

Performance and Finance Scrutiny Sub-Committee **AGENDA**

DATE: Wednesday 13 July 2016

TIME: 7.30 pm

VENUE: Committee Room 5,
Harrow Civic Centre

MEMBERSHIP (Quorum 3)

Chair: Councillor Phillip O'Dell

Councillors:

Primesh Patel
Aneka Shah-Levy

Barry Macleod-Cullinane
Bharat Thakker

Reserve Members:

1. Ghazanfar Ali
2. Jeff Anderson
3. Margaret Davine

1. Richard Almond
2. Amir Moshenson

Contact: Miriam Wearing, Senior Democratic Services Officer
Tel: 020 8424 1542 E-mail: miriam.wearing@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. APPOINTMENT OF VICE-CHAIR

To consider the appointment of a Vice-Chair to the Sub-Committee for the Municipal Year 2016/2017.

3. 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.

4. MINUTES (Pages 5 - 12)

That the minutes of the meeting held on 21 March 2016 be taken as read and signed as a correct record.

5. 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, Friday 8 July 2016. Questions should be sent to publicquestions@harrow.gov.uk

No person may submit more than one question].

6. 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).

7. REFERENCES FROM COUNCIL AND OTHER COMMITTEES/PANELS

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

8. REVENUE AND CAPITAL MONITORING 2015/16 (Pages 13 - 54)

Report of the Director of Finance.

9. ANY OTHER BUSINESS

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

AGENDA - PART II - NIL

*** 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

21 MARCH 2016

Chair: * Councillor Phillip O'Dell

Councillors: * Richard Almond * Barry Macleod-Cullinane
* Jeff Anderson * Primesh Patel

In attendance: Sachin Shah Minutes 61 and 62
(Councillors)

* Denotes Member present

56. Attendance by Reserve Members

RESOLVED: To note that there were no Reserve Members in attendance.

57. Late and Urgent Items

Members commented that some reports for this meeting had been circulated after the main agenda, and there had been insufficient time to read some of the reports in depth. Due to the length of time until the next meeting, it was agreed to consider the items at the meeting.

58. Declarations of Interest

RESOLVED: To note that the following interest was declared:

Agenda Item 10 – Libraries Challenge Panel – Six Month Review

Councillor Jeff Anderson declared a non-pecuniary interest in that his wife was the Portfolio Holder with responsibility for the Library Service. He would remain in the room whilst the matter was considered and voted upon.

59. Minutes

RESOLVED: That the minutes of the meeting held on 9 December 2015, be taken as read and signed as a correct record, subject to the insertion of 'Female Genital Mutilation was wrong regardless of time and place.' in the penultimate sentence of the fourth paragraph of minute 53.

60. Public Questions, Petitions and References from Council and Other Committees/Panels

RESOLVED: To note that no public questions, petitions or references were received at this meeting.

RESOLVED ITEMS

61. Revenue and Capital Monitoring

The Sub-Committee received a report of the Director of Finance on the revenue and capital monitoring for quarter 3 as at 31 December 2015, which had been considered by Cabinet on 18 February 2016.

Following a brief overview of the report by the Director of Finance, Members asked the following questions and received responses from the officer and Portfolio Holder:

- Q – How much of the mitigating actions for the overspend on Directorate budgets were reserve/contingency or trimming revenue budgets and would the budget be brought under control? What would the reserves be at end of year compared to the previous year?
- A – £1m welfare reform reserve, £866k social care reserve, £1m corporate items budget and £858k corporate contingency. The cost of homelessness was a growing concern and whilst funding for welfare reform had been set aside it was not an original budget. After mitigating action the budget was on line and a balanced budget was anticipated. Table 4 to the report detailed the contingencies and earmarked reserves excluding £10m general reserves and the officers did not anticipate many drawdowns. Reserves would be examined as the outturn progressed.
- Q – What is the updated position on the end of contract commercial exit negotiations with Capita?
- A – No final agreement had been reached but offers had been made and the aim was to conclude the matter for the end of the financial year. The Corporate Director Resources would be able to provide an update.
- Q – What action is to be taken to reduce the £535k with a red RAG rating on table 5?

