

Performance and Finance Scrutiny Sub-Committee AGENDA

DATE: Thursday 3 July 2014

TIME: 7.30 pm

VENUE: Committee Room 6,
Harrow Civic Centre

MEMBERSHIP (Quorum 3)

Chair: Councillor Phillip O'Dell

Councillors:

Kiran Kiran Ramchandani
Adam Swersky

Richard Almond
Barry Macleod-Cullinane

Reserve Members:

1. Mrs Chika Amadi
2. Ghazanfar Ali
3. Aneka Shah

1. Amir Moshenson
2. Bharat Thakker

Contact: Manize Talukdar, Democratic & Electoral Services Officer
Tel: 020 8424 1323 E-mail: manize.talukdar@harrow.gov.uk

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 disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Sub-Committee;
- (b) all other Members present.

3. MINUTES (Pages 1 - 8)

That the minutes of the meeting held on 18 February 2014 be taken as read and signed as a correct record.

4. PUBLIC QUESTIONS *

To receive any public questions received in accordance with Committee Procedure Rule 17 (Part 4B of the Constitution).

Questions will be asked in the order notice of them was received and there be a time limit of 15 minutes.

[The deadline for receipt of public questions is 3.00 pm, 2 July 2014. Questions should be sent to publicquestions@harrow.gov.uk

No person may submit more than one question].

5. PETITIONS

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Committee Procedure Rule 15 (Part 4B of the Constitution).

6. REFERENCES FROM COUNCIL AND OTHER COMMITTEES/PANELS

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

7. REVENUE & CAPITAL OUTTURN 2013/14 (Pages 9 - 38)

Report of the Director of Finance & Assurance.

8. ANY OTHER BUSINESS

Which the Chairman has decided is urgent and cannot otherwise be dealt with.

AGENDA - PART II

*** DATA PROTECTION ACT NOTICE**

The Council will audio record item 4 (Public Questions) and will place the audio recording on the Council's website, which will be accessible to all.

[**Note:** The questions and answers will not be reproduced in the minutes.]

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PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

18 FEBRUARY 2014

Chairman: * Councillor Sue Anderson

Councillors: † Mano Dharmarajah * Chris Mote
* Graham Henson * Anthony Seymour

* Denotes Member present

† Denotes apologies received

171. Attendance by Reserve Members

RESOLVED: To note that there were no Reserve Members in attendance. Apologies were received from Councillor Mano Dharmarajah.

172. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Items 8 & 10 – Revenue and Capital Monitoring Quarter 3; Children's Services Performance

Councillor Chris Mote declared a non-pecuniary interest in that his wife was a school teacher at a Harrow School and she was Portfolio Holder for Children and Schools. He would remain in the room whilst the matter was considered and voted upon.

Agenda Item 8 – Revenue & Capital Monitoring Quarter 3

Councillor Sue Anderson declared a non-pecuniary interest in that her son was in receipt of support from Supporting People. She would remain in the room whilst the matter was considered and voted upon.

173. Minutes

RESOLVED: That the minutes of the meeting held on 21 January 2014 be taken as read and signed as a correct record.

174. Public Questions, Petitions and References from Council and other Committees/Panels

RESOLVED: To note that none were received.

RESOLVED ITEMS

175. Chair's Report

The Sub-Committee received a report which set out issues considered by the Chair since the last meeting of the Performance and Finance Scrutiny Sub-Committee.

A Member queried whether the Towards Excellence initiative had had an impact on the timetable of inspections of food premises and improving the co-ordination of visits across the Directorate. An officer undertook to provide this information to Members after the meeting.

The Member queried the recording of reasons for staff absences due to illness. He asked whether the underlying reasons for lack of recording reasons for absence were being adequately addressed and added that the last Quarterly Report did not flag up this issue. An officer undertook to provide further information regarding this after the meeting.

RESOLVED: That the report be noted.

176. Revenue & Capital Monitoring Quarter 3

The Sub-Committee received a report of the Director of Finance and Assurance, which had been previously considered at Cabinet on 13 February 2014. The report set out the Council's revenue and capital monitoring position for Quarter 3 as at 31 December 2014.

The Director stated that there was an overall forecast overspend in each of the Directorates amounting to £1.903m and this figure had increased by £0.02m since Quarter 2. Directorates were facing challenging times and were continuing to take action to mitigate these pressures, which were monitored and reported in a timely way.

A Member asked whether the Department for Education (DfE) took into account the increase in pupil numbers and increase in pupils with special needs, when allocating schools funding. The Director of Finance and Assurance advised that the Schools Revenue Funding Settlement from the DfE did take into account the numbers of pupils and provided additional funding to raise the attainment of disadvantaged pupils.

The Member queried the £0.115m legacy of outstanding debts from the CCG. The Director stated that the Council would continue to negotiate for the settlement of these outstanding debts.

A Member queried the £3.268m carry-forward figure. The Director advised that any under spends on revenue budgets could be designated as reserve funds and carried forward with the agreement of the relevant Portfolio Holder. He added that the under spend had been identified at the 2012/13 year-end, which was after the budget setting process.

The Member also queried the figures relating to bad debt provisions. The Director stated that these figures had remained consistent for a number of years and that some debts might not be written off at the end of the year. The figures included provision for items such as employee claims, insurance and legal costs.

A Member asked whether anticipated parking income, which was projected to be £1.3m by the end of 2014 was still on track. The Director undertook to check current figures and to forward the information to the Sub-Committee. The Member also queried the increase in the costs of administering an additional 20,000 Penalty Charge Notices (PCNs) and under achieved summons income due to fewer summonses being issued. The Director advised that no virement had been done in this case.

The Member queried the £0.5m figure which had not yet been built into the forecast, arising from cases referred on to Adult Services from the CCG. The Director advised that half of these cases were historical cases of continuing care. The Health and Wellbeing Board was looking at what proportion of the CCG's funding should be apportioned to the Council. There would need to be further discussions regarding how best to use funds in the Business Risk Reserve to offset this.

A Member queried the forecast overspend in the Library and Leisure Services. The Director stated that the figures related to the period prior to the implementation of the joint Libraries and Leisure Contract.

A Member stated that, at a previous meeting, he had queried the budget overspend in the Mayoralty and asked to know the current position regarding this. The Director advised that it was his understanding that the Mayor's engagement events were not easily predictable as the Mayoralty had to be responsive to requests from the public. However, the recent implementation of a civic calendar of events for the Mayor would help reduce costs.

The Chair queried the speed at which savings had been made in the Supporting People service. She also queried the adverse variance in the figures relating to Public Health. The Director stated that the health budget was ring-fenced but that the Council had inherited a complicated contract from the NHS and most London authorities were in a similar position. He undertook to circulate further details regarding the early savings in the Supporting People service to the Sub-Committee.

RESOLVED: That the report be noted.

177. Performance and Finance Annual Report

Sub-Committee received a report of the Divisional Director of Strategic Commissioning which set out the Performance and Finance Scrutiny Sub-Committee sections of the Scrutiny Annual Report 2013/14.

RESOLVED: That the report be noted.

178. Children's Services Performance

The Sub-Committee received a report of the Corporate Director of Children and Families which set out performance information for the Directorate. Officers from Children and Families advised that the performance scorecards detailed in the report had been compiled by the Business Intelligence Team in the Resources Directorate, giving an independent view of performance. A large data set had been considered in compiling the report

The officers highlighted the following areas of the report:

- Children's Services was the most inspected and regulated service area of local authorities;
- current issues flagged up in the report included pressures on service delivery due to demographic pressures and an increase in the threshold for referrals to social care, which had led to almost double the rate of referrals and assessments that the service was dealing with;
- there was an 18% vacancy rate in the service, partly due to and the national shortage of skilled social workers. However, all of the Service Manager posts and most of the vacant Team Manager posts had now been filled. A number of measures such as improved learning and development, improved planning related to workforce needs, a fast-track route for graduates were being implemented to mitigate against this;
- following an inspection, the Early years and Social Care services had received positive feedback and inspectors had highlighted four distinct areas of good practice;
- the implementation of an attendance intervention model had succeeded in reducing unauthorised pupil absences from schools;
- 92% of Harrow's schools had been rated as good or above, with four schools rated as requiring improvement and one rated as inadequate. The Harrow Schools Improvement Partnership and the Education Strategy and School Organisation teams were working closely with schools on improvement plans. The Virtual School was making good progress;

- recent Care Quality Commission inspections of safeguarding in health partners had raised some concerns. The CQC had yet to publish the report regarding this;
- health checks for Children Looked After (CLAs) had fallen below expected levels;
- the Youth Offending Service teams had made good progress in meeting targets set in the improvement plan, however, a number of ongoing IT issues had caused a dip in indicators which was affecting outcomes for young offenders and the improvement plan.

