays;
- workman quality and recalls: the team had identified that variable work quality and the need for customers to request a recall to a property to address problems was responsible for 15% of waste in the system.

Implementation would be the third phase of the Project, which would look to review and address the financial control process by early October 2009, with the following two areas addressed one after the other.

The Portfolio Holder for Adults and Housing commented that if the Project was a success it could be used as a toolkit which could be rolled out across the Council in an effort to aid the Transformation Project.

In response to questions it was confirmed that:

- the Lean Thinking Pilot Project was a radical concept which aimed to view the responsive repairs service from the tenants' perspective;
- removing the variances would help drive down costs, with inspectors freed up to inspect jobs and improve quality and operators able to undertake a greater proportion of jobs at first visit;
- approximately 2,000 repairs out of the 15,000 completed a year would be affected by the variation;
- Kier had acknowledged that availability of parts was a failing area. The project would help identify key parts that ought to be stocked;
- presently, parts for repairs were largely ordered and purchased on an 'as-and-when-needed' basis;
- Kier were looking into the possibility of sharing stock with their contracts in other local authorities;
- repairs were classified on a priority basis. A review of the classifications had been suggested in an effort to reduce delays and improve the workflow;



- the Housing Revenue Account (HRA) negative subsidy and the budgetary constraints on Harrow Council resulted in a large proportion of time and effort being focused on what was a relatively small service area;
- the Council was not interested in outsourcing the management of properties. It felt that a close relationship between the authority and its tenants was extremely important;
- it was felt that tenants had high expectations of the quality of repairs;
- repair work needed to be completed where possible in the first instance;
- the Project had identified that overly bureaucratic processes linked to financial control, were keeping surveyors in the office and not on-site;
- the focus of the project would be more on the customer and less on the structure of the responsive repairs service. However, structural issues would be addressed should any potential gains be identified;
- for the vast majority of repairs, a pre-tendered schedule of rates was applied, which broke down the cost of the job;
- to respond quicker to repairs, contractors with appropriate tools aimed to attend properties during the first visit. It was felt that significant delays and additional cost would occur if an inspection by a surveyor were to take place first on all occasions;
- all feedback from customers was of value. An effort would be made to improve the quality and methods of collecting information;
- a challenge panel would be established before the end of the calendar year. The Chairman and Vice-Chairman would meet with officers to draft the scope of the challenge panel. This would then be distributed to the scrutiny volunteers.

**RESOLVED:** That (1) the report be noted;

(2) a challenge panel would be established before the end of the calendar year. The Chairman and Vice-Chairman would meet with officers to draft the scope of the challenge panel. This would then be distributed to the scrutiny volunteers.

(See also Minute 125).

133. **Decent Homes:**

The Corporate Director of Adults and Housing introduced a report, which provided an update on the 2009-2011 decent homes project. A Stock Condition Survey (SCS) had been completed at the end of April 2009 and an analysis of information was continuing with the aim of developing the most cost effective programmes of work to deliver the decent homes target by December 2010. An additional investment of £4.5 million had been allocated to the project in order to bring the stock to the required level.

In response to questions, officers confirmed that:

- further work would be undertaken to merge the known completed works into the cloned SCS data to ensure that it provided the most accurate possible reflection of the condition of the stock;
- there was a distinction between the Harrow standard of decent homes and that of the government. It was regarded that the Harrow standard was of a higher quality;
- the quality of the data held on stock in 2008 was not satisfactory. Improvements had been made for 2009;
- the Mill Farm estate might be bought by the Housing Association. Therefore, the report provided an approximate view of the current condition of the project.

**RESOLVED:** That the report be noted.

(See also Minute 125).

134. **Right to Manage:**

The Corporate Director of Adults and Housing reported orally on the status of the Right to Manage project. In response to scrutiny's recommendation to improve communications with tenants involved in the project, a number of points were clarified:

- the project was not officer-led, with legislation placing the onus on tenants to take responsibility for the management of their involvement;
- there was no evidence from tenants that they believed the project would be beneficial;
- officers felt that if tenants did not wish to be involved in the project then there was little need for promoting it;
- there had been complaints from many tenants' associations regarding First Call, the organisation handling the Right to Manage project. Residents had also expressed concerns about the overall aims of the project;
- the Council could communicate the option of Right to Manage to tenants' associations on a yearly basis in order to keep the dialogue open without placing them under any undue pressure.

**RESOLVED:** That the report be noted.

(See also Minute 125).

135. **Housing Revenue Account:**

The Portfolio Holder for Adults and Housing reported orally on the Housing Revenue Account (HRA). Overall the HRA had seen improvements, with the number of repairs, void properties and costs being reduced. Financial control had been tightened compared to 2008 and it was anticipated that a balanced budget would be delivered at the end of the next fiscal year.

The HRA negative subsidy accounted for the loss of approximately £6.5 million from the budget, with the amount being paid to other authorities in England. Although the government was looking to abolish the HRA Negative Subsidy, such proposals had been put forward before with no action taken. If changes were made to the primary legislation and the HRA Negative Subsidy was abolished, it was expected that Harrow Council would not see any effect until the 2011/12 financial year. Such a change would, however, allow new options for the investment of capital.

The Portfolio Holder for Adults and Housing concluded that evidence from a 'light-touch' challenge panel could be used as the basis for submission to government, and that cross-party lobbying was needed to give a clear indication that a change to the HRA Negative Subsidy was greatly desired.

**RESOLVED:** That (1) the report be noted;

(2) the Overview and Scrutiny Committee consider undertaking a challenge panel on the HRA negative subsidy issues, to feed into the Council's overall lobbying position around loss of monies in HRA.

(Note: The meeting having commenced at 7.32 pm, closed at 9.57 pm)

(Signed) COUNCILLOR MARK VERSALLION  
Chairman



Meeting:	Performance and Finance Scrutiny Sub-Committee
Date:	16 November 2009
Subject:	Integrated Planning 2010-11 to 2012-13
Key Decision:	No
Responsible Officer:	Myfanwy Barrett Corporate Director of Finance
Portfolio Holder:	David Ashton Leader and Portfolio Holder for Strategy, Partnership and Finance
Exempt:	No
Enclosures:	Appendix 1 – Budget Summary Appendix 2 – Technical Assumptions Appendix 3 – Capital Programme planning totals Appendix 4 – Supporting information template

## Section 1 – Summary and Recommendations

This report provides the Performance and Finance Scrutiny Sub-Committee with an update on integrated planning for 2010-11 to 2012-13.

### **Recommendations:**

To note the report submitted to Cabinet on 22 October 2009.

## Section 2 – Report

### Introductory paragraph

1. The Council has adopted an integrated planning framework to ensure that the corporate plan and medium term financial strategy (MTFS) are developed in tandem.
2. Cabinet approved the Year Ahead Statement in July, including draft corporate priorities as follows:
  - Delivering cleaner and safer streets
  - Improving support for vulnerable people
  - Build stronger communities
3. Consultation will be carried out on these priorities via the resident's panel during October. The results of this consultation will be reported back to Cabinet in December with the draft Corporate Plan.

### Options considered

4. The development of the corporate plan and MTFS is an iterative process which takes place over 6-9 months every year. During this process numerous options and factors are discussed at the Corporate Strategy Board and with Cabinet members. The remainder of this report deals with the latest position on the MTFS.

### Financial Context and Economic Climate

5. The development of the medium term financial plan is increasingly challenging because:
  - Harrow is already a relatively low spending council
  - Large parts of the budget are outside the Council's control
  - Considerable savings have been made in previous years (£45m in the last 4 years) and this makes it increasingly difficult to identify new areas for efficiencies and reductions
  - The demand for services and expectations from central government are growing all the time

- The outlook for the next local government settlement is poor (cash reductions are a real possibility)
  - Reserves have improved, but are still lower than desired
  - The recession continues to put added pressure on the Council's finance and services
6. For local authorities, the recessionary climate presents a number of questions and challenges relating to the revenue budget including:
- How much to provide for the pay award?
  - How much to provide for general inflation (note that CPI was 1.6% in August but RPI was -1.3%).
  - To what extent to provide additional inflation for particular goods or services such as fuel and fares
  - What to assume about income streams which are affected by the economy such as land charges?
  - How to budget for services where demand will affect the economic position such as homelessness
7. Furthermore, the economic slow down means that assumptions about capital receipts (ie proceeds from the sale of land and property) will have to be revised downwards and this in turn impacts on the amount of borrowing the council will require to support capital expenditure and increases capital financing costs.

#### Council Tax Strategy

8. The council will endeavour to hold any increase below inflation (CPI is currently 1.6%), and less, if circumstances permit. The working assumption at this stage is that Council tax will rise by 3% each year. The administration is committed to stabilising council tax over the medium term. The administration is also committed to producing prudent and achievable budgets and therefore must be mindful of the financial context outlined above, in particular the added pressure due to the economy..

#### Central Government Funding

9. The current local government settlement covers a 3 year period from 2008-09 to 2010-11. The grant increase for Harrow will be 1.5% in 2010-11. The next spending review will not take place until after the General Election, causing considerable uncertainty about future grant levels. To be prudent the MTFS assumes a cash reduction of 3% a year on general grant and area based grant from 2011-12 to 2013-14. In real terms this is a reduction of around 5%.

#### Current position – funding gaps

10. The draft MTFS is attached at Appendix 1. The current funding gaps are £9.0m in 2010-11, £13.9m in 2011-12, £16.0m in 2012-13. These figures include:
- Prudent amounts for technical issues (explained more fully below)
  - Inflation
  - Unavoidable growth pressures

- Additional investment of £2m a year
- The draft efficiency programme

11. The table below analyses the changes in the funding gaps since the current MTFS was approved in February:

	2010-11 £m	2011-12 £m	2012-13 £m
Budget approved in February 2009	8.9	7.1	
Roll forward to 2012-13			11.8
Capital Financing Costs		1.0	
Technical Changes	0.6	1.5	
Unavoidable Growth	0.3	0.5	
Street Lighting PFI scheme not proceeding	-0.8	-0.3	
Pension fund valuation		1.8	2.0
Outlook for next spending review		2.3	2.2
Current funding gaps	9.0	13.9	16.0

#### Roll Forward to 2012-13

12. The budget has been rolled forward to include 2012-13. The figure of £11.8m includes inflation, technical issues (such as contributions to reserves and provisions and capital financing costs), and unavoidable growth pressures. It also includes a figure of £2m for investment in priorities and an assumed council tax increase of 3%.

#### Technical Changes

13. The technical assumptions behind the budget have been updated, but more work is required to refine them over the coming months. The current position is explained in Appendix 2.

14. It should be noted that there is a significant risk, of up to £1.6m, in relation to concessionary fares in 2010-11 as it has been suggested that the settlement may be revisited by Central Government and this could severely adversely affect London boroughs.

#### Growth pressures

15. The draft MTFS includes unavoidable growth pressures, most notably in relation to:

- Demand for social care in Adults and Children's services
- Waste management and disposal

16. These pressures account for around £3m in 2010-11. The figures have been increased slightly to allow for new developments such as carbon trading.

#### PFI Scheme

17. The Street Lighting PFI will not go ahead at this time due to the cost.

## Investment Pot

18. At this stage the MTFs includes £2m to invest in priorities. Given the scale of the funding gaps at present, there is no guarantee that this level of investment will be possible.
19. Further work is required to determine how this should be applied and the views of residents will be taken into account. The final decision will be consistent with the final priorities and the desire to improve customer service.

## Efficiency Programme

20. The Council has a comprehensive efficiency programme drawing on:

- Business Transformation Partnership
- Service Reviews
- Service transformation in Adults
- Property Review
- Revenue Income Optimisation
- Directorate proposals
- West London and pan-London initiatives

21. The draft efficiency programme totals £2m in 2010-11. However, it should be noted that Directorates are currently developing more detailed efficiency programmes. This process is being managed through the Service Efficiency Board.

## Outturn for 2008-09 and budget monitoring for 2009-10

22. The Council underspent in 2008-09 and the budget monitoring report for period 5 (elsewhere on this agenda) shows a small continuing underspend.
23. The ongoing impact of this position will be factored into the draft MTFs and the situation will be kept under review. The main issue is the current and significant pressure in Children's Services which may have ongoing implications.

## Strategy for Closing Funding Gaps

24. As outlined above, the budget round is very pressured due to the funding outlook and economic climate.

25. In order to close the remaining funding gap, officers will:

- Continue to review and refine the technical assumptions
- Continue to monitor the economic situation and refine the assumptions
- Review the capacity for new investment and agree with Cabinet members priorities for any funding that is available
- Further develop the efficiency programme with a view to increasing significantly the value of the programme across the three year period
- Review the need for growth with a view to reducing the provision

## Reserves

26. The Council agreed the following reserves policy in December 2008:

**The Council intends to add £0.5m to reserves and provisions each year until such time as general balances exceed £5m.**

27. Reserves are forecast to reach at least £6.3m by the end of 2009-10.

28. The draft MTFS is based on the assumption that the contribution of £0.5m will continue in each of the 3 years. Subject to actual spending, this would result in general balances of £7m by the end of 2012-13. This policy will be reviewed as part of the budget process.

## GLA Precept

29. Appendix 1 excludes the GLA precept which is currently £309.82 for a band D property.

## Housing Revenue Account

30. The draft Housing Revenue Account for 2010-11 to 2012-13 will be presented to cabinet in December.

## Schools Budgets

31. The schools budget will be considered by the Schools Forum in January 2010. The total of Dedicated Schools Grant for 2010-11 will depend on the January 2010 pupil count. The DCSF has confirmed the per pupil funding for 2010-11 as £4,862 (a 4.1% increase on 2009-10).

## Capital Programme

32. The capital programme is being developed alongside the revenue budget. To aid the process, some recommended planning totals are set out in Appendix 3 for approval. The planning totals are net of external grants.

33. In addition, the appendix shows the anticipated funding through capital receipts, and supported and unsupported borrowing.

## Process and Supporting Information

34. During the next two months more detailed work will take place to develop the corporate plan, Directorate service plans and the MTFS. Each entry in the MTFS will be supported by an assessment (see template attached at Appendix 4) which incorporates an equalities impact assessment.