- A – Actions taken included compensatory savings for: car parking charges not being increased, contract renegotiation for gritting not to be undertaken until 2016, and postponed implementation of the £50k occupational health proposals due to delay in the Government Fit for Work Scheme.
- Q – What was the impact on services of the unachieved savings of £353k on the PRISM project and how does this relate to the original saving anticipated in previous MTFS of £0.6m?
- A – The officer would ensure consistency of the saving to be achieved in the following financial year. The Portfolio Holder stated that the RAGs were part of the overall report and the aim was to come in on budget.
- Q – At what point did the Portfolio Holder become aware of unachievable savings and what steps have been taken?
- A – Quarterly monitoring enabled focus on saving targets, whether savings were being achieved and, if not, what action could be taken. Each department was to come in on budget.
- Q – Why was the decision taken to postpone the introduction of charges for garden waste for six months and what have been the implementation costs so far? Was the projected participation rate in the scheme of 35% still valid? What monitoring was taking place and how confident that the 2016/17 budget savings would be realised?
- A – The Portfolio Holder stated that it had been important to ensure that the scheme was implemented at the most appropriate time and he was in regular discussion with the Portfolio Holder for Environment, Crime and Community Safety with regard to promoting participation. Discussions on the budget situation had commenced approximately late summer and he was satisfied that the Council's overall budget was on target. The expansion of the available budget through commercialisation was being implemented. The officer would inform Members of the implementation costs of the waste collection proposals and the take up of the garden waste collection.
- Q – What was the position with regard to MyCEP Commercialisation?
- A – There was an ongoing procurement process and the business plan, together with an analysis of bids received, would be submitted to Cabinet.
- Q – How likely was it that all the zeros in the forecast and variance for the Environment capital programme at 31 December 2015 would be achieved? Was there slippage due to Wards not taking up funding for the Neighbourhood Investment Scheme?
- A – Environment had performed very well in the delivery of the capital programme. The officer would check the position on spend regarding

the Neighbourhood Investment Scheme and inform the Sub-Committee.

The Chair suggested that due to time constraints, Members take up any further points at the Scrutiny Leads meeting or as appropriate.

RESOLVED: That the report be noted.

62. Revenue Challenge Panel - Six Month Review

The Sub-Committee received a report which reviewed the progress of those recommendations agreed for implementation from the Revenue Budget Scrutiny Challenge Panel which was reported to Cabinet on 23 April 2015.

The Director of Finance introduced the report and responded to comments and questions raised by Members of the Sub-Committee as follows:

Reference 1 – The work being undertaken does not represent a three year budget as the 2017/18 draft budget referred to in reference 5 is no different to previous budgets in its composition as it is not locked in and lacks business cases. For example, as the My Community e-purse has no business case and has not been worked through, it is an aspiration and not a budget

A – It is a three year detailed line by line budget and is a substantial improvement to previous annual budgets with only small MTFs gaps and clear analysis. All Commissioning Panels were made available to the opposition.

References 2 and 3 – The Corporate Plan was changing year on year and was imprecise without a business case and with no mention of income or expenditure. How does the Portfolio Holder envisage public accountability of performance of budget against the plan and how will the Council communicate expenditure against budget items and details of unmet savings?

A – The corporate plan provided a clear basis of the Council's intentions. Actual spend against budget, variances and the ambition plan, would be monitored and communicated. The Sub-Committee would receive information on unmet savings during the next financial year and would have the opportunity to ask questions.

Reference 4 – How would Project Infinity be reflected in years 3 and 4 of the budgeting process?

A – The prerequisite of a three year budget is to be outcome based and the Administration has set out what it wants to achieve.

References 8 and 9 – What are the appropriate tools for collaborative work and when would the training for Members be available?

A – The Chair requested that a report be submitted to the Scrutiny Leads on the timetable, with a report to the Sub-Committee if appropriate.

Reference 11 – How would funding be freed up to resource early intervention and prevention services?

A – Early Intervention and Prevention were considered as part of the overall budget. The Commissioning Panels had received saving proposals on early intervention initiatives such as the reablement service, but these were not taken forward.

References 13 and 14 – Would the officers seek information on the budget-simulation consultation tools developed by London Borough of Redbridge?

A – The Director of Finance was liaising with her colleagues across London on the use of such tools, information would be sought from the London Borough of Redbridge and the initiative would be included in the Scrutiny Leads programme.

Reference 16 – How could the Harrow Business Consultative Panel seek more meaningful input from various businesses?

A – The Sub-Committee commented that consultation on business rates required consideration.

Reference 17 – The Sub-Committee was informed that, as requested by the Leader of the Council, Councillor Barry Kendler had reviewed the concerns raised by the Voluntary and Community Sector representatives when giving evidence to the Challenge Panel for submission to the March Cabinet meeting. The review report was currently with the voluntary sector representatives and an update would be circulated to Members of the Sub-Committee.

Reference 18 – It could be useful to obtain information from the London Boroughs of Wandsworth and Westminster regarding their arrangements for pre-decision scrutiny. Scrutiny prior to final documents is a useful tool for example the lack of penalty clauses in contracts as in the Capita contract.

A – The officers undertook to contact the London Boroughs of Wandsworth and Westminster regarding their arrangements for pre-decision scrutiny.

The practicalities of incorporating a six month notification of decisions into the Key Decision Schedule was under discussion and the outcome would be reported to the Sub-Committee.

RESOLVED: That the report be noted.