A Member queried the substantial increase in referrals to social care. An officer advised that Harrow compared well with its statistical neighbours in this area. The increase was due in part to the lowering of the threshold, families with high levels of need relocating to outer London boroughs and the increasingly complex needs of children in the borough.

A Member asked whether any young people from Harrow were in secure accommodation. An officer advised that there were none.

A Member queried the £0.815m overspend in the Directorate. An officer advised that there was an overall income shortfall of £3m due to loss of income from hiring of the Teachers' Centre and costs related to the Special Needs Transport service. The Director undertook to provide a more detailed breakdown of the figures to the Sub-Committee.

A Member asked about the low rates of children subject to a child protection plan for more than two years. An officer stated that the number of children had been flagged up by the OFSTED inspection of 2012. She added that the number of children on protection plans had increased, however, the numbers on the list for more than two years had reduced, which indicated that cases were being progressed more quickly.

A Member queried the fact that the percentage of repeat referrals had reduced, however, the number assessed within 45-days had increased. An officer advised that this reflected the increased pressure on the service. While the percentage of assessments completed within 45 days had been below target in previous months, performance had significantly improved during December 2013 to 90% for that month. This situation was being closely monitored.

The Chair queried the figures relating to Health Checks for CLAs. The officer advised that 90% of health reviews would be completed for children who had been looked after for more than one year and that the main problems were with initial health checks for new CLA. The Chair requested that the Sub-Committee re-visit the issues of initial Health Checks for CLAs and the final results of CQC inspection of safeguarding in health partners.

The Chair asked what remedial action had been taken in relation to the YOT and how soon the team were expected to be back on track. An officer stated

that this was being overseen by the Children's Improvement Board. An officer added that Capita were in discussions with the software providers regarding this issue. The Chair requested that performance of the YOT be added to the Scrutiny Watch list.

The Chair congratulated the Children and Families Directorate for the improvements in performance.

RESOLVED: That the report be noted.

179. Third Sector Strategy Update: Presentation

The Sub-Committee received a presentation regarding the Third Sector Strategy, given by the Divisional Director of Community and Culture and the Chair of the Voluntary Sector Forum (VSF).

The Divisional Director stated that the Strategy had been agreed by Cabinet in April 2012. It had identified a set of key actions which were aimed at deepening partnerships, building capacity in the Third Sector and increasing opportunities for Third Sector involvement in the design and delivery of public services. This had been supported by a series of public engagement events.

The Chair of the VSF stated that the VSF was a mutual support network that was evolving and developing with support from the Council. It was intended that the revised Strategy would help to unlock the social capital of existing and new social support networks, forge new partnerships and improve the wellbeing and resilience of all our communities.

A Member asked whether a review of needs that were currently unmet had been carried out. He also asked how activity would be prioritised and how duplication of work would be avoided. The Divisional Director advised that these issues would be fully explored at a forthcoming workshop with the Sector planned for March 2014.

A Member asked about staffing levels within the Community and Culture Section. The Divisional Director advised that the Section comprised three members of staff.

RESOLVED: That the presentation be noted.

180. Exclusion of the Press and Public

That, in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following item for the reason set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
12	ICT Disaster Recovery	Information under paragraph 1 (contains information relating to the financial or business affairs of any particular person (including

the authority holding that information).

13 Business Continuity

Information under paragraph 1 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information))

181. ICT Disaster Recovery

The Sub-Committee received a report of the Director of Customer Services and Business Transformation, which set out the current position with regard to ICT Disaster Recovery (DR). An officer stated that migration of the Council's IT systems to Citrix, once completed, would enable a more flexible DR response.

RESOLVED: That the report be noted.

182. Business Continuity

The Sub-Committee received a report of the Director of Finance & Assurance which set out the current position on Business Continuity (BC) activity.

An officer advised that the current overarching BC Plan and supporting Directorate plans had been agreed in 2010 and were reviewed every 2-3 years. The full review initiated in 2013 was almost complete. He added that the Council's BC plans were benchmarked annually.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 10.03 pm).

(Signed) COUNCILLOR SUE ANDERSON
Chair

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REPORT FOR: CABINET

Date:	26 June 2014
Subject:	Revenue and Capital Outturn 2013/14
Key Decision:	Yes
Responsible Officer:	Simon George, Director of Finance & Assurance
Portfolio Holder:	Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All wards
Enclosures:	Appendix 1 - Revenue Directorates Summary Appendix 2 - Revenue Carry forward Schedule Appendix 3 – Capital Monitoring Appendix 4 – HRA Revenue Outturn

Section 1 – Summary and Recommendations

This report sets out the Council's revenue and capital outturn position for 2013-14

Recommendations:

1. That Cabinet notes the revenue and capital outturn position for 2013-14
2. That Cabinet approves the contributions to reserves outlined in paragraphs 21 to 27
3. That Cabinet approves the revenue carry forwards outlined at paragraph 20 and detailed in Appendix 2

4. That Cabinet approves the debt write off outlined in paragraphs 29 and 30
5. That Cabinet approve the net remaining revenue under spend of £1.354m is transferred to general reserves
6. That Cabinet note the changes in quarter 4 to the Capital Programme outlined in paragraph 33
7. That Cabinet notes the carry forwards on the capital programme outlined in table 2 (paragraph 31) and set out at Appendix 3 that have been approved under delegated authority by the Director of Finance and Assurance
8. That Cabinet notes the timetable for accounts completion and external audit review as outlined in paragraph 39

Reason (for recommendation)

To report the financial position as at 31 March 2014.

Section 2 – Report

EXECUTIVE SUMMARY

1. The revenue outturn position of the Council at the end of the financial year 2013/14 year is showing a net under spend of £13.159m before transfers to reserves. Carry forwards of £4.009m are requested which will reduce the net under spend before transfers to £9.150m. This is a significant achievement as the council has delivered services within the approved budget, contained the pressures arising from the challenging financial environment and the risks around demand pressures.

2. It is recommended that the under spend of £13.159m is used to increase reserves as follows:

• Carry forwards	£4.009m
• MTFs Implementation costs	£2.796m
• Business Risk Reserve	£2.000m
• Transformation and Priority Initiatives Fund	£3m
• General Reserves (*)	<u>£1.354m</u>
	£13.159m

(*) This will increase general reserve balances from £8.646m to £10m

3. The recommended contributions to reserves will support the Council moving forward to deliver agreed services in the challenging financial environment facing local government.

4. All outturn positions detailed in this report are provisional until agreed by Cabinet.

5. Total spend on the capital programme for the year was £35.283m (£29.022m General Fund and £6.261m HRA). This compares to an

approved budget of £93.486m, giving underspends of £56.073m General Fund and £2.129m HRA before carry forward. The value of carry forwards agreed, under delegated authority, is £35.347m General Fund and £0.949m HRA, a total of £36.296m. The underspends not carried forward are £14.134m General Fund and £1.180m HRA.

REVENUE OUTTURN

6. The revenue outturn for the Council after transfer to ear marked reserves for the financial year 2013-14 is £179.709m against the approved budget of £181.063m. This represents an under spend of £1.354m or 0.7% variation on budget and this report recommends transferring the £1.354m into General Reserves.