35. The supporting assessments will be reviewed at the challenge panel meetings in late October/early November.

36. The draft corporate plan and a more detailed report on the draft revenue budget and capital programme will be presented to Cabinet in December, with final versions presented in February for consideration by Cabinet and approval by full Council.



## Appendices

37. Appendices are attached as follows:

No	Appendix	Page
1	Budget Summary	9
2	Technical Assumptions	10
3	Capital Programme – planning totals	12
4	Supporting Information - template	13

## **Financial Implications**

38. Financial matters are integral to this report.

## **Performance Issues**

39. There are no direct performance implications arising from this report. However, the Council's decisions on how to close the funding gap may have an impact upon performance. This will be outlined to the Challenge Panels in October/November to ensure the impact of any savings/efficiencies are fully set out. Detailed performance measures for each service will be built into the Service Improvement Plans for 2010-11 to 2012-13 and progress will be monitored by Improvement Boards and reported to Cabinet on a quarterly basis. The successful execution of the Council's integrated planning process, will support the Council's Use of Resources score. This is outlined in the Council's Use of Resources Improvement Plan.

## **Environmental Implications**

40. As part of the budget process, the resources required to deliver the Council's climate change strategy will be considered with other priorities.

## **Risk Management Implications**

41. As part of the budget process, the budget risk register will be reviewed and updated. This helps to test the robustness of the budget and inform the reserves policy.

42. As noted earlier in the report, the two key risks at this stage, over and above the funding gaps shown, relate to concessionary fares and Children's Services.

## **Section 3 - Statutory Officer Clearance**

Name: ... Steve Tingle ...  For Chief Financial Officer

Date: ... 1 October 2009..

Name: ... Matthew Adams  For Monitoring Officer

Date: ... 1 October 2009..

## Section 4 – Performance Officer Clearance

Name: ..... Alex Dewsnap ....  Divisional Director  
Partnership Development  
and Performance

Date: ... 1 October 2009....

## Section 5 – Environmental Impact Officer Clearance

Name: ..... John Edwards ....  Divisional Director  
(Environmental  
Services)

Date: ..... 30 September 2009.....

## Section 6 - Contact Details and Background Papers

Contact: Myfanwy Barrett, 020 8420 9269

Background Papers: Revenue Budget and Capital Programme reports to Cabinet in February 2009

## Appendix 1

### MEDIUM TERM FINANCIAL STRATEGY 2010-11 to 2012-13

	2009-10 Budget £m	2010-11 Budget £m	2011-12 Budget £m	2012-13 Budget £m
<b>Budget Requirement Brought Forward</b>		<b>168.839</b>	<b>172.852</b>	<b>173.905</b>
Capital Financing Costs		3.000	3.000	3.000
Technical changes		2.350	2.000	2.000
Inflation		4.400	5.000	5.000
Pension Contributions		0.250	2.000	2.000
Investment in priority areas		2.000	2.000	2.000
Unavoidable Growth		3.250	3.003	3.270
Efficiency Programme		-2.187	-2.030	0.000
<b>FUNDING GAP</b>		<b>-9.050</b>	<b>-13.920</b>	<b>-16.012</b>
<b>Total Change in Budget Requirement</b>		<b>4.013</b>	<b>1.053</b>	<b>1.258</b>
<b>Revised Budget Requirement</b>	<b>168.839</b>	<b>172.852</b>	<b>173.905</b>	<b>175.163</b>
Collection Fund Deficit/-surplus	-0.300	-0.550	-0.500	-0.500
Government Grant	-66.786	-67.764	-65.731	-63.759
<b>Amount to be raised from Council Tax</b>	<b>101.753</b>	<b>104.538</b>	<b>107.674</b>	<b>110.904</b>
<b>Council Tax at Band D</b>	<b>£1,186.55</b>	<b>£1,222.14</b>	<b>£1,258.80</b>	<b>£1,296.56</b>
<b>Increase in Council Tax (%)</b>	<b>2.95</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

Tax Base	85,755	85,537	85,537	85,537
Assumed collection rate	98.25%	98.00%	98%	98%

### **Technical Assumptions**

1. This commentary explains the technical assumptions which support the summary MTFS in Appendix 1.

### Tax Base and Collection Fund

2. The current tax base is 85,755. The draft MTFS currently assumes no growth in the number of band D households each year due to the economic climate. The target collection rate is reduced from 98.25% in 2009-10 to 98% in 2010-11.
3. It is assumed that there will be a surplus on the collection fund of £550k at the end of 2009-10
4. All these assumptions are prudent and a mid year review of the collection fund will be carried out during October.
5. The final Council Tax base for 2010-11 and collection fund position will be subject to approval by Cabinet in December 2009 and January 2010 respectively.

### General Grant

6. Harrow's grant increase is 1.5% for 2010-11. This is the minimum or "floor" increase. It is assumed for planning purposes that there will be a cash reduction each year of 3% from 2011-12.

### Technical Changes

#### **Income**

7. It is anticipated that there will be further reductions in the income from land charges in 2010-11.

#### **Specific Grants**

8. It is anticipated that housing benefit administration grant will reduce by £100k in 2010-11.
9. LAA reward grant retained by the Council is expected to be £40k in 2010-11. The majority of the reward will be allocated to partner organisations.

#### **Concessionary Fares**

10. The MTFS reflects the latest agreement between London Councils and TfL. However, there is a risk that the 2010-11 settlement will be revisited and this could adversely affect London boroughs.

## **Levies and Subscriptions**

11. An additional £200k a year has been provided for levies and subscriptions over and above inflation. This is particularly to deal with an anticipated increase in the cost of the London Pension Fund Authority.

## **Provisions**

12. The sum of £900k over two years has been included to increase the annual contributions to provisions for insurance, bad debts and litigation. This is an important element of the Council's drive to improve financial management.

## **Capitalisation**

13. The sum of £500k per year has been provided to reduce the Council's reliance on capitalisation.

## **Capital Financing Costs and Investment Income**

14. The budget includes a provision for the capital financing costs consistent with the planned level of capital investment. This provision is £3m in each year. These figures have been updated in light of the current economic position and will be subject to further review. The figures are affected by anticipated capital expenditure and capital receipts in the current year and future years, as well as interest rates.

## **Supplementary Business Rates**

15. The budget includes a provision of £65k in 2010-11 for supplementary business rates on council premises. This is on the assumption that the London Mayor will introduce an SBR to fund Crossrail.

## **Inflation and Economic Risk**

16. A working assumption of 2% has been used for pay and price inflation in each year. This will be kept under review in the light of this year's pay award and movements in the RPI and CPI.
17. A provision of 0.25% has been made for the increase in pension contributions in 2010-11 in line with the last triennial actuarial valuation of the Council's pension fund. The next valuation will be carried out during 2010-11 and any changes to the contribution rate will take effect from 2011-12. At this point an increase of 2% per year has been built into the MTFS.
18. An additional provision of £250k has been made for utility costs each year. Further work is required to review the impact of utility prices on the Council's budgets.

## Capital Programme

### Indicative Allocations

	2010-11 £m	2011-12 £m	2012-13 £m
Business Transformation Projects	5.5	2.0	2.0
IT including Disaster Recovery	3.4	1.0	1.0
Adult Services	1.0	1.0	1.0
Housing General Fund	1.0	1.0	1.0
Children's Services (including Education Modernisation)	6.6	1.0	1.0
Community and Environment	7.0	7.0	7.0
Strategic Planning/Town Centre Programme	2.0	2.0	2.0
overheads/capitalisation	0.5	0.5	0.5
<b>Total for General Fund</b>	<b>27.0</b>	<b>15.5</b>	<b>15.5</b>
Housing Improvement (HRA)	7.6	7.1	7.0
<b>Total Programme</b>	<b>34.6</b>	<b>22.6</b>	<b>22.5</b>

All figures are net of external funding (ie capital grants) but include any items funded through supported borrowing.

It has been assumed that from 2011-12 supported borrowing for Schools will be replaced by capital grant.

The allocations required for BTP and IT may vary dependent on the requirements of the transformation programme and the current review of IT services.

### Anticipated Financing Arrangements

	2010-11 £m	2011-12 £m	2012-13 £m
Capital Receipts	1.0	5.0	5.0
Supported Borrowing (Education)	4.0	0.0	0.0
Unsupported Borrowing	22.0	10.5	10.5
<b>Total for General Fund</b>	<b>27.0</b>	<b>15.5</b>	<b>15.5</b>

## Budget Item – Supporting Information

	Reference number Please use a unique numbering system within the Division			
1	Directorate			
2	Division/Service Area			
3	Portfolio Holder			
4	Lead Officer			
5	Unavoidable growth pressure, savings proposal, or investment proposal?			
6	Brief description of item or proposal			
7	What is the impact on corporate priorities?			
8	Existing budget and establishment for this activity	2009-10 £000	Establishment No. of posts	
9	Financial Impact on MTFS	2010-11 £000	2011-12 £000	2012-13 £000
10	Impact of proposal on service and customer			
11	Impact of proposal on other parts of Council			
12	Impact of proposal on staff (specify any change in staff numbers and any issues with redeployment/redundancy/TUPE)			

13	Does this proposal arise from a service review?	
14	For savings only, is this an efficiency gain or a service reduction?	
15	What is the impact on performance measures (specify relevant performance indicators including LAA, NI and local indicators). Give revised targets for 2010-11 to 2012-13 where applicable.	
16	Will this have a potential impact on our CAA or Organisational Assessment?	
17	What is the impact on VFM?	
18	Equalities Impact – is there any positive, negative, or differential impact on particular groups? (see detailed notes to assist in answering this question)	
19	If there is a negative or differential impact, what action can be taken to address it or mitigate the impact?	
20	Does the proposal help manage a Corporate Directorate risk as identified in the current registers?	
21	What is the impact on climate change and sustainability?	
22	Consultation – is consultation required and if so is it statutory or non-statutory?	
23	If consultation is required, who will be consulted, how and when?	
24	Other comments	





<b>Meeting:</b>	Performance and Scrutiny Sub-Committee
<b>Date:</b>	16 November 2009
<b>Subject:</b>	Revenue and Capital Monitoring 2009/10
<b>Key Decision:</b>	No
<b>Responsible Officer:</b>	Myfanwy Barrett: Corporate Director of Finance
<b>Portfolio Holder:</b>	David Ashton, Leader and Portfolio Holder for Strategy, Partnership and Finance
<b>Exempt:</b>	No
<b>Enclosures:</b>	Appendix 1 - Revenue commentary Appendix 2 - Revenue Budget Directorate Forecasts Appendix 3 - Housing Revenue Account Appendix 4 - Capital Monitoring Appendix 5 – Debt Management

## Section 1: Summary and Recommendations

This report sets out the Council's revenue and capital forecast position for 2009/10

### **Recommendations:**

To note the report submitted to Cabinet at its meeting on 22 October 2009.

## Section 2: Report

### Introduction

1. This report summarises the monitoring position as at end of August 2009. The total Directorate outturn position is £185,821m against a latest budget of £184,246m, which represents an over spend of £1.575m, a variance of 0.9% of the net budget. This is offset by a forecast surplus on the capital financing and investment income budget of £0.700m and inflation budget of £1.000m. The total forecast net under spend is £0.125m.

The table below summarises the position:

Original Budget £000	Directorate	Latest Budget £000	Forecast Outturn £000	Variation		Para No.
				£000	%	
8,337	Corporate and Democratic	8,232	8,232	0	0.0	
13,883	Corporate Finance	14,227	14,229	2	0.0	
4,566	Chief Executive	5,943	5,944	1	0.0	
943	Legal and Governance	893	894	1	0.0	7
65,191	Adults & Housing	65,292	65,539	247	0.4	3
38,835	Children's	38,874	40,366	1,492	3.8	4
46,917	Community and Environment	47,041	46,854	-187	-0.4	5
4,365	Place Shaping	4,490	4,445	-45	-1.0	6
-1,796	Corporate Items	-746	-682	64	9.0	7
<b>181,241</b>	<b>Sub total Directorates</b>	<b>184,246</b>	<b>185,821</b>	<b>1,575</b>	<b>0.9</b>	
-7,162	Capital Financing and Investment Income	-7,299	-7,999	-700	-9.6	8
2,620	Pay Inflation and Contingency	2,620	1,620	-1,000	38.2	8
<b>176,699</b>		<b>179,567</b>	<b>179,442</b>	<b>-125</b>	<b>0.0</b>	

### Revenue Budget

2. Adults and Housing are forecasting an over spend of £0.247m. This is mainly due to the full year effect of an increase in client numbers of 86 on physical disability and learning disability. These costs are partly offset by growth in 2009/10 and management action. The director is working to contain the over spend and other risks.
3. Children's services are projecting an over spend of £1.492m. This is mainly due to areas of underlying pressure carried forward from 2008/09. The pressure arises in Special needs transport £0.760m, the number of placements, total

pressure £0.728m; and challenges in recruiting social workers £0.162m. In order to immediately address the budget overspend an action plan has been implemented to restrict all non essential expenditure resulting in a forecast reduction of £0.118m which is included in the latest projection..

4. Community and Environment are reporting a net under spend of £0.187m. Of this £0.239m relates to Community & Culture and £0.200m relates to the directorate support and performance budget. This is off set by an over spend on Environment totalling £0.253m mainly attributable to a shortfall on parking income which is being monitored..
5. Place Shaping are reporting a net under spend of £0.045m. This has resulted from under spends within Planning Services on employee costs due to vacancies and an increase in income from Development Management and Building Control. These under spends are partly offset by an over spend on Corporate Estate resulting from a lack of capital receipts due to the current economic climate.
6. Corporate items are forecast to over spend by £0.064m. This is the shortfall on the voluntary severance scheme against the target of £1m. There are a number of areas of potential pressure which are being managed in Corporate Finance. Other Corporate Directorates are predicting a net nil balance at year end, while Legal and Governance are forecasting to come in on budget.
7. There is a forecast net surplus on the capital financing and investment income budget of £0.700m and £1.000m on pay inflation which results from the pay award being agreed at 1% against a budget provision of 2%. This reduces the directorate over spends resulting in a net surplus of £0.125m.