63. Capital Challenge Panel - Six Month Review

The Sub-Committee reviewed the progress of those recommendations agreed for implementation from the Scrutiny Challenge Panel on Capital Expenditure which were reported to Cabinet on 23 April 2015.

The Director of Finance updated the Sub-Committee on the position as at January 2016 and responded to questions raised by Members as follows:

Reference 2 – How much detail was provided regarding criteria and programme management and what lessons could be learned, including those at completion?

A – The Capital Forum meets monthly. There has been a real push to bring schemes to the Capital Forum in February/March for the forthcoming year to prevent any hold ups. Whilst the aim was to look at lessons learned, resource implications resulted in only some schemes being chosen. Reports would be run at various stages

Reference 3 – The Sub-Committee was informed that training had taken place and officers were encouraged to use the VERTO system.

Reference 4 – The Chair clarified that this recommendation was with regard to virements and slippage and not the capital programme. In view of this, the officer undertook to examine the matter.

Reference 5 – It was noted that the review of the centralised scanning of invoices was expected to take place during the first quarter audit plan. A Member expressed concern that this was outstanding almost a year after the Challenge Panel.

Reference 8 - The large slippage Q3 and a four year framework for the housing revenue account required an understanding of a month by month expenditure report.

A – The VERTO and SAP systems did not enable monthly profiling and, although enquiries would be made as to the availability of an upgrade for profiling, the cost might not be justified. The focus needed to be in getting the forecast correct and a systems analyst ensured full use of SAP capabilities.

Reference 9 – Slippage/underspend of capital programmes not only had a revenue impact but also an impact on service.

A – Attempts were being made to quantify the key capital expenditure which generated an efficiency saving for quarter 1 and this would be submitted to the Sub-Committee. It was agreed that for the larger capital schemes, any service impact would be addressed in the monitoring reports which are received by GARMS.

Reference 13 – The Sub-Committee was informed that the Forum would undertake a lessons learned review of a completed large project when this was considered to be of benefit.

Reference 15 – Members were informed that there would be a service impact should more stringent detailed information on reasons for project slippage become required.

RESOLVED: That the report be noted.

64. Libraries Challenge Panel - Six Month Review

The Sub-Committee received a report on an update following the review of libraries by the Scrutiny Challenge Panel in April 2015.

An officer introduced the report and updated Members on the Harrow Library Strategy. Particular attention was drawn to the introduction of Open+ technology to extend opening hours at Wealdstone Library which was working well. It was noted that the North Harrow Community Library was due to open in April 2016, subject to confirmation of the sublease details which were currently under consideration by the community group. In response to a question, the Sub-Committee was informed that the memorandum of agreement and subleases had been completed subject to the insertion of dates. The community group was keen to have the opportunity to extend the sub-lease after the initial three years as this provided continuity.

A Member expressed disappointment that the Harrow library service was now ranked about fifth from bottom across London. The officer concurred that the 2014/15 figures were disappointing compared to 2013/14 and highlighted that these statistics included the period when a library consultation with the public, which included library closures, was being undertaken. Ongoing monitoring had taken place and usage figures for July 2015 to January 2016 showed an increase in usage at the six remaining libraries compared to the same period in 2014-15. The February 2016 statistics were also encouraging as they indicated an increase in use.

In response to a question, the officer undertook to investigate whether there was any evidence that the significant increase in the use of Pinner library was by people who had previously used other libraries. It was noted that an increase in use would be expected due to the closure of other libraries in the vicinity.

Members asked the following questions and received responses from the officers as follows:

- the introduction of initiatives such as Amazon Click and Collect lockers had had a positive impact on usage. The development of a new library at Stanmore was also hoped to address the decrease in library visits;
- the GIS team had been requested to map cross-usage to ascertain the use of Harrow libraries by Harrow residents as part of the library consultation;
- regarding the impact of the £46k reduction in the book fund in 2015-16, Members were informed of the consortium buying and stock sharing in conjunction with Carillion. Stock was transferred across the Borough libraries as required and consideration could be given to extending this across the other Carillion library authorities. More online resources were now being purchased which was an efficient use of the stock fund

and could be accessed by library users both inside and outside of the libraries;

- with regard to the impact of cuts in the forthcoming financial year, the aim was to make the best use of the resources available and to be smart and innovative. There were now 6 libraries instead of 10, and with the limited space particular care was taken to ensure that the stock that was purchased met customer needs.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.40 pm).

(Signed) COUNCILLOR PHILLIP O'DELL
Chair

**REPORT FOR: Performance & Finance
Scrutiny Sub –
Committee**

Date of Meeting:	13 July 2016
Subject:	Revenue and Capital Monitoring 2015/16
Responsible Officer:	Dawn Calvert, Director of Finance
Scrutiny Lead Member area:	Performance Lead Member – Councillor Phillip O’Dell Policy Lead Member – Councillor Stephen Wright
Exempt:	No
Wards affected:	All
Enclosures:	Appendix 1 – 16 June 2016 Cabinet Report: Revenue and Capital Outturn 2015/16

Section 1 – Summary and Recommendations

This report includes as an appendix, the Revenue and Capital Outturn report considered at the 16 June 2016 Cabinet meeting, for further consideration by this sub-committee.