Table 1 below summarises the position:

Original Budget	Directorate	Latest Budget	Provisional Outturn	2013-14				2012-13 Outturn Variance
				Outturn Variance	%	Carry Fwd	Variance adj for Carry Fwd	
£000		£000	£000	£000		£000	£000	£000
27,363	Resources	28,818	26,173	-2,645	-9.2	1,079	-1,566	-2,092
37,091	Environment & Enterprise	39,717	37,343	-2,374	-6.0	1,626	-748	-3,056
77,722	Community, Health & Wellbeing	77,762	77,137	-625	-0.8	564	-61	-168
45,078	Children & Families	46,135	45,770	-365	-0.8	740	375	-246
187,254	Sub Total Directorate	192,432	186,423	-6,009	-3.1	4,009	-2,000	-5,562
2,912	Inflation and Corporate Items	2,570	695	-1,875	-73.0			-1,507
1,171	Contingency	1,171	0	-1,171	-100.0			-1,000
2,000	Welfare Reform contingency	2,000	0	-2,000	-100.0			
-6,907	Capital Financing and Interest	-4,761	-5,678	-917	-19.3			-1,809
-5,367	Grants	-5,416	-6,603	-1,187	-21.9			-33
	Carry Forwards 2012-13	-3,735	-3,735	0	0.0			
	Reserves Use	-3,198	-3,198	0	0.0			-621
181,063	Sub Total	181,063	167,904	-13,159	7.3			-10,532
	Contribution to Reserves							
	MTFS Implementation cost		2,796	2,796				4,576
	Carry Forward Requests 13-14		4,009	4,009				3,268
	Business Risk		2,000	2,000				1,691
	Transformation and Priority Initiatives Fund		3,000	3,000				
181,063	Total Budget Requirement	181,063	179,709	-1,354	0.7			-997

Directorates' Position

7. The outturn for the Directorates is an under spend of £6.009m against the approved budget of £192.432m which represents a 3.1% variance. The position for each directorate is summarised below and further details are provided in Appendix 1.

Resources

8. The outturn position for Resources is an under spend of £2.645m. The key reasons are detailed below:

- Finance and Assurance – Reduced pension augmentation payments (£217k) and an under spend on the finance transformation project (£141k) contribute to an under spend of £412k
- HRD & Shared Services – Savings on operational activity for payroll (£198k), reduction or delay on training programmes (£145k) and additional income from HR services contribute to an under spend of £443k
- Strategic Commissioning – Over recovery of SIMS income (£65k) and Local Area Agreement (LAA) Grant (£192k) contribute to an under spend of £283k
- Customer Services – There are a number of variances that have contributed to the overall under spend of £1.213m. The key variances are:
 - Low take up of the Emergency Relief scheme (347k)
 - Impact of the taxi card policy (£100k)
 - BTP payments not required due to delays in Mobile and Flex project (£262k)
 - Small Capita projects not progressed (£200k)
 - Additional Capita service credits (£150k)
 - The Housing Benefit overpayment bad debt provision was £113k overspent

9. The under spend is reduced to £1.566m after accounting for carry forwards of £1.079m which this report recommends (Appendix 2)

Environment and Enterprise

10. The outturn position for Environment & Enterprise is an under spend of £2.374m. The key reasons are detailed below:

- Additional income and under spends - Additional parking enforcement income (£1.202m), delays in the project implementation costs of Towards Excellence (£0.423m), delays in spending on highways and street lighting (£0.729m) due to contractor issues, savings on Waste disposal costs (£0.233m), additional rents from corporate estates (£0.317m), savings on salaries (£0.279m) and additional Streetworks income (£0.212m).
- Off setting these underspends are MTFS savings not achieved (£0.538m), a shortfall on Building Control fee income (£0.280m) and a shortfall on dry recyclable income (£0.336m)

11. The under spend is reduced to £0.748m after accounting for carry forwards of £1.626m which this report recommends (Appendix 2)

Community Health and Wellbeing

12. The outturn position for Community Health and Wellbeing is an under spend of £0.625m. The key reasons are detailed below:

- Housing General fund services are under spent by £0.477m, of which £0.400m is requested for carry forward mainly due to delays in the implementation of the Government's Welfare Reforms
- Public Health is under spent by £0.458m as a result of containing the Council's general fund contribution in relation to Drugs & Alcohol within the grant spend, increasing the MTFS saving by £100k in the overheads charged across the shared service, and lower levels of spend than anticipated in the Council funded transition cost budget. There has also been a contribution of £0.666m to an earmarked reserve of the ring fenced grant that was not spent in the first year.
- Community and Culture is overspent by £188k mainly relating to the late signing of the Libraries and Leisure contract which was compensated to a degree by Public Health funding in relations to leisure services. After accounting for carry forward requests the over spend is £293k.
- Adult Services is under spent by £59k and relates in the main to the early achievement of Supporting People savings to offset pressures in the In house Residential savings. After accounting for carry forward requests a balanced position is reported.

13. The directorate under spend is reduced to £0.061m after accounting for carry forwards of £0.564m which this report recommends (Appendix 2).

Children's and Families

14. The outturn position for Children and Families is an under spend of £0.365m. The key reasons are detailed below:

- Quality Assurance, Commissioning and Schools under spent by £579k which is largely unspent Troubled Families grant funding of £672k which is recommended for carry forward
- The Early Intervention Service under spent by £415k as a result of staff savings (£125k), public health contributions (£221k) and not spending an IT related carry forward at the Children Centres.
- Targeted Services over spent by £609k mainly from pressures in the Placements Service (£445k) and staffing (£270k) which are partly off set by under spends within the Children Looked After Service

- Management and Business Support over spent by £139k mainly from unachieved procurement, vacancy management and agency savings
 - Special Needs have under spent by £84k mainly from unspent SEN Reform Grant (£68k) which is recommended for carry forward
15. The directorate under spend of £0.365m is increased to an overspend of £0.375m after accounting for two recommended carry forwards of government grant funding totalling £0.740m.

INFLATION AND CORPORATE ITEMS

16. The position shows an under spend of £1.875m. £1m relates to a lower level of provisions being required for litigation, debt and redundancies than anticipated. £0.45m is a result of utilities inflation not being required and £0.4m the surplus relating to previous years on the Goods Received, Invoice Received suspense code.

CONTINGENCY

17. There have been no calls on the contingency and therefore an under spend of £1.171m is contributing to the overall position.

WELFARE REFORM CONTINGENCY

18. £2m was provided for this in the budget for 2013-14. This was not required in 2013-14 due to a combination of delays in the implementation of welfare reform and mitigating actions taken by Housing services and the Housing Benefits team to reduce the homelessness that would otherwise have occurred.

CAPITAL FINANCING

19. The outturn is an under spend of £0.917m. A reduced Minimum Revenue Provision, as a result of slippage in the 2012-13 capital programme, and more investment income as a result of higher cash balances than anticipated have realised this under spend.

REVENUE CARRY FORWARDS

20. Carry forward requests were received, mainly in relation to projects not completed and government grants not yet spent. The carry forward requests are summarised below and listed in appendix 2:-

	Council Funding	Grant Funding	Total
	£000	£000	£000
Resources	520	559	1,079
Environment & Enterprise	1,513	113	1,626
Community, Health & Wellbeing	457	107	564
Children & Families	0	740	740
2013-14 Carry Fwd Total	2,490	1,519	4,009
2012-13 Carry Fwd for Local Development Framework not allocated in 2013-14	138		138
Total	2,628	1,519	4,147

MTFS IMPLEMENTATION COSTS

21. As part of the 2012-13 accounts, Cabinet approved the establishment of a Medium Term Financial Strategy Implementation reserve of £4.849m. £1.571m has been drawn down during 2013/14, mainly in relation to severance costs, leaving a balance of £3.278m. In view of the costs still required to implement the MTFS, it is recommended that £2.796m is now added to the reserve. The Council's policy on General Reserves was agreed as part of the budget setting process in February 2013 and is outlined below:

“The first call on any under spend at the end of the year will be to fund the one off cost to transition. A contribution to general balances will then be considered with regard to the size of the under spend, the underlying strength of the balance sheet and the need to support other priorities.”

BUSINESS RISK

22. This reserve was established as part of the 2012-13 outturn to provide for a number of identified business risks with a balance of £1.691m. There have been three draw downs during in year:

- Waste Costs £0.220m
- Print contract termination costs £0.500m
- CCG contribution towards STARRS (agreed NHS Funding Transfer) £0.112m

23. This leaves a balance of £0.859m, which is recommended to be retained as the originally identified risks are ongoing. In addition it is recommended to add a further £2m to fund new and emerging business risks and any new contractual risks.