### **2008/09 Outturn Implications**

8. For Adults and Housing; of the £1.863m under spend delivered in 2008/09, £0.890m was built into the 2009/10 budget, £0.353m is utilised to mitigate the pressures on the placement budget due to an unbudgeted increase in client numbers and the balance of £0.600m was one off under spends including staffing freezes. Any capacity emerging is being used to manage pressures and risks in year.
9. For Children's the gross over spend in 2008/09 of £1.097m on placement budgets and £0.919m on special needs transport was partly off set by one off income in 2008/09. This pressure continues in 2009/10 resulting in a projected overspend of £1.492m reported in paragraph 4 above.
10. Community and Environment contributed £2.820m to the under spend in 2008/09. Of the total under spends, £1.400m relating to parking enforcement income has already been built into the 2009/10 budget. The other under spends were one off in respect of early completion of Transport for London projects (£0.797m) and the implementation of a spending protocol in year which resulted in holding vacancies.
11. Corporate Directorates contributed £0.508m to the under spend in 2008/09. £0.110m has already been captured in the 2009/10 as a budget reduction. The other under spends were mainly due to one off savings as a result of vacancies and grant income.

12. The capital financing budget achieved a surplus of £ 3.5m 2008/09. There is an underlying capacity of £0.700m which has been reported in the 2009/10 outturn forecast. The balance of the gain is not sustainable in 2009-10 as the return on investments has dropped significantly due to low interest rates.

### Housing Revenue Account

13. The overall forecast in year deficit has increased by £0.114m to £1.170m compared to the approved deficit of £1.056m. There are further potential pressures around repairs, the situation is being reviewed and corrective action is being taken to bring expenditure back in line with the budget. Assuming the repairs budget is managed within existing provision and no further unforeseen items of expenditure, the contingency provision of £0.500m would be available to increase HRA balances at 31 March 2010.

### Savings Targets

14. The 2009-10 budgets include efficiency savings of £6.5m. Directorates are working towards implementing these and any shortfalls are reported within the directorate budgets. At this stage there are shortfalls in Children's and some pressures around achievement of savings are being managed in Adults and Community and Environment.

### Allocation of one-off funding

15. The following allocations were made as part of the outturn position. Approval is sought to allocate funding as shown in the table below:-

- (a) £1.600m for Targeted Investment in Services;
- (b) £0.650m for Special Project Fund;
- (c) £0.100m for Contingency;
- (d) £0.500m for Transformation Programme; and

	£000 from	£000 to
Targeted Investment in Services	1,600	
Community and Environment		1,000
Place Shaping		40
Adults and Housing		200
Assistant Chief Executive		210
Children's		150
Special Project Fund	650	
Healthy Living Centre		50
Branding		100
Contingency	100	
Recession busting		50
Transformation	500	
Allocation		460

The allocation leaves a balance of £500k on Special Project Fund, £50k on Contingency and £40k on Transformation Programme

## **General Balances**

16. General balances stand at £5.716m as a result of being able to add an additional £1.350m in 2008/09. After allowing for £0.500m allocation in 2009/10 and the forecast revenue under spend of £0.125m, the latest consolidated general balances position is forecast as £6.341m at the end of August.

## **Capital Programme**

### 17. General Fund

- The original budget for 2009/10 was £54.046m which has increased by £30.229m slippage carried forward from 2008/09. There are rephasings of £0.965m, savings of £3.791m and additions of £26.415m of which £25.665m is grant funded, bringing the total general fund proposed capital programme for approval to £105.934m. There is a current projected outturn of £105.609m. This equates to a small amount of variance, of £0.325m.
- The total saving of £3.791m is mainly on BTP in relation to redundant projects. This will allow the funding of £0.500m required for CCTV equipment and £0.250m for procurement of major works for Environment without increasing the Programme.

### 18. HRA

- The original budget for 2009/10 was £7.000m which has increased by £3.114m slippage carried forward from 2008/09. There is an addition agreed by the July Cabinet of £2.900m to meet decent homes standards. This brings the total HRA programme to £13.014m.

## **Debt Management**

19. The latest position on Council Tax shows a potential surplus of £0.388m in respect of bad debt provision. Whilst there is no indication yet of a fall off in collection rates it is anticipated that a deterioration may start to emerge this year due to the current economic climate. Therefore, the situation will be monitored closely

20. NNDR collection shows a potential shortfall of £0.504m. As with all categories of debt it is expected that the problems in collecting the debts will start to emerge this year. However, the business rates are a call on the national non-domestic rate pool of central government; therefore there is no financial impact on the Council.

21. The arrears on Housing Benefits shows a potential increase in the Bad Debt Provision of £0.220m. The position is being closely monitored and will be reviewed in line with other bad debt provisions.

22. Following close monitoring of older debt and the cleansing exercise carried out in the early part of 2009 there is a potential surplus of £0.188m on the general bad debt provision. Under the current economic climate it is prudent to remain cautious and so this will be closely monitored throughout the year.

## **SAP Forecasting**

23. The council continues to improve and embed good financial management. One of the key aims is to improve the robustness of the monitoring and forecasting. All budget holders are trained and required to use the SAP system to manage their

budgets. There is an increase in all directorates in the number of managers using the SAP system to forecast their outturn position.

24. Due to management restructure within Corporate Finance and summer holidays few managers completed the forecasting after the deadline date. This issue along with the robustness of the forecasts will be monitored, by measuring the variation each month and setting out the reasons. The position as at period 05 is summarised in a table below and reflects the compliance rate within the deadline date.

Managers using SAP to forecast	As at period 05 %
Ast Chief Executive	69
Legal	100
Corporate Finance	63
Community and Environment	60
Place Shaping	80
Children's	74
Adult and Housing	79

### Financial Implications

25. These are integral to the report.

### Performance Issues

26. Financial management and financial performance are scored as part of the Use of Resources (UoR) element of the Comprehensive Area Assessment.

In order to evidence good financial management it is important that the Council demonstrates:

- Improvement of the integration of financial planning with strategic and service planning;
- Enhancement of the links between costs and performance and value for money;
- Improvement on timely and robust financial reporting

A stronger link between financial and performance decisions will enable council resources to be allocated to those areas which drive better resident outcome.

### Risk Management Implications

27. There is a risk that the Council will over spend its budget and therefore areas of over spend are highlighted with management action to be taken.

Risk included on Directorate risk register? Yes  
 Separate risk register in place? No

### Environmental Implications

28. There are none directly related to this report.

### Section 3 - Statutory Officer Clearance

Name: Jennifer Hydari	<input checked="" type="checkbox"/>	On Behalf of the Chief Financial Officer
Date: 2 October 2009		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	On Behalf of the Monitoring Officer
Date: 2 October 2009		

### Section 4 – Performance Officer Clearance

Name: Alex Dewsnap	<input type="checkbox"/>	Divisional Director, Partnership Development and Performance
Date: 1 October 2009		

### Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director, Environmental Services
Date: 28 September 2009		

### Section 6: Contact details and background papers

**Contact:** Jennifer Hydari (Divisional Director of Finance and Procurement tel: 020-8424-1393)

**Background Papers:**

Revenue and Capital Monitoring 2009/10 Report to September 2009 Cabinet.

## CORPORATE

The forecast outturn for the corporate departments is summarised below. The net forecast outturn on Corporate Finance and Chief Executive is nil. An over spend for corporate items £67k.

Service	Revised Budget	Forecast Outturn	Outturn variance as at Period 05		2008-09 Outturn Variance
	£000	£000	£000	%	£000
Corporate Finance	14,227	14,229	2	0	-187
Legal & Governance	893	894	1	0	69
Chief Executive	5,943	5,944	1	0	-488
Corporate Items	-746	-682	64	9.0	74
Corporate & Democratic	8,232	8,232	0	0	24
<b>Total</b>	<b>28,549</b>	<b>28,617</b>	<b>68</b>	<b>0.6</b>	<b>-508</b>

### Corporate Finance

There are a number of spending pressures within the department. However it is anticipated that these will be managed to come in within the overall budget through insurance recoveries, extra grant for housing benefit administration and vacancy management. These include HITS maintenance of legacy systems £125k, the cost of temporary insurance in respect of LAML £200k and salary pressures in Housing Benefits and Assessments £120k.

### Legal & Governance

Whilst land charges income is currently on target for the year, this is a volatile area of income. There is also the potential for this income to be lost following a recent adverse ruling from the Information Commissioner that in the majority of cases this income should be provided free of charge. The LGA is commissioning legal advice on this on behalf of local authorities. In the meantime it is anticipated that the Council will start to receive payment under protest that will need to be refunded if ultimately the Information Commissioner view is upheld.

### Chief Executive

The department is currently forecasting to come in on budget.

### Corporate Items

There is a shortfall on the voluntary severance scheme saving of £67k against the target of £1m.

## ADULTS AND HOUSING

Whilst a variation of £247k is currently forecast, the Directorate is working towards confirming action to enable a balanced position to be achieved. The position reported reflects known and quantifiable pressures. Detailed below are the potential risks which cannot yet be clarified and have therefore been excluded from the financial position reported below.



Service	Approved Budget	Forecast Outturn	Outturn variance as at Period 05		2008-09 Outturn Variance
	£000	£000	£000	%	£000
Community Care	42,713	43,007	294	0.7	-456
Commissioning & Partnerships	16,693	16,590	-103	-0.6	-888
Housing GF	4,763	4,679	-84	-1.8	-122
Strategic Management	1,123	1,263	140	12.5	-397
<b>Total</b>	<b>65,292</b>	<b>65,539</b>	<b>247</b>	<b>0.4</b>	<b>-1,863</b>

### **Risks**

1. Potential costs in 09-10 of £150k plus legal costs in relation to the Brent Primary Care Trust legal challenge over 9 clients. Latest information suggests not all of the 9 clients are likely to be assessed as social care, hence the reduction in the level of the risk reported.
2. Potential for increased costs around community services in relation to Swine flu. The Primary Care Trust has advised that the incidence of the virus is likely to increase around October time.
3. North West London Primary Care Trust led campus reprovision – nomination rights – potential costs for Harrow of £250k being investigated.
4. Primary Care Trust financial recovery plan – impact likely to result in client shifts from continuing care to social care.
5. Transport Pressures – spot purchasing of routes with regard to the Neighbourhood Resource Centre’s currently being investigated.
6. Pressures in relation to achievement of performance targets, particularly in relation to the personalisation agenda.
7. Impact of corporate pressures managed centrally in the 2008-09 outturn but which may be allocated to Corporate Directorates in 2009-10.
8. Impact of the external economic climate particularly in relation to Homelessness, especially given that this has yet to be evidenced by increased activity. A small corporate contingency exists to provide cover for recession risks.
9. Debt management - the total General Fund debt outstanding across the division totals £1.297m (July £1.398m, April £6.094m). A bad debt provision of £344k exists to cover this outstanding debt and having been reviewed in line with the corporate policy is sufficient to cover this level of outstanding debt. There is a risk that the provision will require increase if the remaining outstanding debt continues to age rather than be recovered.

### **Medium Term Financial Strategy Efficiencies 2009/10**

A review of the efficiencies has identified that savings of £84k are yet to be achieved in the current financial year and reflected in the outturn position reported above. This relates to the shortfall in the improvement in the financial assessment process of £56k and £28k for home care per minute billing, which has not been implemented following legal advice that a statutory consultation is now required.

### **Community Care**

- Continued pressures in relation to the robustness of financial data from Framework i to accurately project the outturn position for the purchasing budget,

although significant progress has now been made with regard to the data cleansing exercise.

- There are pressures in relation to the purchasing budgets, which arise as a result of the increase in client numbers at 1<sup>st</sup> April [mainly with reference to Physical Disabilities] and for Learning Disabilities assumptions around the reduction in placement costs not being achieved [a shortfall of £200k in the assumptions]. The potential net overspend in relation to client placements totals £115k [and includes pressures of £103k in relation to transport costs].
- Salary pressures across the division, including £42k redundancy cost of a supernumerary post.

### **Commissioning & Partnerships**

- The under spend in the main relates to income on Helpline of £120k and utilisation of the Independent Mental Capacity Act grant of £25k [releasing revenue funding], offset by the transition costs of £60k associated with the retail model for equipment. Capital Ambition and the Joint Improvement Programme have agreed funding nationally for this model, although it is not yet clear how this will be allocated.
- The budget with Support for Living has now been agreed. This has resulted in a shortfall of £31k in achieving the full Medium Term Financial Strategy efficiency of £135k.
- Integrated Community Equipment Store – projected costs based on expenditure to date suggest an over spend. An action plan has been requested and this will need to be considered alongside the impact of the retail model.

### **Housing GF**

- 1 person in bed and breakfast at the end of period 5. The budget assumes 17 families for a full year and results in an under spend of £65k. This will be used to offset the shortfall of £40k in the Medium Term Financial Strategy efficiency of £80k in relation to Private Sector Leasing schemes and allow £25k for the development of the Allocation Scheme.
- Temporary accommodation targets have been achieved through the increased use of the LetStart Scheme and Bed & Breakfast. The LetStart Scheme guarantees landlords cover for 4weeks rent arrears in the first year of the tenancy. A provision of £87k is assumed in the outturn reported above on the assumption that 35% of tenancies will require support. This is a prudent view with no trends to evidence this level of provision at this stage.
- Under spends on salaries and the travellers site totalling £59k.

### **Strategic Management**

- Savings not yet identified to achieve the unallocated Medium Term Financial Strategy efficiency saving of £140k in relation to Business Transformation Project efficiencies – pressure included as an outturn variation at this stage.

## **CHILDREN'S SERVICES**

The current forecast outturn is an over spend of £1,492k. This is an improvement of £106k on period 4 which reflects the work being undertaken to address the budget overspend.