Recommendations:

To note the report and to make any recommendations the sub-committee wishes for consideration by Cabinet or officers.

Section 2 – Report

Introductory paragraph

The Council undertakes monitoring of the council's revenue and capital budgets on a monthly basis, with reports being presented to Cabinet on a quarterly basis with the Outturn reported in June following the end of the financial year. The attached report shows the Outturn position for the year ended 31 March 2016.

Financial Implications

These are contained within the Cabinet report attached.

Performance Issues

These are contained within the Cabinet report attached.

Environmental Impact

There are no direct impacts.

Risk Management Implications

These are contained within the Cabinet report attached.

Equalities implications

Was an Equality Impact Assessment carried out? No

The report is for noting and comment only

Council Priorities

The Council's vision:

Working Together to Make a Difference for Harrow

the Council's priorities are:

- Making a difference for the vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

Good financial governance contributes to achieving them.

Section 3 - Statutory Officer Clearance

Not required.

Ward Councillors notified:	NO
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Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels (Sharon.daniels@harrow.gov.uk) , Head of Strategic and Technical Finance (Deputy S151)
Tel: 020 8424 1332

Background Papers: None

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REPORT FOR: CABINET

Date of meeting:	16 June 2016
Subject:	Revenue and Capital Outturn 2015-16
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Director of Finance
Portfolio Holder:	Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 - Revenue Carry forward Schedule Appendix 2 – Capital Monitoring Appendix 3 – Reserves Movements 2015/16 Appendix 4 – HRA Revenue Outturn

Section 1 – Summary and Recommendations

This report sets out the Council's revenue and capital outturn position for 2015/16.

Recommendations:

1. That Cabinet notes the revenue and capital outturn position for 2015/16
2. That Cabinet approves the contributions to reserves outlined in paragraphs 21, 24 and 26.

3. That Cabinet approves the revenue carry forwards of £1.793m outlined at paragraphs 27 and 28 and detailed in Appendix 1, that have been agreed by the Director of Finance in accordance with the Financial Regulations.
4. That Cabinet approves the debt write off and lease surrender as set out in paragraph 8.
5. That Cabinet approves the Housing Revenue Account debt write off outlined in paragraph 31
6. That Cabinet approves the carry forwards on the capital programme outlined in table 4 (paragraph 32) and set out at Appendix 2 that have been agreed by the Director of Finance in accordance with the Financial Regulations.
7. That Cabinet note the reduction in the capital programme outlined in paragraph 34.
8. That Cabinet note the virement changes in quarter 4 2015/16 to the Capital Programme outlined in paragraph 35.
9. That Cabinet approve the virements in the 2016/17 capital programme detailed in paragraph 36.
10. That Cabinet approve the addition to the 2016/17 capital programme of £150k as set out in paragraph 37.
11. That Cabinet approve converting a £1m loan to a grant in the 2016/17 capital programme as set out at paragraph 47.
12. That Cabinet notes the timetable for accounts completion and external audit review as outlined in paragraphs 54 and 55.

Reason (for recommendation)

To report the financial position as at 31 March 2016.

Section 2 – Report

EXECUTIVE SUMMARY

1. 2015/16 has remained a very challenging financial environment. The budget includes gross savings of £18.720m and demand pressures on the front line directorates continues. The revenue outturn position of the Council at the end of the financial year 2015/16 year is showing a balanced position after transfers to and from reserves. The Directorates spend shows a net overspend of £0.889m after one off draw downs from reserves of £1.647m (£1m in relation to the Welfare Reform Reserve and £0.647m from the Children’s Social Care Reserve). After allowing for revenue carry forwards of £1.793m, the net Directorate overspend increases to £2.682m. However, there was an underspend of £3.557m in the Corporate budgets and the general contingency which results in a net overall underspend of £0.875m.
2. It is recommended that the net under spend of £0.875m is used to increase reserves as follows:
 - MTFs Implementation Reserve £0.375m
 - Insurance Reserve £0.500m

In addition the carry forward sum of £1.793m is added to reserves and will be allocated out to Directorates in 2016/17.