TRANSFORMATION AND PRIORITY INITIATIVES FUND (TPIF)

24. The TPIF balance at 1 April 2013 was 1.117m. During the year four bids against the fund were approved:

- Environment projects £0.560m
- Welfare Reform £0.100m
- Planning Enforcement £0.063m
- GIS £0.024m

25. This leaves a balance of £0.369m. It is recommended to add an additional £3m to fund invest to save initiatives and further member priorities.

GENERAL RESERVES

26. Harrow's level of General Reserves is low compared to most other authorities. In a survey by the LGA of the level of general reserves compared to percentage of net revenue showed Harrow the lowest in London and 346 out of 353 in England. After assigning the under spends to fund MTFS implementation costs, Carry Forward Requests and Business Risks, it is recommended to allocate the balance of £1.354m to General Reserves which will increase the balance from £8.646m to £10m as detailed below.

	General Fund
	£000
Balance b/fwd as at 01.04.2013	8,646
Contribution	1,354
Balance as at 31.03.2014	10,000

27. Increasing general reserves to £10m will bring Harrow closer in line with other London Boroughs.

HOUSING REVENUE ACCOUNT (HRA)

28. The HRA has a surplus of £0.399m against a budgeted surplus of £0.456m. The main contributing factors are an over spend on repairs expenditure of £0.468m offset by lower than expected employee and other expenditure. The outturn also includes valuation losses on the Council's garages of £0.683m which have been mitigated to £0.225m by revising accounting entries in respect of depreciation in prior years.

DEBT WRITE OFF

29. The Council has been unable to recover £81,150 in respect of 2 invoices to a developer in respect of parking bay suspensions between 2009 and 2011. The company is in liquidation and all recovery processes have now been exhausted. Approval is sought from Cabinet for the debts to be written off. There has already been a 100% bad debt provision for these debts and there is no impact on the revenue outturn.
30. The reported outturn for the Housing Revenue Account includes a contribution to the provision for bad & doubtful debts of £142,589. This is after allowing for the write off of £339,633 HRA debt owed by tenants but which is not recoverable. We maintain a dialogue with tenants using all means available followed by formal correspondence offering repayment plans. Where this is unsuccessful, preparations for legal proceedings are put in place and ultimately eviction as a last resort. The majority of write offs in 2013-14 relate to former tenants who have left no forwarding address. Although checks are made with Revenues and Benefits and Experian, there is often no alternative but to write off. Approval of Cabinet is sought to write off this irrecoverable debt.

CAPITAL

31. The total spend on the capital programme for the year was £35.283m (£29.022m General Fund and £6.261m HRA). This compares to an approved budget of £93.486m including £6.593m below the line items (£85.095m General Fund and £8.390m HRA).

Table 2

Directorate	Original Programme	CFWD's	Adjustments	Total Budget	Actual	Variance	Carry Fwd	Under spend
	£000	£000	£000	£000	£000	£000	£000	£000
Community, Health and Wellbeing	3545	2543	1962	8049	4291	-3758	-3,588	-170
Children & Families	6404	11997	14458	32859	7302	-25557	-11767	13790
Environment & Enterprise	13798	7007	1786	22591	11910	-10681	-10674	-7
Resources	5390	8059	1555	15004	5519	-9485	-9318	-167
TOTAL GENERAL FUND	29137	29605	19761	78502	29022	-49480	-35347	14134
HRA	7633	757	0	8390	6261	-2129	-949	-1180
TOTAL GENERAL FUND & HRA	36769	30362	19761	86892	35283	-51609	-36296	15314
BELOW THE LINE ITEMS	12411	0	-5818	6593	0	-6593	0	-6593
TOTAL CAPITAL PROGRAMME	49180	30362	13943	93486	35283	-58203	-36296	21907
NOTE:								
General Fund Funding:								
Grant	-8747	-14076	-14730	-37553	-9468	28085	14292	13846
Section 106		-427	-12	-439	-71	368	368	0
RCCO		-63	-579	-642	-578	64	64	0
Capital Receipt		0	-3578	-3578	-4315	-737	1199	0
Borrowing	-20390	-15039	-862	-36290	-14590	21700	19424	288
TOTAL GENERAL FUND	-29137	-29605	-19761	-78,502	-29022	49480	35347	14134
HRA Funding:								
Capital Receipt				-100	-150	50	0	0
RCCO/DRF	-7633	-757		-8290	-6111	-2179	949	1180
TOTAL HRA	-7633	-757	0	-8390	-6261	-2129	949	1180

32. The total variance on General Fund is £49.480m. This includes £35.347m of slippage on General fund Projects and £0.949m slippage on HRA projects. The summary above shows £13.790m of underspend on Children & Families which is accounted for by the full budget for the additional grant funding received for the school expansion programme being added to the programme in November 2013, although it has also been included in the 2014-15 programme. There is an underspend of £6.593m against the below the line items. This budget was included in

the programme on a contingency basis and related to potential land acquisitions, new cost saving projects to be identified and the school expansion programme if not covered by new grant allocations. There have been a number of minor underspends across the programme totalling £0.344m.

33. A number of virements within the capital programme were approved under delegated authority in quarter 4. These are listed in the table below;

From	To	Amount
		£000
Disability Facilities Grant	Upgrading Library Management System	75
Parking Management Programme	CCTV Camera Extension Project	28
Parking Management Programme	Roxborough Bridge Underpass CCTV	14
Harrow Card	CCTV Enforcement Monitoring System Re-engineering	80
Harrow Card	Public Realm Services – Parks, Open Spaces & Cemeteries	60
Harrow Card	Public realm Services – Waste and Recycling	70
Harrow Card	Corporate Accommodation Maintenance	110
BTP - PCI Cap	Corporate Accommodation Maintenance	52
BTP Minor Projects	Small Schemes (Council wide)	231
BTP Minor Projects	BTP - Public Realms	234
BTP Minor Projects	ICT Infrastructure & Corporate Applications	250

34. The HRA capital programme is showing a spend of £6.261m against the revised programme of £8.390m resulting in a variance of £2.129m which includes slippage of £0.949m and an under spend of £1.180m.

35. The capital programme by directorate is included at Appendix 2 showing performance against the latest approved budget for each programme line.

COLLECTION FUND

36. The overall position for the Collection Fund is a net surplus for 2013-14 is £1.495m against an estimated surplus of £2.096m resulting in an adverse variance of £0.601m. This resulted from a drop in Business Rates income mainly from Leisure Centre and Libraries due to their eligibility for charitable relief (£0.574m) and an increase in the appeals provision (£0.400m). This was partly offset by a reduced bad debt provision requirement on Council Tax (£0.373m) due to an improved collection rate as detailed below.

37. The net impact of the variance for the Council is however, virtually nil as Harrow's share of the Council Tax surplus (£299k) is proportionately higher than the share of the Business Rates deficit (298k).

38. The in-year Council tax collection rate for 2013-14 was 97.5% which is 1.5% above target and a tremendous achievement in the current economic climate. Business rate collection was 95.6 % which was a little below the target of 96.5 %, however this was not unexpected as the Council's predominant rate payers are Small Medium Enterprise and

these businesses have been most affected by the current economic climate.

TIMETABLE FOR ACCOUNTS COMPLETION AND EXTERNAL AUDIT REVIEW

39. The draft accounts will be completed by the statutory deadline of 30th June and the audit will commence in early July. The final accounts will be considered by the Governance, Audit and Risk Management Committee (GARM) on 17 September 2014 and must be signed off by the Council and the Auditor by the end of September.

LEGAL IMPLICATIONS

40. Section 151 of the Local Government Act 1972 states that ;"without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs"

41. Section 28 of the Local government Act 2003 imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against budget calculations.

FINANCIAL IMPLICATIONS

42. Financial matters are integral to the report.

PERFORMANCE

43. Good financial monitoring is essential to ensuring that there are adequate and appropriately directed resources to support delivery and achievement of Council priorities and targets as set out in the Corporate Plan. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximised.