Service	2009-10				2008-09
	Approved Budget	Forecast Outturn	Variance		Outturn Variance
	£000	£000	£000	%	£000
School Development	2,176	2,176	0	0	-232
Children's Services Management	2,156	2,156	0	0	-119
Early Years Service	1,842	1,802	-40	-2.2	-267
Safeguarding, Family Placement and Support	13,116	13,488	372	2.8	520
Special Needs Service	8,029	8,789	760	9.5	354
Young People's Service	7,710	8,110	400	5.2	338
Schools	3,845	3,845	0	0	21
<b>Total</b>	<b>38,874</b>	<b>40,366</b>	<b>1,492</b>	<b>3.8</b>	<b>615</b>

### Safeguarding, Family Placement and Support

The £372k over spend is made up of the following elements:

- Children's placement costs pressures are expected to be at least **£278k**. This is still a significant reduction from 2008/09 mainly because of the full and part year effect of 16 year old young people moving to Leaving Care. A separate analysis of the ongoing pressures in placements is underway and a new placement and commissioning team has been charged with improving value for money by driving down costs of placements and improving the management of placements so they can be terminated in a timely way when not required.
- There is a £162k pressure in Children in Need due to an increasing number of staff vacancies which are being covered by agency social workers. Unfortunately this reflects London wide challenges in recruiting and retaining social workers within Children and Families. Although this is being actively addressed it still leaves an ongoing pressure in the short term. We must deploy the appropriate levels of staff to be compliant with safeguarding standards. The service is now subject to unannounced inspections and we anticipate that we will be visited within the next three months.
- Savings of £68k are expected to be achieved from the implementation of the action plan to restrict all non essential expenditure.

### Special Needs Service

The Special Needs home to school transport service is expected to overspend by £760k, this relates to the saving of £880k taken from the budget in 2008/09. In order to achieve this saving a full service review has been undertaken to identify efficiencies in both fleet costs and service delivery. The savings from the review will not fully materialise until 2010/11. Currently savings of £120k are expected in 2009/10 however it is hoped to accelerate the implementation to improve on this position.

## Young People's Service

- The Leaving Care placements budget is currently expected to overspend by a total of £450k compared to £550k at period 04. This pressure has increased from 2008/09 as it takes account of the full year effect of the 16 year olds that moved into Leaving Care last year and the part year effect of the new 16 year olds that will move into Leaving Care later in the year. Work has been undertaken to review the provision for older care leavers with the aim to reduce costs.
- Savings of £50k are expected to be achieved from the implementation of the action plan to restrict all non essential expenditure
- This has resulted in the forecast overspend on Young People reducing by £150k on period 4.

We are also waiting to hear what Exceptional circumstance grant will be made available for asylum seekers - last year it was £300k.

## COMMUNITY AND ENVIRONMENT SERVICES

The latest forecasts indicate that the service will achieve a £187k under spend compared to the budget.

In the current climate the area with the greatest uncertainty and financial risk is parking enforcement income which is forecast to achieve £350k below budget. The Corporate Director has ordered the undertaking of a review of the business cases for both the remainder of this year and the next financial year.

The pressure identified above is expected to be contained within the service directorate and further details are provided in the table below:

Service	Approved Budget	Forecast Outturn	Outturn variance as at Period 05		2008-09 Outturn Variance
	£000	£000	£000	%	£000
Directorate Support & Performance	920	720	-200	-21.7	-118
Community & Culture	9,880	9,641	-239	-2.4	-318
Environment	35,977	36,229	252	0.7	-2,360
Corporate & Democratic Services	264	264	0	0	-24
<b>Total</b>	<b>47,041</b>	<b>46,854</b>	<b>-187</b>	<b>-0.4</b>	<b>-2,820</b>

The approved budget of £47m includes an allocation of £1m from the 2008/09 under spend fund which is to be spent on "one off" projects in Environment Services. There is a robust programme in place to monitor achievement against the planned outcomes for these spend.

### Directorate Support & Performance

The projected under spend results from the reduction of directorate projects.

## Community and Culture

**Community & Development** is forecasting to achieve an under spend of £117k which mainly results from Community lettings (salary cost savings of £50k), LSC projects (£42k from grant) and management (£21k employee cost as a result of secondment).

**Cultural Services** Cultural Services is forecasting to achieve an under spend of £23k which mainly results from:

- Leisure centre - net under spend of £60k resulting from NNDR cost savings offset by administrative and novation costs;
- Musical services – over spend of £41k on equipment purchase/hire;
- Arts Events – over spend of £55k on salary costs; and
- Management – under spend of £60k resulting from the Head of Cultural vacancy net of consultant costs

**Libraries & Museum** - The £99k favourable outturn variance can be attributed to rental income in excess of the budget of £50k from the Wealdstone Community Centre and under spends from staffing and book & publication expenditure.

## Environment

**Community Safety** is forecasting an over spend of £409k which mainly results from:

- Car Parks and Parking - The latest indications suggest that there will be an adverse variance of £350k resulting from an income shortfall of £260k and salary severance costs of £90k. This performance should be taken in the light that an additional net £1.4m was budgeted to be achieved in 2009/10 and that the economic climate has resulted in less being spent on shopping and thus fewer people using their cars. The situation is being closely monitored and measures are being considered to either increase income or reduce costs where feasible;
- Liquor licensing - Overspend of £47k mainly due to a salary cost overspend of £81k, £20k higher legal cost being offset by higher income of £41k and other expenditure savings of £13k;
- Community safety services - Overspend of £54k resulting from lower income of £79k from entertainment licences offset by other expenditure savings of £25k;
- Animal services - Estimated overspend to be targeted to £50k subject to future measures/options being adopted – member approval shortly to be sought in report being circulated;
- Public mortuary - Overspend of £18k due to higher payments under contract;
- Trading standards - Under spend of £30k from lower precept costs; and
- Environmental protection - Under spend of £75k from salary costs.

## CCTV

It should be noted that a planned installation of a further CCTV network costing £500K is taking place this financial year, with the costs to be met through capital resources. This scheme will provide practical measures to address the fear of crime

and public perceptions of their risk and road safety promotion. The project has slipped and the cameras will not be in place for a full year.

**Property & Infrastructure** is forecasting to achieve an under spend of £26k which mainly results from:

- Street lighting PFI - Under spend of £105k on procurement in light of latest decision on the PFI contract;
- Street works – Under spend of £52k mainly due to increased income of £153k offset by additional staff costs of £96k;
- Engineering -Under spend of £10k in car mileage payments;
- Civic Centre Visitors - Favourable forecast of £20k due to additional car park income from increased activity;
- Asset Management – Under spend of £100k identified from a reorganisation within Community & Environment;
- Winter gritting - Provisional estimates would indicate a potential under spend of £20k;
- Major works - Favourable forecast of £71k resulting from additional income of £1,168k offset by higher staff costs of £1,082k and contractor and other items of £15k;
- Civic centre - Overspend of £184k resulting from cost pressures due to electricity (£93k), rates (£73k), water (£73k), contractors (£16k), cleaning and other (£10k) offset by an under spend on gas (£80k) and additional rental income of £26k;
- Depot – Over spend of £14k resulting from higher electricity (£28k), gas (£8k), water (£44)k offset by savings on rates (£22k) and additional income of £41k;
- Transportation planning - Over spend of £73k mainly resulting from unachievable income of £78k; and
- Street lighting - Over spend of £99k forecast from higher electricity costs; and
- Management - Savings of £15k resulting from salary costs.

**Public Realm Services** are forecasting to achieve an under spend of £130k which mainly results from:

- Refuse disposal – Under spend of £89k due to lower than budgeted levy of £152k offset by higher collection costs of £67k;
- Cemeteries – Under spend of £25k due to £27k additional income from Brent, lower fuel costs of £11k offset by higher collection costs of £14k;
- Grounds maintenance – Under spend (excluding fuel) of £50k due to additional income;
- Waste management – Under spend of £13k achieved by lower mobile and mileage costs;
- Parks and open spaces – Under spend (excluding fuel) of £20k due to lower collection costs;
- CA site – Over spend of £52k mainly due to lower income of £45k; and
- Public conveniences - Overspend of £33k due to higher electricity (£16k) and water (£18k) costs.

At present due to reallocation of existing vehicles to the various services the fuel card used for recharge purposes is not believed to have been updated correctly. Hence

the following areas forecast have been combined as the main variance relates to fuel. The forecast for the “Blitz team”, “Street Cleansing”, “Refuse – flats”, “Verge maintenance”, “Blue bins” and “Trade waste” indicate that the fuel costs will be in line with the total existing budget. As fuel prices have been subject to change at short notice this area will be monitored throughout the year.

## PLACE SHAPING

Considerable effort has been put into realigning the existing budgets to the new Place Shaping Directorate structure which will ensure Directorate priorities are effectively resourced in order to deliver the required outcomes. Management and Finance continue to work proactively to ensure robust forecasting.

The latest forecasts indicate that the service will achieve a £45k under spend compared to the budget. However, the economic climate still remains depressed, which may impact on the accuracy of projections for Development Management and Building Control income, together with the uncertainty of further capital receipts. Further details are provided in the table below:

Service	Revised Budget	Forecast Outturn	Outturn Variance as at Period 5		2008-9 Outturn Variance
			£000	%	
	£000	£000	£000	%	£000
Business Management	1,118	1,108	-10	-0.9	-155
Planning Services	2,451	2,241	-210	-8.6	45
Economic Development Research & Enterprise	819	848	29	3.5	-202
Major Development Projects	262	275	13	5.0	16
Corporate Estate	-160	-27	133	83.1	121
<b>Total</b>	<b>4,490</b>	<b>4,445</b>	<b>-45</b>	<b>-1.0</b>	<b>-175</b>

### Business Management

The projected under spend is attributed to salary cost savings and tight expenditure control on small budgets.

### Planning Services

**Design & Conservation** an under spend in salaries of circa £120k is projected due to the Urban Designer and Access Officer posts being held vacant, along with BAP officer only recently being filled. The Urban Designer role would provide a valued contribution to pre application meetings for major schemes, as well as advise on deposited planning applications. These posts are currently being held vacant to help mitigate against any potential reduction in income from Development Management and Building Control, explained below.

**Development Management Income** position at period 5 has continued to improve with the year end forecast being £178k above the budget compared to the forecast being £25k below budget at period 4 reporting. The latest forecast is compiled using

historic income trend data and judgment on the current uncertainty in economic climate. The increased income is slightly offset by higher employee (£41k) and legal and consultancy costs (£63k).

**Building Control Income** as at period 5 has continued to improve. Using historic trend data and judgment in the current uncertainty in economic climate, it is projected that income will be £74k over target at year end.

It is felt there is a greater risk of not achieving target within Building Control income, as only 25% of fees are received at the time of application being deposited and the remainder after works commence. Due to the economic uncertainty, it may be that not all applications are commenced on site and there may also be a greater "time-lag" for works starting which have had applications approved.

Due to the current unprecedented economic conditions there is less certainty of the accuracy of income projections. All of the above may give a lesser income return in the latter quarters.

### **Economic Development Research & Enterprise**

The over spend is essentially due to the pressures on the salaries budget.

### **Major Development Projects**

The small adverse variance is essentially due to salary pressures.

### **Corporate Estate**

Approximately £150k of the Estate team are resourced through Capital Receipts. There is no Capital Receipt Target in the current year although £809k has already been achieved. The £133k variance stated in the table above represents a worst case scenario based on current available information.

Currently the above pressures can be contained within the Directorate by tight expenditure control. If the volatility of the economic climate adversely affects income projections and additional capital receipts are not forthcoming, it will be difficult to contain these pressures within the Directorate.

The number of Planning Appeals is expected to increase. If an appeal is lodged against the refusal at 51 College Road, the cost of defending the appeal would not be containable within the Directorate.

The outturn forecast includes £123k of costs for projects (Burnell House £36k and Harrow College £87k) which have been charged to capital but are no longer expected to generate either a capital resource or asset. These "abortive costs" will be funded from resources available from the capital financing central budget and thus the revised budget has been adjusted to reflect this.



## CORPORATE FINANCE

Directorate (1)	Budget 2009/10				Outturn Position		Period 5 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>Directorate and Corporate Finance Teams</b>									
Gross Expenditure	3,065	-	65	3,130	2999	- 131	1304	1233	- 71
Gross Income	- 3,044	-	-97	- 3,141	-3102	39	-1309	-1379	- 70
Net Expenditure	21	-	-32	11	-103	- 92	-5	-146	- 141
<b>Procurement</b>									
Gross Expenditure	11,824	-	-1	11,823	11372	- 451	4926	4269	- 657
Gross Income	- 12,135	-	45	- 12,090	-11623	467	-5037	-4416	621
Net Expenditure	- 311	-	44	- 267	-251	16	-111	-147	- 36
<b>Audit, Risk, Insurance, Health and Safety</b>									
Gross Expenditure	4,211	-	364	4,575	4865	290	1907	2455	548
Gross Income	- 3,877	-	90	- 3,787	-4100	- 313	-1578	-2335	- 757
Net Expenditure	334	-	454	788	765	- 23	329	120	- 209
<b>HITS</b>									
Gross Expenditure	8,054	-	67	8,121	8063	- 58	3383	2829	- 554
Gross Income	- 6,223	-	0	- 6,223	-6000	223	-2593	-2372	221
Net Expenditure	1,831	-	67	1,898	2063	165	790	457	- 333
<b>Collection &amp; Housing Benefits</b>									
Gross Expenditure	103,074	-	-187	102,887	114007	11,120	42870	3470	- 39,400
Gross Income	- 99,228	-	0	- 99,228	-110344	- 11,116	-41345	-51978	- 10,633
Net Expenditure	3,846	-	-187	3,659	3663	4	1525	-48508	- 50,033
<b>Corporate Items</b>									
Gross Expenditure	- 98	-	152	54	203	149	22	0	- 22
Gross Income	361	-	0	361	210	- 151	150	0	- 150
Net Expenditure	263	-	152	415	413	- 2	172	0	- 172
<b>Shared Services</b>									
Gross Expenditure	12,294	-	-2	12,292	12076	- 216	5122	8544	3,422
Gross Income	- 4,132	-	0	- 4,132	-3984	148	-1722	-1597	125
Net Expenditure	8,162	-	-2	8,160	8092	- 68	3400	6947	3,547
<b>Corporate Democratic Services</b>									
Gross Expenditure	9,885	-	-73	9,812	9300	- 512	4088	2656	- 1,432
Gross Income	- 1,548	-	-32	- 1,580	-1068	512	-658	-165	493
Net Expenditure	8,337	-	-105	8,232	8232	-	3430	2491	- 939
<b>Total</b>	<b>22,483</b>	<b>-</b>	<b>391</b>	<b>22,874</b>	<b>22,874</b>	<b>-</b>	<b>9,530</b>	<b>-38,786</b>	<b>- 48,316</b>
<b>Directorate Expenditure Total</b>	<b>152,309</b>	<b>-</b>	<b>385</b>	<b>152,694</b>	<b>162,885</b>	<b>10,191</b>	<b>63,622</b>	<b>25,456</b>	<b>- 38,166</b>
<b>Directorate Income Total</b>	<b>- 129,826</b>	<b>-</b>	<b>6</b>	<b>- 129,820</b>	<b>- 140,011</b>	<b>- 10,191</b>	<b>- 54,092</b>	<b>- 64,242</b>	<b>- 10,150</b>
<b>Directorate Net Total</b>	<b>22,483</b>	<b>-</b>	<b>391</b>	<b>22,874</b>	<b>22,874</b>	<b>-</b>	<b>9,530</b>	<b>-38,786</b>	<b>- 48,316</b>