3. The recommended contributions to reserves will support the Council moving forward to deliver agreed services in the challenging financial environment facing local government. £0.350m of the £0.375m going into the MTFs Implementation Reserve will be used as a one off contribution to fund the cost of retaining the Bridge day care service in 2016/17. Following consultation, the Bridge will remain open. The £500k contribution into the insurance reserve is required as it was necessary to draw down the original £500k which was in the reserve for 2015/16. The addition of £500k will therefore reinstate the reserve to its original level.
4. All outturn positions detailed in this report are provisional until agreed by Cabinet and are subject to minor technical changes, prior to the finalisation of the Statement of Accounts.
5. Total spend on the capital programme for the year is £93.2m against a budget of £156.9m, giving a variance of £63.7m. The variance of £63.7m is made up of total slippage of £58m which will be carried forward into 2016/17 and underspends of £5.7m. With regard to the underspend of £5.7m, only £457k of this was an underspend which led to a reduction in the amount of borrowing required (see paragraph 33 for more detail). More detail on the Capital variances is included in table 4, including the split between the general fund and the HRA.

REVENUE OUTTURN

6. The revenue outturn on General Fund for the Council after transfers to ear marked reserves for the financial year 2015/16 is nil against the approved budget of £167.381m, and there is no addition or reduction to general reserves.

Table 1 Revenue Outturn 2015/16 Summary

Original Budget £000	Directorate	Latest Budget £000	Provisional Outturn £000	2015/16			
				Outturn Variance £000	%	Carry Fwd £000	Variance adj for Carry Fwd £000
24,044	Resources	21,166	20,889	-277	-1.3	105	-172
43,683	Community	44,248	45,005	757	1.7	153	910
104,487	People	104,647	104,584	-63	-0.1	1,360	1,297
1,281	Regeneration	1,992	1,810	-182	-9.1	175	-7
2,122	Business Support	2,184	2,838	654	29.9	0	654
175,617	Sub Total Directorate	174,237	175,126	889	0.5	1,793	2,682
1,320	Inflation and Corporate Items	6,674	5,259	-1,415			-1,415
1,248	Contingency	1,248	0	-1,248			-1,248
-4,155	Capital Financing and Interest	-4,155	-4,124	31			31
-1,588	Interest on Balances	-1,588	-1,757	-169			-169
-5,061	Grants	-6,843	-7,667	-824			-824
0	Carry Forwards from 2014/15	-1,598	-1,598	0			0
0	Reserves Contribution	-594	-526	68			68
167,381	Sub Total	167,381	164,713	-2,668	1.6	1,793	-875
	Contribution to Reserves						
	IT implementation reserve		-1,000	-1,000			
	Welfare Reform Reserve		1,000	1,000			

	MTFS Implementation Reserve		375	375			
	Insurance Reserve		500	500			
	Carry Forwards to 2016/17		1,793	1,793			
167,381	Total Budget Requirement	167,381	167,381	0			

Directorates' Position

The outturn for the Directorates is a net over spend of £0.889m. The net overspend of £0.889m is net of the carry forward of £1.793m. If the carry forwards are excluded the overspend increases to £2.682m. The position for each directorate is summarised below:

Resources

7. The outturn position for Resources is an under spend of £277k. After allowing for the recommended carry forwards of £105k, the net underspend of £277k will be £172k. The key reasons for the variance are detailed below:

- Human Resources - £271k underspend – this is made up of savings on National Insurance accruing to the council from salary sacrifice, unfilled vacancies and the operational budget that was not applied in 15/16.
- Strategic Commissioning - £215k underspend – there were staff vacancies as a result of 16/17 MTFS savings across the division and additional income from the SIMS team together with a one off accrual that did not materialise.
- In the Legal and Governance directorate, over recovery of income by £160k due to a consistently buoyant property market and the Home Office clearing a backlog of nationality applications which Harrow then processed.
- Due to the delay in the implementation of the transfer of Land Charges income to central government, this has resulted in an underspend of £356k as the growth previously allocated to match the loss of income has not been needed.
- In Finance and Assurance there was an underspend of £24k resulting from a vacancy within the Insurance team. For the insurance provision, the actuary has revalued insurance liabilities upwards by £500k. To mitigate this the insurance reserve of £500k has been drawn down. This report recommends this reserve is re-instated to support future insurance activity going forward.
- In Procurement, CIP accreditation and West London Alliance membership fees resulted in an overspend of £73k.
- There was a an adverse variance in Customer Services of £755k as a result of not drawing down £1.4m from the IT implementation reserve as previously planned, if this was to be drawn down the directorate would have underspend by £645k. The underspend is as a result of additional summon cost income, lower than anticipated take up of the Harrow Help Fund and a reduction to bad debt provision as a result of a significant bad debt write off exercise carried out in previous year.

The recommended carry forward requests of £0.172m are set out at Appendix 1.