44 Financial performance is considered quarterly at Cabinet.

ENVIRONMENTAL IMPACT

45. There are none directly related to this report.

RISK MANAGEMENT IMPLICATIONS

46. The risks to the council and how they are being managed are clearly set out in the report:

Risks included on Directorate risk registers? Yes

EQUALITIES IMPLICATIONS

47. Financial monitoring is important in ensuring resources are used to deliver equitable services to all members of the community. There are no direct equalities impacts arising from the decisions within this report.

CORPORATE PRIORITIES

48 This report deals with the Revenue and Capital monitoring which is key to delivering the Council's corporate priorities.

Section 3 - Statutory Officer Clearance

Name: Simon George	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 10 June 2014		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 17 June 2014		

Section 4 – Performance Officer Clearance

Name: Jonathan Kilworth	<input checked="" type="checkbox"/>	on behalf of the Divisional Director Strategic Commissioning
Date: 20 May 2014		

Section 5 – Environmental Impact Officer Clearance

Name: Venetia Reid-Baptiste	<input checked="" type="checkbox"/>	on behalf of the Corporate Director (Environment & Enterprise)
Date: 21 May 2014		

Ward Councillors notified:	NO
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Section 6 - Contact Details and Background Papers

Contact: Dawn Calvert (dawn.calvert@harrow.gov.uk)
Tel: 020 8424 1393

Background Papers:

[REVENUE AND CAPITAL MONITORING FOR QUARTER 3 AS AT 31, Cabinet 13 February 2014](#)
[FINAL REVENUE BUDGET AND MEDIUM TERM FINANCIAL STRATEGY, Cabinet 14 February 2013](#)

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call –in applies]

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	Original Budget £000	Budget Adjs £000	Latest Budget £000	Outturn £000	Variance £000	Variance %	Carry Fwd £000	Variance adj for Carry Fwd £000	Comments
RESOURCES									
Customer Services	14,914	-92	14,822	13,609	-1,213	-8.2%	587	-626	Revenue & Benefit-Low take up of the Emergency Relief scheme (£347k) and impact of the Taxi Card policy implemented in October 2013 (£100k). Housing Benefits overpayments bad debt provision £113k overspend. BTP-£262k payments not required due to delay in Mobile and flex project, £240k request for carry forward due to delay in projects, £150k additional service credits, £200k Capita small projects not progressed, £45K PSN services charges had already been paid in the previous year and £30k other operational savings and unbudgeted income. Access harrow- £128k under spend on operational activity offset by £163k overspend on staffing due to increased activity at the turn of the year for Access Harrow.
Director of Resources	1,101	306	1,407	1,371	-36	-2.6%	0	-36	Rebate on agency cost from Pertemps
Finance & Assurance	6,516	-721	5,795	5,384	-411	-7.1%	70	-341	Reduction in Pension Augmentation Payment (£217k), Delay in finance transformation project (£141k) & clearance of goods receipt and invoice receipt (£26k)
HRD & Shared Services	-409	877	468	25	-443	-94.7%	100	-343	£198k saving on operational activity for payroll, £145k reduction or delay on training programmes, £67k additional income from HR services i.e. health and safety and refund of missing of occupational health appointments and £21k vacancy management
Legal & Governance	3,594	147	3,741	3,501	-240	-6.4%	100	-140	Over recovery of Land charges income £193k, £100k carried forward for IER project offset by £44k mayoralty additional spend. The outturn variances for the political groups / councillors are; Independent Labour Group £39k over spend, Labour Group £30k under spend, Conservative Group £0k variance, UKIP (Cllr Sheinwald) £0 variance, Independent (Cllr Bond) £0k variance, Independent (Cllr Akhtar) £2k under spend, Independent (Cllr Gawn) £0k variance and Liberal Democrat £0k variance.
Procurement	-5	224	219	200	-19	-8.7%	20	1	Carry forward for Funding from LGA to support national category procurement work for ICT
Strategic Commissioning	1,652	714	2,366	2,083	-283	-12.0%	202	-81	£192k LAA Grant not spent, requested to be carried forward and £65k over recovery income for SIMS services.
Directorate Total	27,363	1,455	28,818	26,173	-2,645	-9.2%	1,079	-1,566	

	Original Budget £000	Budget Adjs £000	Latest Budget £000	Outturn £000	Variance £000	Variance %	Carry Fwd £000	Variance adj for Carry Fwd £000	Comments
ENVIRONMENT & ENTERPRISE									
Directorate Management	708	486	1,194	558	-636	-53.3%	498	-138	The favourable variance results mainly from an underspend on Towards Excellence costs due to a delay in the project £423k. One off savings contributing to the underspend include a write back of the bad debt provision of £82k and a rebate in relation to agency staff costs of £46k. A carry forward of £498k has been recommended to fund remaining costs associated with the Towards Excellence project which are anticipated to materialise in 14/15.
Community Safety	-2,479	208	-2,271	-3,445	-1,174	51.7%	89	-1,085	The favourable variance results mainly from additional income from parking service of £1,202k.
Property & Infrastructure	15,502	862	16,364	15,183	-1,181	-7.2%	622	-559	The favourable variance results mainly from an underspend on highways of £600k and street lighting of £129k arising from issues with the highways contractor. A carry forward request for £622k has been recommended. Other underspends include £178k on climate change and underspends on asset management salaries of £305k. £100k MTFS in relation to minimum standard cleaning is not achieved due to anticipated savings not materialising following re-tender and is showing as an overspend. The income shortfall in relation to Civic Centre car park not achieved £135k is offset by £212k additional income from Streetworks.
Public Realm Services	21,321	692	22,013	22,752	739	3.4%	417	1,156	The overspend relates mainly to unachieved income associated with the Dry Recyclables contract £336k, overspent salaries £291k relating to the delayed implementation of the Towards Excellence restructure, unachieved part year MTFS savings associated with route optimisation £217k, unachieved MTFS savings on the new vehicle hire contract £86k and overspend on arboriculture £167k as a result of storm damage during 13/14. The overspends are partially offset by underspends on waste disposal costs £233k, computer repairs £75k and other miscellaneous costs £50k.
Enterprise	2,039	378	2,417	2,295	-122	-5.0%		-122	The underspend relates to an over recovery of Corporate Estate income of £317k and under spend on salaries across Enterprise of £87k This has been offset by a £268k shortfall on building control fee income & £12k on planning income.
Directorate Total	37,091	2,626	39,717	37,343	-2,374	-6.0%	1,626	-748	

	Original Budget £000	Budget Adjs £000	Latest Budget £000	Outturn £000	Variance		Carry Fwds £000	Variance adj for Carry Fwd £000	Comments
					£000	%			
COMMUNITY, HEALTH & WELLBEING									
Adult Services	61,960	1,100	63,060	63,001	-59	-0.1%	59	0	The underspend in general relates to the delivery of Supporting People savings early to offset pressures in the Inhouse Residential savings.
Community & Culture Total	7,839	183	8,022	8,210	188	2.3%	105	293	Overspend mainly relates to late signing of Libraries and Leisure contract which was compensated to a degree by Public Health funding in relation to leisure services. Other unachievable MTFs savings against employee budgets across the Directorate have not been fully achieved. Ongoing pressures associated with Music Services unachievable income targets have been identified.
Housing General Fund	7,099	572	6,527	6,050	-477	-7.3%	400	-77	Underspend relates mainly to delays in implementation of Government's Welfare Reforms resulting in lower than expected utilisation £1m growth approved for Homelessness. Although savings targets have been met, these have been offset by extraordinary growth in families seeking temporary accommodation. The improvement from period 11 to reported outturn relates mainly exercise of prudence in estimation of Discretionary Housing Payment (DHP) claims.
Public Health	652	-692	-40	-390	-350	875%		-350	Underspend relates to additional council support of £250k that was not required and additional underspend against MTFs savings (£100k)
Public Health Integration	100	75	175	67	-108	-61.7%		-108	The underspend is largely due to the N3 IT connection project not yet being implemented.
Transformation	71	-53	18	199	181	1006%		181	Overspend largely due to unachieved Procurement savings - delivered £28k Pertemps
Directorate Total	77,721	1,185	77,762	77,137	-625	-0.8%	564	-61	