## ASSISTANT CHIEF EXECUTIVE

Directorate (1)	Budget 2009/10				Outturn Position		Period 5 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>Chief Executive's Office</b>									
Gross Expenditure	506		3	509	516	7	212	216	4
Gross Income	-54		0	-54	-53	1	-22	-22	-
Net Expenditure	452	-	3	455	463	8	190	194	4
<b>Assistant Chief Executive</b>									
Gross Expenditure	1719		100	1,819	1929	110	758	557	- 201
Gross Income	-1081		-101	-1,182	-1197	-15	-492	-450	42
Net Expenditure	638	-	-1	637	732	95	266	107	- 159
<b>Strategy &amp; Performance</b>									
Gross Expenditure	4487		131	4,618	4468	- 150	1893	1679	- 214
Gross Income	-931		-55	-986	-906	80	-410	-671	- 261
Net Expenditure	3556	-	76	3,632	3562	- 70	1483	1008	- 475
<b>Human Resources</b>									
Gross Expenditure	2818		162	2,980	3047	67	1242	1152	- 90
Gross Income	-2504		0	-2,504	-2599	- 95	-1043	-1259	- 216
Net Expenditure	314	-	162	476	448	- 28	199	-107	- 306
<b>Corporate Items</b>									
Gross Expenditure	-1635		1494	- 141	-751	- 610	-59	-56	3
Gross Income	-424		-596	-1,020	-344	676	-425	-186	239
Net Expenditure	-2059	-	898	-1,161	-1095	66	-484	-242	242
<b>Customer &amp; BTP</b>									
Gross Expenditure	15997		1034	17,031	16111	- 920	7126	2803	- 4,323
Gross Income	-15794		-494	-16,288	-15372	916	-6787	-6239	548
Net Expenditure	203	-	612	743	739	- 4	339	-3436	- 3,775
<b>Directorate Expenditure Total</b>	23,892	-	2,924	26,816	25,320	- 1,496	11,172	6,351	- 4,821
<b>Directorate Income Total</b>	-20,788	-	- 1,246	-22,034	- 20,471	1,563	- 9,179	- 8,827	352
<b>Directorate Net Total</b>	3,104	-	1,678	4,782	4,849	67	1,993	- 2,476	- 4,469

## LEGAL SERVICES

<b>Legal Services</b>									
Gross Expenditure	6,480	-	-14	6,466	6904	438	2694	2573	- 121
Gross Income	- 5,538	-	-35	- 5,573	-6010	- 437	-2321	-1444	877
Net Expenditure	942	-	-49	893	894	1	373	1,129	756

## ADULTS &amp; HOUSING

Directorate (1)	Budget 2009/10				Outturn Position		Period 5 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>ADULTS</b>									
<b>Community Care</b>									
Gross Expenditure	53,942	-	1,207	55,149	55,728	579	22,979	16,673	- 6,306
Gross Income	- 12,227	-	209	- 12,436	- 12,721	- 285	- 5,182	- 7,993	- 2,811
Net Expenditure	41,715	-	998	42,713	43,007	294	17,797	8,680	- 9,117
<b>Commissioning &amp; Partnerships</b>									
Gross Expenditure	30,966	-	263	30,703	31,183	480	12,793	9,310	- 3,483
Gross Income	- 13,307	-	703	- 14,010	- 14,593	- 583	- 5,838	- 5,345	493
Net Expenditure	17,659	-	966	16,693	16,590	- 103	6,955	3,965	- 2,990
<b>Modernisation &amp; Integration</b>									
Gross Expenditure	-	-	-	-	-	-	-	-	-
Gross Income	-	-	-	-	-	-	-	-	-
Net Expenditure	-	-	-	-	-	-	-	-	-
<b>Strategic Management</b>									
Gross Expenditure	1,092	-	105	1,197	1,337	140	499	586	87
Gross Income	- 74	-	0	- 74	- 74	-	- 31	- 31	0
Net Expenditure	1,018	-	105	1,123	1,263	140	468	555	87
<b>Adults Total</b>	<b>60,393</b>	<b>-</b>	<b>136</b>	<b>60,529</b>	<b>60,860</b>	<b>331</b>	<b>25,220</b>	<b>13,200</b>	<b>- 12,020</b>
<b>HOUSING</b>									
<b>Housing Partnerships</b>									
Gross Expenditure	628	-	-	628	594	- 34	262	206	- 56
Gross Income	-	-	-	-	-	-	-	-	-
Net Expenditure	628	-	-	628	594	- 34	262	206	- 56
<b>Housing Needs</b>									
Gross Expenditure	3,536	-	35	3,501	3,082	- 419	1,459	1,209	- 250
Gross Income	- 638	-	-	- 638	- 244	394	- 266	- 136	130
Net Expenditure	2,898	-	35	2,863	2,838	- 25	1,193	1,073	120
<b>Travellers Site</b>									
Gross Expenditure	29	-	-	29	13	- 16	12	2	- 10
Gross Income	- 2	-	-	- 2	- 2	-	- 1	-	1
Net Expenditure	27	-	-	27	11	- 16	11	2	- 9
<b>Other</b>									
Gross Expenditure	502	-	-	502	495	- 7	209	227	18
Gross Income	- 8	-	-	- 8	- 7	1	- 3	- 3	-
Net Expenditure	494	-	-	494	488	- 6	206	224	18
<b>Resident Services (Watkins House)</b>									
Gross Expenditure	558	-	-	558	567	9	232	244	12
Gross Income	- 91	-	-	- 91	- 101	- 10	- 38	- 9	29
Net Expenditure	467	-	-	467	466	- 1	194	235	41
<b>Complaints</b>									
Gross Expenditure	284	-	-	284	292	8	119	126	7
Gross Income	-	-	-	-	- 10	- 10	-	- 10	- 10
Net Expenditure	284	-	-	284	282	- 2	119	116	- 3
<b>Housing Total</b>	<b>4,798</b>	<b>-</b>	<b>35</b>	<b>4,763</b>	<b>4,679</b>	<b>- 84</b>	<b>1,986</b>	<b>1,856</b>	<b>- 130</b>
<b>Adults &amp; Housing Total</b>	<b>65,191</b>	<b>-</b>	<b>101</b>	<b>65,292</b>	<b>65,539</b>	<b>247</b>	<b>27,206</b>	<b>15,056</b>	<b>- 12,150</b>
<b>Directorate Expenditure Total</b>	<b>91,537</b>	<b>-</b>	<b>1,014</b>	<b>92,551</b>	<b>93,291</b>	<b>740</b>	<b>38,563</b>	<b>28,583</b>	<b>- 9,980</b>
<b>Directorate Income Total</b>	<b>- 26,346</b>	<b>-</b>	<b>913</b>	<b>- 27,259</b>	<b>- 27,752</b>	<b>- 493</b>	<b>- 11,357</b>	<b>- 13,527</b>	<b>- 2,169</b>
<b>Directorate Net Total</b>	<b>65,191</b>	<b>-</b>	<b>101</b>	<b>65,292</b>	<b>65,539</b>	<b>247</b>	<b>27,206</b>	<b>15,056</b>	<b>- 12,149</b>
<b>Housing Revenue Account</b>									
Gross Expenditure	26,927	-	876	26,051	26,027	- 24	8,266	5,972	- 2,294
Gross Income	- 25,667	-	672	- 24,995	- 24,857	138	- 10,415	- 8,727	1,688
In year Deficit	1,260	-	204	1,056	1,170	114	2,149	- 2,755	- 606

## CHILDRENS

Directorate (1)	Budget 2009/10				Outturn Position		Period 5 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>School Development</b>									
Gross Expenditure	8,321		- 210	8,111	8,111	-	3,380	4,664	1,284
Gross Income	- 6,091		156	- 5,935	- 5,935	-	- 2,473	3,014	5,487
Net Expenditure	2,230	-	- 54	2,176	2,176	-	907	7,678	6,771
<b>Children's Services Management</b>									
Gross Expenditure	2,367	150	- 37	2,480	2,480	-	1,033	1,036	3
Gross Income	- 324		-	- 324	- 324	-	- 135	- 335	- 200
Net Expenditure	2,043	150	- 37	2,156	2,156	-	898	701	- 197
<b>Early Years Service</b>									
Gross Expenditure	8,811		1,573	10,384	10,344	- 40	4,327	4,455	128
Gross Income	- 7,114		- 1,428	- 8,542	- 8,542	-	- 3,559	- 749	2,810
Net Expenditure	1,697	-	145	1,842	1,802	- 40	768	3,706	2,938
<b>Safeguarding, Family Placement and Support</b>									
Gross Expenditure	13,455		- 52	13,403	13,775	372	5,585	5,567	- 18
Gross Income	- 339		52	- 287	- 287	-	- 120	- 10	110
Net Expenditure	13,116	-	-	13,116	13,488	372	5,465	5,557	92
<b>Special Needs Service</b>									
Gross Expenditure	20,360		- 30	20,330	21,090	760	8,471	8,073	- 398
Gross Income	- 12,220		- 81	- 12,301	- 12,301	-	- 5,125	- 22	5,103
Net Expenditure	8,140	-	- 111	8,029	8,789	760	3,346	8,051	4,705
<b>Young People's Services</b>									
Gross Expenditure	9,953		- 220	9,733	10,133	400	4,055	4,139	84
Gross Income	- 2,154		131	- 2,023	- 2,023	-	- 843	- 353	490
Net Expenditure	7,799	-	- 89	7,710	8,110	400	3,212	3,786	574
<b>Schools</b>									
Gross Expenditure	22,710		119,644	142,354	142,354	-	59,314	203,226	143,912
Gross Income	- 18,900		- 119,609	- 138,509	- 138,509	-	- 57,712	- 235,182	- 177,470
Net Expenditure	3,810	-	35	3,845	3,845	-	1,602	- 31,956	- 33,558
<b>Directorate Expenditure Total</b>	85,977	150	120,668	206,795	208,287	1,492	86,165	231,160	144,995
<b>Directorate Income Total</b>	- 47,142	-	- 120,779	- 167,921	- 167,921	-	- 69,967	- 233,637	- 163,670
<b>Directorate Net Total</b>	38,835	150	- 111	38,874	40,366	1,492	16,198	- 2,477	- 18,675

## COMMUNITY &amp; ENVIRONMENT

Directorate (1)	Budget 2009/10				Outturn Position		Period 5 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>Directorate &amp; Support</b>				-					
Gross Expenditure	983	-	- 1	982	782	- 200	410	826	416
Gross Income	- 62	-	-	- 62	- 62	-	- 26	- 1,742	- 1,716
Net Expenditure	921	-	- 1	920	720	- 200	384	- 916	- 1,300
<b>Community &amp; Cultural Services</b>									
Gross Expenditure	14,153	-	- 608	13,545	13,306	- 239	5,661	5,896	235
Gross Income	- 3,665	-	-	- 3,665	- 3,665	-	- 1,544	- 2,527	- 983
Net Expenditure	10,488	-	- 608	9,880	9,641	- 239	4,117	3,369	- 748
<b>Environment Services</b>									
Gross Expenditure	62,712	1,000	- 267	63,445	63,697	252	26,939	20,307	- 6,632
Gross Income	-27,468	-	-	-27,468	-27,468	-	-11,949	- 8,547	3,402
Net Expenditure	35,244	1,000	- 267	35,977	36,229	252	14,990	11,760	- 3,230
<b>Democratic Services</b>									
Gross Expenditure	264	-	-	264	264	-	110	96	- 14
Gross Income	-	-	-	-	-	-	-	-	-
Net Expenditure	264	-	-	264	264	-	110	96	- 14
<b>Directorate Expenditure Total</b>	78,112	1,000	- 876	78,236	78,049	- 187	33,120	27,125	- 5,995
<b>Directorate Income Total</b>	-31,195	-	-	-31,195	-31,195	-	-13,519	-12,816	703
<b>Directorate Net Total</b>	46,917	1,000	- 876	47,041	46,854	- 187	19,601	14,309	- 5,292