Community

8. The outturn position for Community is an over spend of £0.757m. The overspend is increased of £0.901m after allowing for the recommended carry forward requests of £153k. The key reasons for the variance are detailed below:
- Additional income and one-off under spends – additional rents from corporate estates (£290k; of which £100k is one off), additional income from cemeteries (£0.820m; of which £0.659m is one off) and £163k unspent contingency budget and delays in the project implementation costs of Towards Excellence (£47k).
 - Offsetting these underspends are pressures associated with the changes of garden and food waste collection system (£0.8m), unachieved legacy saving targets in relation to PRISM transformation project (£353k), a shortfall on room hire income at Harrow Arts centre (£187k) and a partial non achievement of MTFs savings relating to the closure of four libraries (£56k).
 - Housing General Fund services are over spent by £0.689m, after assuming £1m draw down from the Welfare Reform Reserve, to mitigate the extraordinary growth in the demand for Bed & Breakfast accommodation driven by increasing rents in the Private Rented Sector combined with the impact of Government's on-going Welfare Reforms. The worsening position means there is a real risk of a significant over spend in 2016-17.

The recommended carry forward requests of £153k are set out at Appendix 1.

9. In addition, approval is sought to write off an outstanding debt in relation to Harrow Arts Centre. JAMS Kitchen occupies premises at Harrow Arts Centre on a 15 year lease. There are currently arrears of rent and service charge of £31k. As part of the proposed transfer of the Arts & Heritage Services to Cultura London, options have been explored by Corporate Estates team to terminate the lease with JAMS Kitchen early. It is recommended that the Council accepts JAMS Kitchen's voluntarily surrender of the lease, providing vacant possession of the premises with immediate effect to meet the timescales of the transfer of the services to Cultura London. The terms of the lease surrender are that JAMS Kitchen is not required to pay the arrears of rent and service charge. Cabinet approval is therefore being sought to write off the outstanding debt in respect of JAMS Kitchen in exchange for the surrender of the lease.

People Services

10. The People's directorate is reporting an under spend of £63k. The net underspend of £63k is made up of an underspend of £1.35m on Public Health, an overspend of £1.246m on Adults and an overspend of £41k on Adults Transformation. The People's Directorate net under spend of £63k becomes an overspend of £1.297m after accounting for requested carry forwards of £1.360m. £10k is in relation to Adult Services and £1.350m in relation to Public Health which this report recommends as set out in Appendix 1. The key reasons for the variances are detailed below:
- Public Health is reporting an underspend of £1.35m. The £1.35m underspend is in relation to grant income from Health Education England that is being

administered by Harrow Public Health and therefore needs to be carried forward. After allowing for the carry forward, the outturn position is balanced, despite absorbing an in year grant reduction of £0.664m. In addition the public Health Reserve includes £203k for expenditure associated with projects committed in 2015/16, which need to be continued in 2016/17 and also enables a balance of £695k to be held for contingent liabilities, redundancies arising from any future restructures and as a reserve for genitourinary medicine pending the outcome of the collaborative commissioning process from April 2017.

- Adult Services is reporting an overspend of £1.246m. This is in relation to the Ordinary Residents payment made to a neighbouring Authority, which was a one-off backdated element of cost associated with 17 residents, and a risk that was reported during the year and which materialised at year end following negotiation. Without these backdated costs, adult services would have reported a balanced position. However there are underlying pressures of £1.9m in relation to social care placements (£781k of which represents in year costs relating to ordinary residents cases), Deprivation of Liberty Safeguards (DoLS - £306k representing statutory requirements not funded by grant), Mental Health s75 with Central North West London Hospitals Trust (CNWL - £294k representing the Council's 50% risk share). These pressures are offset on a one-off basis in 2015-16 only by the Care Act grant of £1.368m, together with underspends on staffing across the directorate (largely reflecting the delay in recruiting to vacant posts of £0.9m) and other non-staffing budgets (£296k).
- Transformation – an overspend of £41k arising from the delayed delivery of anticipated savings across Business Support service, which impacted on the Transformation Budget.

Children's Services

11. At outturn the overspend for the Directorate is £0.647m, which reduces to a balanced position after an equivalent draw down from the Children's Social Care Reserve.

The majority of Children's budgets are demand led and the Council has a statutory duty to meet vulnerable children's needs. It is therefore challenging to balance the budget.

The total headline pressures are £3.531m. The main areas of overspend totalling £2.874m were as follows:

- **Special Needs Transport £0.612m overspend.** Special Needs Transport underwent a significant review in 2014/15 with a view to achieving a further £0.570m savings target. It was only possible to meet approximately half of this savings target due in main to contract prices being higher than anticipated. This contributes to part of the overspend. The remainder is due to demand, particularly for transport from home to colleges as the SEND reforms that extends special educational provision to age 25 years has led to an increased number of young adults with complex needs continuing in education.