	Original Budget £000	Budget Adjs £000	Latest Budget £000	Outturn £000	Variance £000	Variance %	Carry Fwds £000	Variance adj for Carry Fwd £000	Comments
CHILDRENS & FAMILIES									
Commissioning & Schools	3,145	240	3,385	2,806	-579	-17.1%	672	93	The under spend results mainly from unspent Troubled Families funding of £672k. This is offset by net pressures within the Service totalling £111k mainly relating to the Teachers Centre and the continuation of the Head of Education Strategy and Schools Organisation Post. In addition there was an £18k one off contribution from Public Health for related expenditure.
Early Intervention Service	5,802	208	6,010	5,595	-415	-6.9%		-415	The under spend results mainly from an unspent carry forward of £63k in relation to Childrens Centres ICT and a transfer of staff costs of £125k from the Hillview Childrens Centres Hub to the Hillview Nursery within the Schools budget. In addition there was a £221k one off contribution from Public Health for related expenditure.
Targeted Services	18,892	437	19,329	19,938	609	3.2%		609	The over spend results mainly from pressures in the Placements Service of £455k and staffing of £270k. This is offset by underspends mainly within the Children Looked After Service.
Management & Business Support	2,469	443	2,912	3,051	139	4.8%		139	The over spend results mainly from pressures of £93k resulting from unachieved procurement savings and £40k relating to unachieved vacancy management and agency savings.
Special Needs	9,841	-38	9,803	9,719	-84	-0.9%	68	-16	The under spend results mainly from unspent SEN Reform Grant for which a carry forward is being requested.
Schools	4,929	-233	4,696	4,661	-35	-0.7%		-35	
Directorate Total	45,078	1,057	46,135	45,770	-365	-0.8%	740	375	

Revenue Carry Forward Requests 2013-14 Recommended For Approval

Division	Description	Amount			Total	Reason for Carry Forward
		Council Funding £000	Ring Fenced Grant Funding £000	Non Ring Fenced Grant Funding £000		
Carried Forward Request 2013-14						
Community, Health and Wellbeing						
Housing General Fund	Delayed impact of Welfare Reforms and Benefit Cap	400		0	400	Commissioning Panel (Oct 12) awarded growth to Housing Needs of £1 million in 13-14, reducing to £500,000 in 14-15 and 15-16, because of the impact of Welfare Reform generally, and the overall benefit cap in particular. The delay in the implementation of the cap to Sept 2013 means full impact has been delayed and so less budget was needed in 13-14, but more budget will be needed in 14-15.
C&C	John Lyon's Charity		22		22	The underspend from 2013 was saved up on purpose to enable extra projects in the upcoming financial year
C&C	Sport development Sportivate Grant		26	0	26	External grant funding for a 6yr programme - Sport England & London Sport
C&C	Provision for libraries (early termination liability)	57			57	Provision for repayment of discount if contract not extended beyond 5 years.
						The changes requested by DH have been made in 13/14 - however, spend on this grant is dependant on reporting from 1st of April 2014, further consultations and additional costs ongoing into 14/15 associated. Revenue Grant new burden funding for 2013/14. New burden funding via a non-ring fenced revenue grant for 2013/14. Implementation of proposals of the zero-based review of adult social care data collections with respect to 2013/14 and 2014/15.
jilts	NEW BURDEN FUNDING FOR 2013/14	457	48	59	59	
	Total 2013-14	457	48	59	564	
Total Carried Fwd CHW Directorate						
		457	48	59	564	
Environment & Enterprise						
Carried Forward Request 2013-14						
Environmental Service Delivery	Towards Excellence Costs; Fraikin Penalty Charges	265			265	Of the £295k growth allocated in 13/14 only £30k has been utilised in 13/14. As part of route optimisations, 3 vehicles will be removed in 14/15[agreed MTFS savings].
Business & Development Services	Towards Excellence Costs; Technical Officers	65			65	Funding of 2 Technical officers in relation to Towards Excellence project. Both are 12 month contracts until Towards Excellence fully implemented and embedded.
Business & Development Services	Towards Excellence Costs; Capita revenue costs	59			59	Per Capita payment schedule (revenue costs for stages - SIT / Go Live / Stabilisation)
Business & Development Services	Towards Excellence Costs; Culture Change Programme (additional costs)	30			30	The scope of the programme was extended to include Enterprise staff.
Business & Development Services	Towards Excellence Costs; Project managers	9			9	2 secondments ending in April 14
Business & Development Services	Towards Excellence Costs; Training	20			20	Additional one off training costs
Commissioning	Sustainable Drainage System Capability Building Grant Award		24		24	The grant award of 13-14 of £24,350 has just been confirmed on 25/03/2014.To help ease the burden of THAM to set up a Sustainable Urban Drainage Approving Body (SAB)

Revenue Carry Forward Requests 2013-14 Recommended For Approval

Division	Description	Amount				Reason for Carry Forward
		Council Funding £000	Ring Fenced Grant Funding £000	Non Ring Fenced Grant Funding £000	Total £000	
Highways	Various commitments associated with planned maintenance for 13/14 which was not carried out due to the failures of the Highways contractor.	572			572	A programme of work (highways/street lightings/drainages/structures maintenance) was drawn up and commissioned to our highways contractor and purchase orders were raised during 13/14 with the anticipation that the work would be delivered on time and payments would be made in 13/14. However we experienced a few significant issues with the contractor last year and as a result, they failed to deliver the work to our standards on schedule. At year-end, we were awaiting the contractor to rectify the work on defect before we would release the payment. Work relating to the outstanding orders at year-end was expedited by the contractor to avoid the build up of a backlog. A lot of this has now been completed and will require the settlement of bills soon. Failure to carry forward the budget would mean that the costs would need to be met from 14/15 budget, reducing our ability massively to react to responsive works in 14/15.
ESD	Trade Waste Income	200			200	A review of Trade Waste Income has been undertaken in 13/14. An action plan is being developed and recommendations will be available in mid May. It will take time to implement the changes required to increase the income to the budgeted level [Budget 14/15 £1million; Actual 13/14 £542k]
ESD	Route Optimisation	217			217	£217k of MTFs savings are assumed for route optimisation which are anticipated not to be saved in 14/15.
	Total 2013-14	1,487	24	0	1,511	
	Rolled forward from 12-13 c/fwd					
Environmental Service Delivery	NH Firetrap Project		35		35	Project code R06-585E15; £41,839 carried forward from 12-13, only £7,245 has been spent. FIRTRAP money was secured from the NHS (PCT now Public Health) for joint NHS/Council projects to improve public health. There is still public health work to be done but the TE and staff issues has prevented delivery. The BM will be in contact with public health to develop a new project in 2014/15 to utilise the under spend.
Environmental Service Delivery	Met Police Anti Social behaviour project		36		36	Relates to the contribution to community board ASB and crime tasking received in 10-11.
Environmental Service Delivery	Met Police Anti Social behaviour project		18		18	Relates to the contribution to community board project received in 11-12.
Commissioning	Building Maintenance system	26			26	7471 445140 re development of new software system, due to numerous delays by Capita and consequently the project has over-run.
	Total 2012-13	26	89	0	115	
	Total Environment & Enterprise	1,513	113	0	1,626	
	Resources Directorate					
	Carried Forward Request 2013-14					