## Place Shaping

Directorate (1)	Budget 2009/10				Outturn Position		Period 5 Position		
	Original Budget £000 (2)	Brought Forward From 2008/09 £000 (3)	Virements to Date £000 (4)	Latest Estimate £000 (5)	Outturn Forecast £000 (6)	Projected Year End Variation £000 (7)	Profiled Budget £000 (8)	Actuals £000 (9)	Variation to Budget £000 (10)
<b>Business Management</b>				-					
Gross Expenditure	1,663	-	- 65	1,598	1,588	- 10	698	689	- 9
Gross Income	- 480	-	-	- 480	- 480	-	- 237	- 3,028	- 2,791
Net Expenditure	1,183	-	- 65	1,118	1,108	- 10	461	- 2,339	- 2,800
<b>Corporate Estates</b>									
Gross Expenditure	1,260	-	120	1,380	1,513	133	525	438	- 87
Gross Income	- 1,540	-	-	- 1,540	- 1,540	-	- 642	- 600	42
Net Expenditure	- 280	-	120	- 160	- 27	133	- 117	- 162	- 45
<b>Economic Development</b>									
Gross Expenditure	1,011	50	- 68	993	1,022	29	393	493	100
Gross Income	- 174	-	-	- 174	- 174	-	- 73	- 60	13
Net Expenditure	837	50	- 68	819	848	29	320	433	113
<b>Major Development Projects</b>									
Gross Expenditure	267	65	7	339	352	13	114	143	29
Gross Income	- 77	-	-	- 77	- 77	-	- 32	- 14	18
Net Expenditure	190	65	7	262	275	13	82	129	47
<b>Planning Services</b>									
Gross Expenditure	4,461	25	- 12	4,474	4,264	- 210	1,858	1,848	- 10
Gross Income	- 2,023	-	-	- 2,023	- 2,023	-	- 843	- 1,259	- 416
Net Expenditure	2,438	25	- 12	2,451	2,241	- 210	1,015	589	- 426
<b>Directorate Expenditure Total</b>	8,662	140	-	8,784	8,739	- 45	3,588	3,611	23
<b>Directorate Income Total</b>	- 4,294	-	-	- 4,294	- 4,294	-	- 1,827	- 4,961	- 3,134
<b>Directorate Net Total</b>	4,368	140	-	4,490	4,445	- 45	1,761	- 1,350	- 3,111

## HOUSING REVENUE ACCOUNT (HRA) – FORECAST OUTTURN 2009-10 as at Period 05

	Approved Budget	Forecast Outturn	Variance		Comments
	£000	£000	£000	%	
<b>Operating expenditure :</b>					
Employee Costs	1,926	1,952	25	1	The over spend of £25k comprises: various salary variations £9k; MIS £7k agency staff, under spends on conference & training of (£14k) & (£24k) respectively and HRA admin (£3k). Also included is severance payments totalling £50k which have been contained largely against compensating salary under spends.
Supplies & Services	448	428	-19	-4	The over spend relates mainly to a budget under provision of £28k relating to the printing of tenant letters. This has been offset by a recharge to the General Fund of £20k relating to MIS Services.
Utility cost (Water & Gas)	626	620	-6	-1	The forecast outturn for Utilities has been based on a review of first quarter billing together with market intelligence regarding possible tariff fluctuations. Given the number of variables, the budget is considered volatile and will be kept under review. The resulting under spend has been partially offset against the adverse variation on Facilities Charges (see below).
Estate & Sheltered Services	1,957	2,017	60	3	The overspend comprises : Salary overspend to cover vacant posts in Leasehold Service Team £43k; Secondment cover (for Estates Services) of £15k; Rates expenditure not provided for in budget £18k; Employee related expenditure (including training) (£8k); Equipment & Furniture (£20k); Other £12k. Service Charges to Leaseholders (see below) are being reviewed by the Housing Support Team to ensure relevant expenditure in respect of Leaseholders is adequately recovered.
Central Recharges	1,883	1,853	-30	-2	Central recharges assumed to be in line with budget with the exception of those relating to the Graphical Repairs Ordering System amounting to £30k, which is now not expected to be implemented.
<b>Total Operating Expenditure</b>	<b>6,840</b>	<b>6,869</b>	<b>30</b>	<b>0</b>	
<b>Repairs expenditure</b>					
Repairs - Voids	400	660	260	65	Given the history of repairs expenditure this budget will overspend in the current financial year. On 16 July 2009 Cabinet approved a contingency provision of £500k [funded by reducing RCCO budget] to be held against major repairs costs and will allow reinstatement of K4 repairs. At current volumes & cost the main variation relates to Voids which show a forecast overspend of £260k (Period 04 overspend £500k). Initiatives have been implemented to control voids expenditure by delivering voids to minimum lettable standard by seeking to extend the life of existing fixtures rather than replace. Expenditure limits will continue to be applied for works identified beyond minimum lettable standard and an approval process is in place for works deemed necessary for technical or health & safety reasons.

### Appendix 3

	Approved Budget	Forecast Outturn	Variance		Comments
	£000	£000	£000	%	
Repairs - Responsive	2,436	2,349	-87	-4	The overall repairs overspend is expected to be partially mitigated by an under spend on responsive repairs. This is the result of continued improvements in the methodology used to project costs. The position will be kept under review.
Repairs - Other	2,297	2,277	-21	-1	Other variations comprise cyclical maintenance of £51k offset by a forecast under spend on Salaries of £71k. The "Lean" project is expected to deliver savings of £62k in 2010/11 (2009/10 unquantified as yet). This will be kept under review.  The overall overspend of £153k is offset against the Contingency (see below).
<b>Total Repairs expenditure</b>	<b>5,133</b>	<b>5,286</b>	<b>153</b>	<b>3</b>	
<b>Other expenditure:</b>					
Contingency - general	670	517	-153	-23	The Contingency budget includes £170k general contingency together with a further £500k (vired from RCCO and approved by Cabinet 16 July 2009) earmarked for major repairs works. Assuming no further calls on this contingency the balance is expected to cover the forecast overspend in Repairs of £153,000 (see above).
Charges for Capital	6,945	6,303	-641	-9	Variation reflects the revised level of opening debt together with the reduction in interest rates from 5.45% to 4.20%. The impact of the July Cabinet decision in relation to the capital programme and funding are included.
RCCO	0	0	0	0	The Revenue Contribution to Capital Outlay (RCCO) has been withdrawn for 2009/10 to accommodate an increase in Contingency for repairs (see above) and a review of the Capital programme.
Bad or Doubtful Debts	250	250	0	0	Arrears of rent and service charges have increased since the beginning of the year. Rent arrears at the end of period 5 have increased by £274k and leaseholder arrears increased by £226k which include the 9/10 estimated bills. Also assumptions around increases in the age of this debt suggest this budget may come under further pressure.
HRA Subsidy	6,214	6,800	586	9	This variation is based on the second advance claim and the increase reflects the higher level of subsidy payable as a result of the reduction in interest rates from 5.45% to 4.20%. This will be partly offset by an under spend on capital financing cost.
<b>Total Other expenditure</b>	<b>14,078</b>	<b>13,871</b>	<b>-208</b>	<b>-1</b>	
<b>Total Expenditure</b>	<b>26,051</b>	<b>26,026</b>	<b>-25</b>	<b>0</b>	



	Approved Budget	Forecast Outturn	Variance		Comments
	£000	£000	£000	%	
<b>Income</b>					
Rent Income – Dwellings	-22,000	-21,892	108	0	The budget assumed a void rate of 0.58%, the average voids rate is 1.046% as at period 05. A review of procedures for the turnaround and allocation of voids is being expedited with a view to managing down the average voids rate. The position will be kept under review.
Rent Income – Non Dwellings	-870	-846	24	3	The budget for Garage income assumed a void rate of 32.26% however this is now averaging 36.10%. The increased voids rate is partly attributable to the state of repair of some garages together with lower than expected demand. The Housing Support Team will be reviewing the position with the aim of isolating those conditions which can be exploited to improve the voids rate.
Service Charges - Tenants	-1,150	-1,138	12	1	Service charges to Tenants have shown a reduction against budget, which is largely attributable to the increased voids rate (see above).
Service Charges - Leaseholders	-380	-380	0	0	Service charges to Leaseholders are being reviewed by the Housing Support Team to ensure relevant expenditure is adequately recovered from the Council's leaseholders. The income and expenditure (see above) position will be kept under review to ensure the impact on the HRA is kept to a minimum.
Facility Charges (Water & Gas)	-487	-484	4	1	The forecast outturn includes an increase of 2.5% which was approved as part of the 2009/10 Budget setting process. The adverse variation results from a forecast under spend on Utilities (see above) which is expected to be passed onto Tenants. A review of charging policy and mechanisms is planned to ensure Utilities costs are equitably charged to the Council's Tenants.
Interest	-17	-17	0	0	
Other Income	-8	-17	-9	-108	
Transfer from General Fund	-83	-83	0	0	This relates to recharges to the General Fund in respect of shared amenities which are expected to be in line with budget.
<b>Total Income</b>	<b>-24,996</b>	<b>-24,857</b>	<b>139</b>	<b>1</b>	
<b>In Year Deficit/(Surplus)</b>	<b>1,056</b>	<b>1,170</b>	<b>114</b>	<b>11</b>	
<b>Balance B/fwd</b>	<b>-5,142</b>	<b>-5,142</b>			
<b>Balance C/fwd</b>	<b>-4,086</b>	<b>-3,972</b>	<b>114</b>		

### Management Action Plan

The current forecast indicates expenditure will exceed that approved as part of the HRA Business Plan. Action is required to address this shortfall. Key points are as follows:

- Rent loss arising from voids needs to be minimised. The average voids rate, which is in excess of that assumed for the budget, is having a significant impact on the HRA

balances, therefore initiatives for improved turnaround & allocation of voids need to be considered and implemented.

- Income in respect of Leasehold and Tenants Service charges, together with utilities charges, must be maximised. Failure to adequately recover costs incurred by the HRA are resulting in a sustained depletion balances. Steps are therefore required to mitigate this situation.
- Repairs expenditure projections must be formulated on realistic assumptions on future activity levels and managed to ensure minimum utilisation of the £500,000 contingency. This will allow replenishment of HRA balances and would significantly improve the overall position.
- Agreement of virements to ensure savings are allocated to the appropriate budget codes. This will allow Management to focus on the areas requiring action and ensure appropriate prioritisation of remedial actions.

## Capital Monitoring as at period 05

## GENERAL FUND

Programme	Original Capital Programme £000	Cabinet Changes approved carry forward £000	Revised Capital Programme £000	Additions £000	Virements £000	Rephasings £000	Savings £000	Capital Programme proposed for Members approval £000	Forecast Outturn £000	Variation £000	Actual & Commitments as at period 5 £000	% Spend as at period 05 of Revised Capital Programme %
Corporate Finance & Corporate Strategy	10,935	6,380	17,315	0	0	0	-3,375	13,940	13,940	0	1,841	13
Children's Services	25,035	17,858	42,893	21,003	-900	0	0	62,996	62,996	0	37,154	59
Adults and Housing (excluding HRA)	3,337	2,927	6,264	515	0	-965	0	5,814	5,489	-325	2,160	39
Community and Environment	11,874	1,840	13,714	4,897	900	0	-416	19,095	19,095	0	5,574	29
Place Shaping	2,115	1,224	3,339	0	0	0	0	3,339	3,339	0	67	2
Capitalisation	750	0	750	0	0	0	0	750	750	0	0	0
<b>Total Programme</b>	<b>54,046</b>	<b>30,229</b>	<b>84,275</b>	<b>26,415</b>	<b>0</b>	<b>-965</b>	<b>-3,791</b>	<b>105,934</b>	<b>105,609</b>	<b>-325</b>	<b>46,796</b>	<b>44</b>
<b>Funding</b>												
Grant	22,531	20,508	43,039	25,665	0	-965	-417	67,322	67,127	0	0	
Capital Receipt	0	0	0	0	0	0	0	0	884	884	0	
Borrowings	31,515	9,721	41,236	750	0	0	-3,374	38,612	37,598	-884	0	
<b>Total Funding</b>	<b>54,046</b>	<b>30,229</b>	<b>84,275</b>	<b>26,415</b>	<b>0</b>	<b>-965</b>	<b>-3,791</b>	<b>105,934</b>	<b>105,609</b>	<b>0</b>	<b>0</b>	

**ADDITIONS****Children's Services**

<b>Description</b>	<b>£000</b>
Catering in schools – Standards Fund grant to build new school kitchens	3,000
Education Modernisation and Improvement – DCSF advanced grant funding from 2010-11 into 2009-10	900
Primary Capital – DCSF advanced grant funding from 2010-11 into 2009-10	4,000
Devolved Formula Non VA schools – DCSF advanced grant funding from 2010-11 into 2009-10	1,051
Targeted Capital fund (14-19 Diplomas) – DCSF advanced grant funding from 2010-11 into 2009-10	6,000
Targeted Capital fund – Practical cooking – DCSF grant allocation	2,543
Hatch End High School Pool – Sports England grant to support costs for the replacement of the school pool	1,200
Children's Centre – Sure Start grant to support start up and maintenance costs	2,209
Supporting Young People – DCSF grant to provide facilities for young people	100
<b>Total</b>	<b>21,003</b>

**Adults and Housing**

<b>Description</b>	<b>£000</b>
Host Project – DoH grant to support expenditure for the Adult Social Care IT Infrastructure	65
Property Grants (Empty Homes and Better Homes) – West London Housing Partnership grant to bring empty properties back into use	450
<b>Total</b>	<b>515</b>

**Community and Environment**

<b>Description</b>	<b>£000</b>
Strategic London Walks – Walk London grant to support the upgrade of paths at Grimsdyke Lakes and to resolve remaining issues in LAMS through Harrow	40
Transport for London – additional funding for Local Area Accessibility, Bus Priority, Cycling Non-LCN, Greenways, Freight Scheme, Bridges and Local Transport Fund	2,960
CCTV – Crime and Road Safety	500
Hatch End Pool Modernisation – Sports England grant to support the pool re-development	550
Safer Stronger Community Fund – HO grant to support the council's crime reduction activities	69
Procurement of Major Works contract	250
Playbuilder – DCSF grant to develop new and existing public play areas	528
<b>Total</b>	<b>4,897</b>

**VIREMENTS****Children's Services**

<b>Description</b>	<b>£000</b>
Autistic Spectrum Disorder in schools – budget transferred to support High Priority Planned Maintenance for Schools. Approved by EIB	-700
School Amalgamation Support - budget transferred to support High Priority Planned Maintenance for Schools. Approved by EIB	-200
Future Whitmore – budget amalgamated with Building Schools for the future (Whitmore)	-805
Building Schools for the future (Whitmore) – Future Whitmore budget transferred as part of the same project	805
<b>Total</b>	<b>-900</b>