- **Children with Disabilities Service £411k** - staffing costs were £60k overspent relating to caseload management and client costs were £351k overspent due to demand including a single young person with high and extraordinary needs.
- **Placements £483k overspend** mainly resulting from an increase in the number of children in high cost residential placements. During November 2015 and December 2015, the directorate made 4 additional placements of young people in out of borough high cost residential placements. These placements have been needed in response to significant risks relating to child sexual exploitation and gangs involvement. The duration of these placements will be tightly managed. In addition an extra-ordinary panel has been scheduled to review all the high cost residential placements to ensure that these placements are ended safely as soon as possible to reduce the costs, and ensure that they are best value.
- **Children and Young People's Service staffing £0.779m overspend** as a result of agency and interims covering vacancies and sickness and additional staff to manage caseloads.
- **No Recourse to Public Funds (NRPF) overspend £0.589m** due to families being supported by the Council. The welfare reforms, along with stricter enforcement of Asylum Legislation are the main causal factors for this demand, which is unpredictable in terms of volume and costs. The exit routes for ceasing funding are dependent on variable factors, many of which cannot be controlled by the Council. A bespoke worker has been recruited to focus specifically on these families to help reduce costs and mitigate the financial pressures on this budget. This has resulted in some overall reduction in costs in the last quarter, due to the worker being able to help 3 families find lasting solutions with no further cost to the Council. This post has paid for itself; and it will mitigate against rising costs in the future. However the trend is likely to be of increased costs.

These overspends were offset by:

- Use of one off children's social care reserve of £0.647m.
- Non-frontline staff vacancies and a number of centrally held management actions of £2.884m including demographic growth £413k, flexible use of grants £0.955m, additional partner agency income £0.641m, 2016/17 savings achieved early £227k, adoption grant not anticipated £114k and various other in year management actions totalling £534k. Of these mitigating actions £2.032m were one off.

Regeneration, Enterprise and Planning

12. The outturn position for Regeneration, Enterprise and Planning division is an under spend of £182k, which reduces to £7k after allowing for the recommended carry forward requests of £175k. The key reasons for the variance are detailed below:

- Additional income and one-off under spends – under spend on economic development salaries (£86k) relating in the main to funds secured to provide subsidies for the apprentices employed and unused planning grant income (£108k) for which a carry forward is requested.

The recommended carry forward requests of £175k are set out at Appendix 1.

Business Support

13. The outturn position for Business Support is an overspend of £654k. The key reason relates to staffing costs. However, there are plans being developed to mitigate this in 2016/17, through the outsourcing of scanning and indexing, a review of postage and printing costs and a staffing restructure.

INFLATION AND CORPORATE ITEMS

14. The net underspend for 2015/16 for inflation and corporate items is £1.4m. There are a number of items that make up this underspend. £350k Utility Inflation Contingency not drawn down in year £200k write back on the Good Received /Invoice Received suspense account, £70k in relation to subscription charges, £77k in lower External Audit fees and £700k in relation to corporate provisions not required.

CONTINGENCY

15. There have been no calls on the contingency for unforeseen items therefore an under spend of £1.248m is contributing to the overall underspend position. This contingency stands at £1.248m in 2016/17.

CAPITAL FINANCING AND INTEREST

16. The net underspend of £138k is as a result of higher investment income than budgeted. Although it is not coming through as an underspend in 2015/16, the slippage in the capital programme has resulted in a reduced cost in capital financing costs in relation to the amount of minimum revenue provision (MRP) charges. There is no underspend in 2015/16, as the MRP charges made in 2015/16 were maintained at the budgeted level. By maintaining charges at the budgeted level, it enables flexibility in future years, where it will then be possible to apply the over provision made in 2015/16 to future years MRP requirements.

GRANTS

17. Additional grant income of £824k was received during 2015/16 which contributes towards the underspend. The main items were, £600k for section 31 grant, £97k of Education Support Grant and £104k of new burdens funding in relation to search fees.

RESERVES

18. The movement on the main reserves is set out in the following table , supported by narrative . A more detailed analysis of the movement in reserves is set out in Appendix 3.

Table 2: Main movement in Reserves

Movement in Reserves 2015/16				
	Balance b/f 1.4.15	Drawdown	Contribution	Balance c/f 31.3.16
	£	£	£	£
Revenue grant reserve	346,125	-47,000	1,005,386	1,304,511
Revenue carry forwards	1,598,000	-1,598,000	1,793,000	1,793,000
Business Risk	2,109,000			2,109,000
MTFS Implementation cost	2,804,287	-2,692,534	844,796	956,549
TPIF	3,818,750	-629,822		3,188,928
Insurance reserve	500,000	-500,000	500,000	500,000
IT reserve	2,854,000	-1,000,000		1,854,000
Welfare Reform Reserve	0	-1,000,000	2,000,000	1,000,000
General Fund Balances	10,008,000	0	0	10,008,000

19. **Revenue Grant Reserve** – This reserve contains revenue grants to be used for specific purposes or which may be subject to claw back if conditions of the grant are not met. The opening balance was £346k, with a £47k draw down in year and additions of £1.005m in year to bring the total to be carried forward to £1.304m. The £1.304m closing balance relates to the following grants:

- £51k – Preventing Possession
- £110k – Anti Fraud Grant
- £138k – Planning Delivery Grant
- £288k – Troubled family grant
- £717k – New Homes Bonus grant

20. **Business Risk Reserve** - This reserve was established as part of the 2012/13 outturn to provide for a number of unquantifiable business risks. £2.109m was available at the start of 2015/16 with no drawdowns in the year.