Revenue Carry Forward Requests 2013-14 Recommended For Approval

Division	Description	Amount			Total	Reason for Carry Forward
		Council Funding £000	Ring Fenced Grant Funding £000	Non Ring Fenced Grant Funding £000		
Customer Services	Mobile and Flex Project Revenue	117	0	0	117	Committed to Capita milestones, but will be delivered Q1 14/15
Customer Services	Devolved Applications Review	28	0	0	28	Budget for six month study split over two years. Delay in appointing interim means it will now all fall in 14/15
Customer Services	Printer Project	95			95	Printing contract is not 100% embedded yet and therefore there may be cost that we are not aware of.
Customer Services	Emergency relief fund		347		347	Unspent balance on fund in 2013-14 to be carried forward and utilised in 2014-15.
Strategic Commissioning	LAA Reward Grant		192		192	Harrow Mutual Support Network £150k- agreed by March 2014 Cabinet , balance £42k for new projects
Insurance	Transforming Financial Management	70	0	0	70	Transforming Financial Management. From £140k underspend £70k required to complete committed activities, i.e. training. Part of carry forward request on committed activities. £70k recommended for acceptance and £70k rejection.
Strategic Commissioning	Policy & Partnership	10			10	Residents panel budget not spent in 2013-14 due to change in head of comms and limited demand. There are plans across the Council to use the residents panel for resident engagement in 2014. Important source of residents views to inform plans post election.
Procurement Legal & Governance	Procurement Service			20	20	Funding from LGA to support national category procurement work for ICT has only recently been transferred from LB Camden too late to enable funding to be spent in current financial year."
	Election costs 9515	100	0	0	100	IER project in June 2014
	Total 2013-14	420	0	559	979	
	Rolled forward from 12-13 c/fwd					
HRD&SS	Leadership & Management Development				75	£50k was carried forward from 2012/13 to fund this. The Operations Board has only recently agreed the approach to taking this forward so this is currently being designed for delivery in 2014/15.
HRD &SS	My Appraisal	25			25	This work should have been delivered in this financial year however, the Operations Board has only recently agreed the approach to taking this forward, therefore staff training will be delivered later than planned but during 2014-15. Without this carry forward the new appraisal process is unfunded
	Total 2012-13	100	0	0	100	
	Total Carried Fwd Resources Directorate	520	0	559	1,079	
Children & Families						

Revenue Carry Forward Requests 2013-14 Recommended For Approval

Division	Description	Amount			Total	Reason for Carry Forward
		Council Funding £000	Ring Fenced Grant Funding £000	Non Ring Fenced Grant Funding £000		
Commissioning & Schools	Carried Forward Request 2013-14 Troubled Families		672		672	Troubled Families funding is front loaded and carry forward is requested to enable continuation of the programme in 2014/15.
Special Needs	SEN Reform Grant			68	68	This grant is intended to support the implementation of government reforms that are due to be implemented in September 2014. The implementation has only commenced recently and continues
Total Carried Fwd C&F Directorate		0	672	68	740	
Total Recommended For Carry forward From 2013-14		2,490	833	686	4,009	

Capital Programme Outturn 2013-14

Appendix 3

	Original Budget	12-13 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Carry Fwd to 2014-15	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Resources									
Council Tax Support		138		138		-138	-83	-55	Project not yet delivered. All expenditure has been committed. Budget to be carried forward to 14-15
ITO Transformation	833	3857		4690	1113	-3577	-3544	-32	Project not yet delivered. All expenditure has been committed. Budget to be carried forward to 14-15
My Harrow Services Account Development Programme		100		100	3	-97	-97		Some development in 13/14 was picked up in service area. While some work slipping into next year include school admission and parking permits
SAP: Financial Leger/Systems Control Imp	250	132		382	6	-377	-377		SAP upgrade to ECC6 has meant that all other changes has to be put on hold. Budget carried forward to implement these changes.
BTP - Business Support		10		10	10				project Completed
BTP - SAP SRM Procurement		36		36	36				project Completed
BTP CCAD - Customer Contact Assess & Decide		114		114	106	-8	-8		
BTP - Mobile & Flex	1814	1016	304	3133	1238	-1896	-1896		Project not yet delivered. 3rd party expenditure has been committed. Budget to be carried forward to 14-15
BTP - Corporate Resources		100		100		-100	-82	-18	Project not yet delivered. All expenditure has been committed. Budget to be carried forward to 14-15
BTP - PCI Cap		232	-52	180	160	-20		-20	Closed
BTP Minor Projects		1359	-1019	340	104	-236	-236		Delayed due to commercial agreement now finalised. 3rd party expenditure has been committed. Budget to be carried forward to 14-15
BTP - Public Realms	1520	218	-1738						Project pause result in the delay in delivery.
SAP Minor Developments	100	34		134	64	-70	-70		Rolling programme. Unspent from 13-14. No budget allocated for 14-15 hence carry forward.
ICT Infrastructure & Corporate Applications	500	97	250	847	111	-736	-736		Essential infrastructure and security projects mostly not started due to delays agreeing commercials with Capita
LAA Performance Reward Grant		319		319	149	-170	-128	-42	

Capital Programme Outturn 2013-14

Appendix 3

	Original Budget	12-13 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Carry Fwd to 2014-15	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
BTP - Hardware Refresh	373	129		502	14	-488	-488		HARP refresh now completed, carry forward to cover expenditure. Waste refresh deferred to 14-15 as equipment still serviceable.
Loan Payment - Capital			3578	3578	2379	-1199	-1199		Delays in milestone payments as project still in early stages.
Small Schemes (Council wide)		168	231	400	27	-373	-373		There is no capital budget in 14/15 hence slippage for next year ad-hoc capital project. The slippage on the project will be recovered in next year.
Resources Total	5390	8059	1555	15004	5519	-9485	-9318	-167	
Children & Families									
Schools Expansion Programme - Phase 1	1104	9085	-5978	4211	2554	-1657	-1657		School Expansion Programme timetable for delivery Sept 2015. Grant Funded
Schools Expansion Programme - Phase 2	1000		3002	4002	935	-3067	-3067		School Expansion Programme timetable for delivery Sept 2015. Grant Funded
SEN Provision	1500	387	-412	1475	232	-1243	-1243		School Expansion Programme timetable for delivery Sept 2015. Grant Funded
Secondary Expansions			3131	3131	172	-2959	-2959		School Expansion Programme timetable for delivery Sept 2015. Grant Funded
School Amalgamation	500	30	170	700	77	-623	-623		School amalgamations budget - built into overall school funding plan. Grant Funded
Bulge Classes	150		97	247	247				
Schools Capital Maintenance	1350	230	-230	1350	1281	-69	-69		Capital maintenance budget - built into overall school funding plan. Grant Funded
Short Breaks Capital Fund		226	-56	171	171				
Project Fees During Defect Period		33	-33						
Devolved Formula Non VA Schools		1048	381	1430	693	-737	-737		Grant funding - rest of grant to be allocated to schools in 14.15
IT Development	800	167	-20	947	37	-910	-910		Delay in starting project. BC already approved at the capital forum hence carry forward
High School Development (2011-12)		287		287	287				
Whitmore School - Sports Pitch		65		65		-65	-65		RCCO funding - Budget ringfenced to Whitmore high.
Whitmore School			471	471	471				on going project

Capital Programme Outturn 2013-14

Appendix 3

	Original Budget	12-13 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Carry Fwd to 2014-15	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
2 Year Old Entitlement Grant (2012-13)		438		438		-438	-438		Grant funding for provision of 2 year old nursery places.
13/14 Schools Budget			13791	13791		-13791		-13791	Underspend included within the 2014-15 approved Schools budget.
School PFI Lifecycle cost			144	144	144				
Children & Families Total	6404	11997	14458	32859	7302	-25557	-11767	-13790	
Environment & Enterprise									
Leisure Centre Car Park CCTV		40		40	47	7		7	Equipment costed more than originally estimated
CCTV Camera Extension Project		500	-28	472	87	-385	-385		Project is delayed but will complete in 14/15.
Roxborough Bridge Underpass CCTV		45	-20	26	18	-7	-7		Project is delayed but will complete in 14/15.
CCTV Enforcement Monitoring System Re-engineering		70	86	156	69	-87	-87		Original scheme completed. Remaining budget for the upgrade of PCN handheld machine and printers
Town Centre Infrastructure		199		199	199				
Town Centre Regeneration	1662	2003		3664	1407	-2257	-2257		Delay in Lowland Scheme due to design issue. Other scheme will be completed in early 14/15 as a result of poor weather.
City Farm/Pinner Park Farm	500	342		842	124	-717	-717		Project is 70% completed. Full completion anticipated in 14/15
Harrow Green Grid	350	41		391	186	-204	-204		Poor weather has meant that project could not progress until 14/15
Development of a Consolidated, Integrated Civic One Building		462		462	436	-26	-26		On going project
Civic Centre Parking		150		150	15	-135	-135		This work has started and will complete in April 2014.
Highway Improvement Programme	4790	206		4996	4206	-789	-789		Contractual issue result in delay hence carry forward
Highway Drainage Improvements & Flood Defence Infrastructure	530	33		563	385	-178	-178		As detailed above
Street Lighting Improvement Programme	1500	328		1828	1095	-733	-733		As detailed above
Parking Management Programme	300	79	42	421	359	-62	-62		Scheme commence in March and will be completed in early 14/15