**Adults and Housing**

<b>Description</b>	<b>£000</b>
Neighbourhood Resource Centre – budget transferred to support further installation costs	200
Byron Park Residential Home - budget transferred to support further installation costs	-200
<b>Total</b>	<b>0</b>

**Community and Environment**

<b>Description</b>	<b>£000</b>
High Priority Planned Maintenance for Schools – virement from Autistic Spectrum Disorder in Schools and School Amalgamation Support. Approved by EIB	900
High Priority Planned Maintenance for Schools – virement to support the under funded Schools Landlord budget. Approved by John Edwards	-100
School Landlord Works – virement from High Priority Planned Maintenance to cover the unforeseen works at Weald school. Approved by John Edwards	100
<b>Total</b>	<b>900</b>

**REPHASINGS****Adults and Housing**

<b>Description</b>	<b>£000</b>
Supported Housing – grant rephased from 2009-10 into 2010-11 in accordance with the grant conditions	-965
<b>Total</b>	<b>-965</b>

**SAVINGS****Corporate Finance & Corporate Strategy**

<b>Description</b>	<b>£000</b>
BTP – Various initial projects approved as part of the original capital programme are now redundant.	-3,000
ICT – Milestone – Saving as budget not required in 2009-10	-375
<b>Total</b>	<b>-3,375</b>

**Community and Environment**

<b>Description</b>	<b>£000</b>
Hatch End Arts Centre– saving due to original allocation over estimated	-70
Transport for London – over estimated 2008-9 accurals	-346
<b>Total</b>	<b>-416</b>

**VARIATIONS****Adults and Housing**

<b>Description</b>	<b>£000</b>
Disabled Facilities Grant – over estimation of grant allocation and Harrow's Contribution	-325
<b>Total</b>	<b>-325</b>

HRA

	Original Capital Programme £000	Cabinet Changes approved carry forward £000	Revised Capital Programme £000	Additions £000	Virements £000	Rephasings £000	Savings £000	Capital Programme proposed for Members £000	Forecast Outturn £000	Variation £000	Actual & Commitments as at period 5 £000	% Spend as at period 05 of Revised Capital Programme %
<b>Total Programme</b>	<b>7,000</b>	<b>3,114</b>	<b>10,114</b>	<b>2,900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,014</b>	<b>13,014</b>	<b>0</b>	<b>4,890</b>	<b>38</b>
<b>Funding</b>												
Major Repair Allowance	3,778	0	3,778	0	0	0	0	3,778	3,778	0		
Capital Receipt	250	0	250	0	0	0	0	250	250	0		
Borrowings	2,972	3,114	6,086	2,900	0	0	0	8,986	8,986	0		
<b>Total Funding</b>	<b>7,000</b>	<b>3,114</b>	<b>10,114</b>	<b>2,900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,014</b>	<b>13,014</b>	<b>0</b>		

**Additions**

Description	£000
Housing Revenue Account – Decent Home standards agreed at July 2009	2,900
<b>Total</b>	<b>2,900</b>

**Debt Management**

Tables, showing the aged debt analysis for various categories of debtors, together with the required amounts for BDP according to the rate cards adopted, are set out below.

**Council Tax**

Currently, bad debt provisions (BDP) of £4.386m exist [£4.723m- £337k; w/offes done 01/04/09-31/08/09] for Council Tax against a potential BDP of £3.998m.

<b>COUNCIL TAX</b>	Net Arrears outstanding as at 01.04.09	Net Arrears outstanding as at 31.08.09	BDP as per approved rate card	<b>Bad Debt requirement As at 31.08.09</b>
	£000	£000	%	£000
1994-1995 to 2005-2006 system balance	1079	981	100	981
2006-2007 system balance	934	864	86	743
2007-2008 system balance	1,729	1,509	73	1,101
2008-09 system balance	2,924	2,173	54	1,173
<b>Total Council Tax Debt over 12 months old</b>	<b>6,666</b>	<b>5,527</b>		<b>3,998</b>

**National Non Domestic Rates (NNDR)**

Currently, bad debt provisions of £2.033m [£2.226-£193k; w/offes done 01/04/09 to 31/08/09] exist for business rates (NNDR) against a potential BDP of £2.537m. But as the business rates are a call on the national non-domestic rate pool of central government there is no financial affect to this Authority.

<b>NATIONAL NON DOMESTIC RATES (NNDR)</b>	Net Arrears outstanding as at 01.04.09	Net Arrears outstanding as at 31.08.09	Bad Debt requirement	
	£000	£000	%	£000
1993-2004 to 2007-2008 system balance	868	921	100	921
2008-09 system balance	1,616	1,419	100	1616
<b>Total Business Rates Debt over 12 months old</b>	<b>2,484</b>	<b>2,340</b>		<b>2,537</b>

**General Debtors**

A total provision of £0.917m exists for debts raised before 31 March 2009. The projected requirement for general debt as at 31 August 2009 is £0.729m. Due to current economic climate the provision requirement will be monitored closely during the year.



Housing Benefits

Currently, bad debt provisions of £2.056m exist for Housing Benefit overpayment debt against a potential BDP of £2.276m. There is a potential short fall of £0.220m; the position is being closely monitored for any impact on the outturn.

	Outstanding Debt as at 01.04.09	Outstanding Debt as at 31.08.09	Bad Debt requirement	
	£000	£000	%	£000
<b><u>HOUSING BENEFIT OVERPAYMENTS</u></b>				
Housing Benefit arrears currently being collected from future payments	1,642	1,891	37.0	698
BDP 31.03.09	616	0	0.0	0.0
<b><u>Housing Benefit arrears in debtor system</u></b>				
Prior to 2006-07	1,087	804	100	804
2007-08 to 2008-09	1,754	995	40	398
2009-10 (to Date)	0	1,252	30	376
<b>TOTAL</b>	<b>2,841</b>	<b>2,762</b>		<b>1,578</b>
BDP 31.03.09	1,441			

Housing Revenue Account

- This provision is for Service Charges and Current and Former tenants rent arrears are adjusted to reflect write off of uncollectible debt. Within the HRA an annual contribution to provision of £0.250m is budgeted to support write offs and any changes in the required level of provision.
- Current provision of £0.874m exists, after allowing for the write off of debts no longer considered recoverable, against an estimated requirement of £1.134m, requiring an increase of £0.260m.

	Outstanding Debt as at 01.04.09	Outstanding Debt as at 31.08.09	Bad Debt requirement	
<b><u>HOUSING – LEASEHOLDERS</u></b>				
Less than 30 days	16	28	0.0%	0
30 to 60 days	0	0	7.5%	0
60 to 90 days	0	0	15.0%	0
90 to 180 days	0	263	50.0%	132
181 to 365 days	109	45	75.0%	33
> 365 days	161	175	100.0%	175
<b>TOTAL</b>	<b>286</b>	<b>511</b>		<b>340</b>
BDP 01.04.09	<b>243</b>			
Less: write offs	0			
BDP at 31.08.09	<b>243</b>			
<b><u>HOUSING – CURRENT TENANT ARREARS</u></b>				
Less than 30 days	143	121	0.0%	0
30 to 60 days	126	139	7.5%	10
60 to 90 days	121	105	15.0%	16
90 to 180 days	208	319	50.0%	160
181 to 365 days	134	162	75.0%	122
> 365 days	80	75	100.0%	75
<b>TOTAL</b>	<b>812</b>	<b>921</b>		<b>383</b>
BDP 01.04.09	<b>313</b>			
Less: write offs	0			
BDP at 31.08.09	<b>313</b>			
<b><u>HOUSING – FORMER TENANT ARREARS</u></b>				
Less than 30 days	20	18	0.0%	0
30 to 60 days	36	31	7.5%	2
60 to 90 days	33	31	15.0%	5
90 to 180 days	100	98	50.0%	49
181 to 365 days	168	206	75.0%	155
> 365 days	143	200	100.0%	200
<b>TOTAL</b>	<b>500</b>	<b>584</b>		<b>411</b>
BDP 01.04.09	<b>331</b>			
Less: write offs	13			
BDP at 31.08.09	<b>318</b>			



Meeting:	Performance & Finance Sub-Committee
Date:	16 November 2009
Subject:	Use of Resources Improvement Plan
Responsible Officer:	Alex Dewsnap, Divisional Director, Partnership Development and Performance
Portfolio Holder:	Cllr Paul Osborn, Performance, Communication and Corporate Services Portfolio Holder
Exempt:	No
Enclosures:	None

## Section 1 – Summary and Recommendations

This report summarises the process for the conclusion of the Use of Resources assessment in 2009 and reviews progress with the Improvement Plan.

### **Recommendations:**

That the Sub-Committee:

- 1) Note the report
- 2) Consider what further involvement they wish to have in the development of the Improvement Plan

## **Section 2 – Report Background**

A Challenge Panel was held in April 2009 to review the Council's draft self-assessment for the Use of Resources judgement under the framework of the first Comprehensive Area Assessment (CAA). Cabinet on 16 July 2009 agreed the Panel's six recommendations, most of which applied to the finalisation of the document and have been implemented. Two related to improvement planning specifically and these were:

- Whilst improvement priorities must be realistic and achievable, they must also be aspirational; and
- that the improvement priorities eventually incorporated in the self assessment are grounded in a clear understanding of residents' priorities

Both of these have been taken into account where able to do so in the development of the improvement plan. For example the Council's approach to business continuity or information management are not explicitly related to resident priorities, although good governance ensures that the organisation operates effectively and therefore delivers resident priorities.

The self-assessment was submitted to the Council's external auditors, Deloitte Touche, in May. Scores for the three main themes (Managing Finances, Governing the Business, Managing Resources) will be published by the Audit Commission on 10 December on its "One Place" website and through press releases, as part of the CAA results.

The process used to compile the self-assessment involved identifying sponsors for each theme and lead officers for each Key Line of Enquiry (KLOE) within the Audit Commission's assessment framework. This arrangement has been continued in order to construct and implement an Improvement Plan, based around the gaps and potential improvements identified in the course of the self-assessment work and through discussions with Deloitte Touch through the audit process. The Panel requested that Members be kept apprised of the Improvement Plan as it was developed, and given an opportunity to shape it.

The criteria for the 2009 Use of Resources are set out below:

- KLOE 1: managing finances - How effectively does the organisation manage its finances to deliver value for money?
- KLOE 2: governing the business - How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?
- KLOE 3: managing resources - How well does the organisation manage its people, natural resources (i.e. resources that occur naturally on the earth, which the organisation in the conduct of its own operations either consumes directly, or impacts upon, such as water and energy) and physical assets, to meet current and future needs and deliver value for money?

Each of these KLOEs is broken down into further areas of focus.

The following table sets out for each of the KLOEs in more detail the key areas identified through the self assessment process and auditor feedback where improvements should be considered (the leads for each KLOE are also identified):

<b>Ref</b>	<b>KLOE (Lead officer)</b>	<b>Improvement Areas and Actions taken to date</b>
<b>1</b>	<b>Managing Finances</b>	
1.1	Financial Planning (Myfanwy Barrett)	Build on the existing budget and service planning process, which is in progress now, and consideration of financial modelling beyond the 3 year period of the Medium Term Financial Strategy.
1.2	Understanding costs (David Harrington)	Continue to use Value for Money information in service planning (currently provided through CIPFA) and ensure that it remains embedded in the Council's quarterly Improvement Boards and decision making processes.
1.3	Financial reporting (Myfanwy Barrett)	Improve on public reporting of social and environmental impact. The recently published 'Your Money' booklet incorporates information about environment and social impact of Council activity.
<b>2</b>	<b>Governing the Business</b>	
2.1	Commissioning & procurement (Mark Gillett)	Improvements identified relate to more formally articulating procurement policies and specific areas of procurement/commissioning. Progress is being made on this.
2.2	Use of information (Alex Dewsnap)	Identified improvements were around setting out the policies to reflect best practice guidelines for information management and security and improvements in data quality. Good progress made in the area of Information Management; arrangements are in place to ensure that data quality across the Council is at a good level.
2.3	Good governance (Hugh Peart)	Consideration of how to ensure a universal take up of members' training; an ethical governance review is to be completed in early 2010.
2.4	Risk management (David Ward)	A new strategic risk action plan format is now monitored quarterly by Corporate Strategy Board; business continuity and IT Disaster recovery arrangements.
<b>3</b>	<b>Managing resources</b>	
3.1	Natural resources	This element will not be assessed in

	(John Edwards)	2010: the score from 2009 will be brought forward. A Climate Change Strategy has now been adopted by the Council and further specific actions will now be identified.
3.2	Managing assets (Andrew Trehern/ Mike Brown)	Although not highlighted in the improvement plan, the Council's property review as part of the Better Deal for Residents Programme will contribute to this area.
3.3	Workforce (Jon Turner)	This element was omitted in 2009 and will be assessed for the first time in 2010. A wide programme of actions is being progressed under the themes of workforce planning, skills development planning, recruitment, addressing performance, rewards, benchmarking, equalities and diversity and organisational change & staff engagement.

A score for each theme is calculated by averaging the scores for its constituent KLOEs. This is required to be a whole number and rounding therefore occurs. The Governing the Business theme has four KLOE. If the average of the KLOE scores results in a score of 1.5, 2.5 or 3.5, the Audit Commission has specified that the score on Use of Information will determine the rounding. If the score for Use of Information is higher than the average for the theme, the average will be rounded up to the next whole number; and the converse. Thus Use of Information is weighted relative to the other KLOEs and requires particular attention. The other themes will have odd numbers of KLOEs in 2010 and no such provision is required.

For the 2010 assessment, it has been agreed with the auditors that the Council's progress against its Improvement Plan will be used instead of a separate self-assessment. It is therefore important to ensure that the Plan is as comprehensive and robust as possible. Progress in developing the plan is currently being reviewed with KLOE Leads. For KLOEs 2.1, 2.2 and 3.3, to ensure that the actions in the Improvement Plan match as closely as practical to Audit Commission expectations for a high performing authority, Deloitte Touche have been commissioned to provide a half-day workshop for each with the KLOE leads and other relevant parties.