Capital Programme Outturn 2013-14

Appendix 3

	Original Budget	12-13 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Carry Fwd to 2014-15	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Public Realm Services – Parks, Open Spaces & Cemeteries	430	201	60	691	373	-319	-319		The review of Parks Building strategy has lead to re-prioritisation in of buildings for investment.
Public realm Services – Waste and Recycling	220	84	70	374	123	-251	-251		Contractual issue result in delay work is planned for 14/15 with another contractor
Neighbourhood Investment Scheme	210	140		350	81	-270	-270		
Affordable Warmth		90		90	4	-86	-86		Projects completed. Remaining budget to support additional cost of corporate accommodation projects
Section 106 Schemes		427		427	70	-358	-358		Scheme ongoing
Corporate Accommodation Maintenance	250		162	412	147	-265	-265		3 of the 7 projects programmed have been completed in 13/14. The remaining projects to be delivered in 14/15.
High Priority Plan Maintenance Corporate Property	275		12	287	197	-90	-90		Project is delayed but will complete in 14/15. Works already started in Pinner Library and Civic Centre Moat.
Carbon Reduction Programme 2012/13		289	-3	286	24	-262	-262		There are a number of schemes in development stage. The delivery of these is important as they support the Climate Change strategy on reducing carbon emissions.
Carbon Reduction Programme 2013/14	250		3	253	91	-162	-162		There are a number of schemes in development stage. The delivery of these is important as they support the Climate Change strategy on reducing carbon emissions.
TfL Transport Capital	1327	955	-325	1957	1072	-886	-872	-14	TfL LIP Programme - committed sum to be spent and can be claimed by August 2014.Underspend related to 12/13 grant funded project that has been completed.
TfL Major Schemes	100		-97	3	3				Schemes on going, Final claim by August 2014
TfL Principal Roads	644	263	173	1080	526	-553	-553		Scheme on going, Final claim by August 2014
Harrow Card	460		-320	140		-140	-140		Harrow Card did not proceed in 13/14.
Leisure Centre Car Park Charging		60		60		-60	-60		Consultation is starting in 14/15 with anticipated implementation date on mid 14/15
BTP - Public Realms			1972	1972	567	-1405	-1405		Project pause resulted in a delay in delivery.
E&E Total	13798	7007	1786	22591	11910	-10681	-10674	-7	

Capital Programme Outturn 2013-14

Appendix 3

	Original Budget	12-13 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Carry Fwd to 2014-15	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Community, Health and Wellbeing									
Adults Social Care-Framework-I & IT Integration		147		147	6	-141	-141		Delays with PayPal interface have meant additional interfaces held until these are resolved
MOSAIC Implementation - Adults & Children's Services	500	110		610	87	-523	-523		Mosaic project delayed due to late delivery of software by Corelogic
Milman's Day Centre - Remodelling & Refurbishment		253	-253		1	1		1	
Milap Kitchen - Relocation and Refurbish		2	-2						
NRC		3	-3						
Supported Housing (HIV 2011-12)		190	-190						
Bedford House Boilers		62		62	61	-1		-1	
Mental Health Supported Housing Repairs	45	91		136	85	-51	-51		On going Repair
Renovation Grants	70			70	11	-59		-59	Emergency funding, therefore attempt made not to spend it all. No c/f requested
Disabled Facilities Grants	1710		-80	1630	1521	-109		-109	Project was overfunded. Allocation reduced in 2014-15. No c/f requested.
Disabled Facilities Grants (additional Grant)		50		50		-50	-50		C/f grant as it has to be used for disabilities. Can be used to reduce Harrow funding.
Empty Properties & Private Sector Initiatives Grants	200	328		528	258	-270	-270		BH - WL permits c/f. Small grant used as top up to other grants. Some unforeseen additional funding received from WL in year. EPG - WL permits c/f. Eligibility criteria restricts usage. RTL and BH (Harrow funded) - grant funding used where possible to achieve savings to the council - no c/f requested.
Headstone Manor	850	550		1400	182	-1218	-1218		On going project
Upgrading the People's Network and Installing Wi-Fi		118		118	74	-44	-44		Project completed. Late invoicing by Capita
Upgrading Library Management System		129	75	204	204				

Capital Programme Outturn 2013-14

Appendix 3

	Original Budget	12-13 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Carry Fwd to 2014-15	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Leisure Centre Capital Infrastructure	150	6	-4	152	109	-43	-43		Spend on capital infrastructure has been delayed by the late starting of the new leisure contract with SLM (started on 1st Sept instead of 1st May) and the significant building works at the leisure centre required certainty that any additional works would not be impacted by these works.
Sec 106 Banister Sport Pitch			4	4		-4	-4		Delayed
Leisure Capital Investment			1404	1404	1414	10		10	Project completed - £10k overspend against budget. Budget not sufficient for final outcomes.
Sports & Leisure Short Breaks Grant			30	30	23	-7	-7		Project not yet fully completed, remaining grant carried forward to enable completion.
Refurbishment of 64 Pinner Road	15			15	9	-6		-6	Project completed.
Stanmore Library - Meeting Room	5			5		-5		-5	Project completed
Adults Personal Social Services - Community Capacity Grant			522	522	183	-338	-338		On going project. Grant to be carried forward to develop new Community Capacity projects and deliver Personalisation
Remodelling and Refurbishment of Adult Services Residential Care and Day Care Services		204	488	691	7	-685	-685		Extended period for consultation in response to feedback has delayed implementation
Aztec Cafe and The Bridge - Phase 1			60	60	44	-16	-16		Some slippage with works require carry forward
Safeguarding Quality Assurance Quadrants (QAQ)		200		200		-200	-200		Review of options has taken longer than expected but report due at end of March to allow project to proceed in 14/15
64/66 Woodlands		100	-100						
NRC PFI Lifecycle Costs			10	10	10				
CH&W Total	3545	2543	1962	8049	4291	-3758	-3588	-170	
Grand Total	29137	29605	19761	78502	29022	-49480	-35347	-14134	

Housing Revenue Account 2013-14 Description	Outturn 2012-13 £000	Original Budget £000	Revised Budget £000	Outturn £000	Variance		Comments
					£000	%	
Operating Expenditure : Employee costs, Estates & sheltered, Utilities & other	5,113	6,543	6,589	6,018	-571	-8.66%	Underspend relates salaries, supplies and utility costs offset by pressures on estates costs
Repairs Expenditure : Response, void, cyclical, other associated costs	5,857	6,256	6,443	6,911	468	7%	Overspend relates mainly to higher than expected spend on responsive and void repairs, offset by underspend on external decorations
Other Expenditure : Impairment allowance, Grants to Move, Affordable Housing, Other expenditure	392	1,109	947	449	-497	-53%	Underspend from Grants to Move, Investment in Services and Bad debt provision
Income : Dwelling rents, Leasehold charges	-28,739	-30,343	-30,340	-31,050	-710	2%	Relates mainly to additional weeks rental income and higher than expected facilities charge income
Controllable	-17,377	-16,435	-16,361	-17,671	-1,311	8%	
Non controllable (SSC, depreciation, financing costs)	16,994	15,920	15,905	17,272	1,367	9%	Includes valuation losses for Council garages of £683k which have been mitigated to £282k by revising prior year depreciation charges
Net (surplus) deficit	-383	-515	-456	-399	57	-12%	A further £100k anti fraud grant income has been placed into an earmarked reserve in line with statutory accounting requirements
Balance b/fwd	-2,792	-3,469	-3,469	-3,175	294	-8.48%	
Balance c/fwd	-3,175	-3,984	-3,925	-3,574	351	-8.94%	

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