Should the Sub-Committee wish to consider further Scrutiny as the plan is developed, a suitable opportunity might be after the completion of the current updating and workshop activity and the publication of scores, but before the next audit which is due to start at the end of February 2010. Workshops will be completed by the end of November. Should members wish to be involved, they may wish to consider how this would best be achieved, whether by reconvening the Challenge Panel or another way. If the Challenge Panel were to be reconvened, the best timing for it to add value would be in December 2009, in order to feed in any improvements before the audit work begins in February.

## **Performance Issues**

The Use of Resources assessment is part of the Comprehensive Area Assessment (CAA). The CAA is made up of two elements: an Organisational Assessment of local statutory bodies, i.e. the Council, the Primary Care Trust and the Police; and an Area Assessment which is a judgement on how public services are delivering outcomes for local people and communities. The Organisational Assessment is split into two further elements: Managing Performance and the Use of Resources. For each of these two elements a score from 1-4 is given, which will feed into an overall score for the Organisational Assessment.

Although a judgement on Use of Resources has been an integral part of the Audit Commission framework for some years now, the 2009 criteria have been broadened and made more 'challenging'. The process for reaching the judgement for Use of Resources has also changed for 2009, where there is less reliance on detailed Key Lines of Enquiry covering the expectations of each 'score' and more of a 'rounded judgement' against the full range of evidence available.

## **Environmental Impact**

The Use of Resources criteria include for the first time this year a section on the management of natural resources and how the Council (with partners) is managing towards operating on a more environmentally sustainable footing. The key elements of this from the Use of Resources criteria are set out below:

'Is the organisation making effective use of natural resources?' Focus is on whether the organisation:

- understands and can quantify its use of natural resources and can identify the main influencing factors;
- manages performance to reduce its impact on the environment; and
- manages the environmental risks it faces, working effectively with partners.'

## **Risk Management Implications**

Risk management arrangements are part of the Use of Resources criteria. These are being considered in the development of the improvement plan. Any significant risks highlighted through this process will be integrated into existing risk registers.

Risk included on Directorate risk register? Yes

Separate risk register in place? No

## **Section 3 - Statutory Officer Clearance**

Not required for this report.

## Section 4 - Contact Details and Background Papers

Contact: Alex Dewsnap, Divisional Director, Partnership Development and Performance. 020 8416 8250

Background Papers: Audit Commission guidance: Use of Resources Key Lines of Enquiry

If appropriate, does the report include the following considerations?

1.	Consultation	YES
2.	Corporate Priorities	YES





Meeting:	Performance and Finance scrutiny sub-committee
Date:	16 <sup>th</sup> November 2009
Subject:	Scrutiny Review of Voluntary Sector - Six Month Update
Responsible Officer:	Brendon Hills, Corporate Director Community and Environment
Portfolio Holder:	Councillor Jean Lammiman – Portfolio Holder for Community and Cultural Services
Exempt:	No
Enclosures:	Appendix 1: Update on actions to address recommendations from the Overview and Scrutiny committee

## Section 1 – Summary and Recommendations

This report sets out an update on progress against the recommendations of the Overview and Scrutiny Committee report 'Delivering a Strengthened Voluntary Sector'.

### **Recommendations:**

The Sub-Committee is requested to note the very positive progress on the recommendations of the 'Delivering a strengthened voluntary sector' report.

### **Reason: (For recommendation)**

The Council has made good progress on actions to deliver against the recommendations from the Overview and Scrutiny committee report thereby supporting the delivery of a strengthened voluntary sector.

## **Section 2 – Report**

### **Background**

1. The Overview and Scrutiny committee undertook a review called 'Delivering a strengthened voluntary sector' during 2008. The final report made 22 recommendations, 21 of which were accepted by Cabinet in March 2009. This report provides an update on progress against these 21 recommendations.
2. Delivery of actions against these recommendations supports the council priority of 'Build Stronger Communities'.

### **Current situation**

3. The table attached at Appendix 1 provides an update on actions that have been taken to address the recommendations of the Overview and Scrutiny committee.
4. Significant progress has been made against many of the recommendations. Appendix 1 shows that 12 of the recommendations are rated as green with only one with a current status of red. This progress has been achieved within a relatively short timescale as the recommendations were only adopted in March 2009, demonstrating the priority that these recommendations have been given within the council.
5. The recommendations cut across a number of service Directorates. The positive progress against all recommendations demonstrates that these are being actively pursued by the relevant service areas. The delivery of many of these actions has been undertaken through close partnership working and engagement of the voluntary sector in Harrow.

### **Financial Implications**

6. Most of the progress on addressing the recommendations of Overview and Scrutiny has not incurred any additional costs to the council except for recommendation 1. Funding for this action was identified through a growth item in the Medium Term Budget Strategy for 2009-10.

### **Risk Management Implications**

Risk included on Directorate risk register? No  
Separate risk register in place? No

## **Section 3 - Statutory Officer Clearance**

Not required for this report.

## **Section 4 - Contact Details and Background Papers**

Contact: Kashmir Takhar, Interim Head of Service – Community Development, Tel: 020 8420 9331

Background Papers:

Appendix 1: Update on actions to address recommendations from the Overview and Scrutiny committee

If appropriate, does the report include the following considerations?

1.	Consultation	N/A
2.	Corporate Priorities	YES

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Appendix 1  
Update on actions to address recommendations from the Overview and Scrutiny Review

No.	Recommendation	Person responsible	Progress update	Indication of achievement
1	To have a Council-financed funding support officer within the voluntary and community sector to support groups in a variety of ways e.g. grant applications, adapting to any changes in the grants process, developing funding strategies, meeting monitoring requirements, procurement processes, community assets. To work closely with the Council's external funding officer.	Corporate Director of Finance and Corporate Director for Community and Environment	Achieved. Cabinet agreed 50% match funding with HAVS to support a Funding Officer for the Voluntary Sector. Anna Disney was appointed to this post and commenced her employment in September 2009. The Council's funding officer was involved in the recruitment of this new officer and will be sharing line management responsibilities with HAVS.	Green
2	To have a relationship manager at the Council to act as the main channel of liaison with groups in the voluntary and community sector.	Corporate Director for Community and Environment and Assistant Chief Executive	The Divisional Director for Community and Cultural services will be the Council's relationship manager and will be the main channel of liaison with groups in the voluntary and community sector.	Green
3	To develop a third sector strategy for Harrow that seeks to help define the local partnership with the VCS and invests in VCS development in line with partnership priorities. The third sector strategy should also seek to address the recognised gaps in the models developed and proposed by the scrutiny review - Community Trust model (for example gaps in commissioning and premises) and further work on the model of commissioning in the Strategic Relationships model.	Corporate Director for Community and Environment	A final draft Third Sector Strategy will be presented to Cabinet in December. The strategy is co-sponsored by Brendon Hills, Corporate Director for Community and Environment and Julia Smith, Chief Executive of HAVS. A project working group made up of both voluntary and statutory sector representatives has supported the development of the strategy. Following cabinet approval in December there will be a consultation period to engage a wide range of stakeholders.	Green
4	To ask VCS representatives on the HSP to feed back more systematically to sector colleagues through regular emails or as updates in existing newsletters.	Assistant Chief Executive	Regular updates are provided and published through the sectors newsletter.	Green
5	To recognise the real opportunity to develop volunteering in Harrow where supply of volunteers outstrips demand – investing more resource to build the capacity of Harrow Volunteers Centre to provide infrastructure and support to small voluntary groups in recruiting and training volunteers and co-ordinating skills for day to day management of groups.	Corporate Director for Community and Environment	Community Development services have revised the existing service level agreement with HAVS to agree new targets for the Volunteers Centre. These new targets focus current resources on providing more infrastructure support to groups to assist them with the recruitment, training and management of volunteers.	Green
6	To advertise the Volunteers Centre on the Harrow Council website.	Corporate Director for Community and Environment	Information about the Volunteers Centre is available through the Council website through the A-Z of services.	Green
8	To develop robust governance arrangements for the Compact, to include refreshing the document every two years, promoting the Compact and its way of working, formalising conflict resolution (providing a framework for stage 1 complaints). To be the responsibility of a new Compact Board of representatives to feed up to the HSP, and therefore not reliant on individuals.	Assistant Chief Executive	A proposal has been developed to review the governance arrangements for the Compact this includes a proposal to develop a new compact board and peer review arrangements.	Green
9	To produce a reader-friendly summary of the new compact document and distribute this to councillors, officers and colleagues in the voluntary and community sector.	Assistant Chief Executive	The compact is currently being refreshed, once this is completed a reader-friendly summary will be made available.	Amber
10	To roll out training on the Compact and what it means to partnership working. To be included in members' training, management/officer training and training within the VCS and other partner organisations within the HSP, to raise awareness and understanding. (Please note that part (a) of the recommendation was agreed by Cabinet through the interim report).	Assistant Chief Executive	Some training for members of the Grants Panel has been undertaken and further discussions have taken place to ensure wider roll-out.	Amber
11	To rationalise the grant-giving process – to clearly define processes, appeals mechanisms and adherence to these in order to improve consistency and transparency.	Corporate Director for Community and Environment	A grants consultation exercise was conducted during May 2009 with the voluntary and community sector. VCS organisations were consulted on the current grant eligibility criteria, size of grants, funding priorities and process of application. The findings from the consultation were presented to the Grants Advisory panel at their meeting on the 5th June. The Grants Advisory panel made their recommendations to the Portfolio and these were approved by the executive in July 2009.	Green

12	To move towards three-year funding commitments through grants so as to encourage stability and more scope for planning ahead within the sector.	Corporate Director for Community and Environment	Further discussion to take place between Brendon Hills and Myfanwy Barrett, Corporate Director Finance.	Amber
13	To consider a longer-term approach (5-10 year funding) for SLAs awarded to VCS infrastructure organisations.	Corporate Director for Community and Environment	Further discussion to take place between Brendon Hills and Myfanwy Barrett, Corporate Director Finance.	Amber
14	To agree that the 2009-10 grants round should be conducted in full compliance with the existing criteria and process and in a transparent way.	Corporate Director for Community and Environment	The 2009-10 grants round concluded in March 2009. A number of compact challenges were received as a result of the process and decision-making of the grants advisory panel. The process for 2010-11 has now commenced with a number of improvements agreed by the Grants Advisory Panel.	Amber
15	For the Grants Advisory Panel to engage with the VCS to consider the criteria for the 2010/11 grants round and take account of the concerns raised through this scrutiny review about the current system. To bring these proposals to a scrutiny challenge panel in preparation for the 2010/11 grants application process	Corporate Director for Community and Environment	A grants consultation exercise was conducted during May 2009 with the voluntary and community sector. These proposals were brought to a scrutiny challenge panel in June 2009.	Green
16	To ensure that all procurement exercises and available premises are advertised in a regular email/newsletter and that the VCS are on that distribution list. To also raise awareness with the VCS that the Council's Web pages for procurement include much help and advice on accessing procurement routes.	Corporate Director of Finance and Corporate Director for Community and Environment	A new procurement strategy is in development which supports the principle of local procurement. Procurement have negotiated with Corporate suppliers for VCS to access these contracts and benefit from these deals. The first contract accessed by VCS through HAD is the Council's Stationery contract to be followed by paper, mobile, IT and Utilities. "Shop Local" initiative was launched to facilitate low value purchases directly from local and third sector market.	Green
17	To optimise the VCS access to procurement exercises through a fair assessment of the procurement requirements necessary for each tendering exercise.	Corporate Director of Finance.	All tenders are advertised on the Council's website offering fair access to VCS. Additionally, procurement have reviewed its tendering procedures and simplified the Pre Qualification Questionnaire and Tender documents to enable sole traders, partnership and third sector bid for public contracts.	Green
18	To ask the HSP partners to compile a register of their community premises/rooms and develop a protocol for their use by the VCS. To encourage a fairer and more transparent system of community lettings.	Assistant Chief Executive and Corporate Director for Community and Environment	A strategic review of key sites occupied by public sector partners is being undertaken by the Place shaping directorate, this will include identification of opportunities for third sector usage.	Amber
19	To ask the relevant council directorate(s) (concerned with lettings especially of schools) to assess the current issues around community lettings (of schools and council buildings such as the Teachers' Centre and community centres) and offer possible solutions to these. To articulate this assessment and present possible solutions to a scrutiny committee and concurrently feed into scrutiny's review of extended schools.	Corporate Director for Community and Environment	Community Development and Children's Services have met to assess current issues around community lettings. A paper was presented to the Overview and Scrutiny committee meeting on the 28th July and at a follow up meeting on the 12th October 2009. An action plan to address these issues has been developed and will be presented to the Grants Advisory Panel in November.	Green
20	To task the HSP with creating an environment where creative people can thrive and make best use of community assets. To seek people with a passion for developing social entrepreneurship and social capital.	Assistant Chief Executive	Proposals to be developed.	Red
21	To establish a Community Trust for the council's grants administration processes and carry out further work on how this can best be achieved - the feasibility of a community trust model for grant-giving in Harrow should be fully explored, scoped and costed, using the scrutiny proposal as a basis. To include developing a better understanding of realistic timescales with regard to implementation and the ability to serve future needs of the borough, for example with regard to the Comprehensive Area Assessment.	Corporate Director for Community and Environment	As part of the work undertaken to develop the Third Sector Strategy evidence was collected on experiences in other local authority areas where the grants function had been outsourced to a Community Trust. The Third Sector Strategy action plan includes an action to undertake a feasibility study on this issue so that the cost and risk implications are fully understood.	Amber
22	To conduct a feasibility of the Strategic Relationships Model for commissioning, using the scrutiny proposal as a basis. To include developing a better understanding of realistic timescales with regard to implementation, cultural/organisational shifts required, costs and the ability to serve future needs of the borough.	Corporate Director for Community and Environment	The Third Sector Strategy includes a number of actions related to improving VCS access to commissioning including the establishment of a third sector commissioning network, a third sector checklist for commissioners, and the development of training to improve VCS skills and capacity to bid for commissioning opportunities.	Amber