21. **Medium Term Financial Strategy Implementation Reserve** – This reserve was established to facilitate the achievement of MTFS savings. The balance at the start of the year was £2.804m, to which £0.470m has been added in-year from early MTFS savings. £2.693m has been drawn down in the year, which would leave a balance of £0.581m, however it is recommended that the £375k underspend from 2015/16 is added to the reserve (£350k of this will be used to fund the Bridge day care centre for 2016/17), which brings the closing balance to £0.956m. Of the £2.693m of draw downs, the main items were as follows:

- Severance costs £1.691m
- Project Minerva £192k
- Voluntary Sector £331k
- Garden Waste project £430k

In addition, as part of the budget setting for 2016/17, a sum of £2.954m was added to the MTFS implementation reserve. In the main this will be required to fund future severance costs as a result of staff savings being made over the next 3 years.

22. **Transformation and Priority Initiatives Fund** - The balance at 1 April 2015 was £3.819m. During the year £0.630m was drawn down from the reserve, which leaves a balance of £3.189m. There were a number of draw downs totalling the £0.630m but the main items that were funded are as follows:

- Grass verge maintenance £60k
- Arts Centre £165k
- Improving the street scene £80k
- Project Infinity £87k

23. **Insurance reserve** – the insurance reserve stood at £500k at the start of the year, however it was necessary to draw down the reserve as the provision required to be made was £564k in excess of the budget provision. It is therefore recommended that the insurance reserve be reinstated and that £500k of the underspend is used to reinstate the reserve.

24. Is it recommended to add back £500k back into the Insurance Reserve.

25. **IT Implementation Reserve** - this reserve was established as a result of Cabinet agreeing to fund £2.854m of transformation and transition costs arising from the ICT Procurement award of contract in March 2015. During 2015/16, a draw down was forecast within the Resources budget of £1.4m to fund ICT transformation costs, however due to underspends elsewhere in the Resources budget, it was not necessary to draw anything down. However, it is recommended that £1m of the £1.4m is transferred to the Welfare Reform Reserve for homelessness pressures in 2016/17.

26. **Welfare Reform Reserve** - this reserve was established during 2015/16 with the addition of £1m which has been added in-year from early MTFS savings. £1m has been drawn down in year to cover the homelessness costs in the Housing General Fund as previously reported in Budget monitoring reports to Cabinet. This pressure will continue in 2016/17.

It is recommended to add £1m back into the reserve and the funding will come from the IT implementation reserve as set out in paragraph 25.

REVENUE CARRY FORWARDS

27. 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 1:-

Table 3 Summary of Revenue Carry Forwards

	Council Funding	Grant Funding	Total
	£000	£000	£000
Resources	87	18	105
Community	137	16	153
People	-	1,360	1,360
Regeneration	34	159	175

Carry Fwd Total	258	1,517	1,793
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28. It is recommended that £1.793m is added to reserves in respect of these carry forwards. Carry Forward requests have been agreed in line with the criteria set out in the Financial Regulations.

GENERAL RESERVES

29. Harrow's level of General Reserves is towards the lower end of what is considered prudent at £10.008m, but is considered adequate given the level of earmarked reserves. It is not recommended to increase the level at this point.

HOUSING REVENUE ACCOUNT (HRA)

30. The HRA has a surplus of £2.248m against a budgeted surplus of £0.601m. The main contributing factors are increased capitalisation of costs associated with the Homes-4-Harrow scheme, underspends in operating expenditure and reduced contributions to the bad debt provision. The outturn also includes reduced depreciation charges which result in only a transfer of resources to the Major Repairs Reserve which is used to finance capital expenditure. A more detailed analysis of the HRA Outturn position is set out at Appendix 4.
31. The reported outturn for the Housing Revenue Account includes a contribution to the provision for bad & doubtful debts of £13k. This is after allowing for the write off of £55k HRA debt owed by tenants but which is not recoverable. The Council maintains 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 2015/16 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

32. Total spend on the capital programme for the year is £93.2m (£79.6m General Fund and £13.6m HRA), which compares to an approved budget of £156.9m (£126.7m General Fund and £30.2m HRA). The total spend of £93.2m was 59% of the approved budget. The variance of £63.8m comprises of slippage of £41.4m General Fund and £16.7m HRA with underspends of £5.7m General Fund. The summary position and funding of the programme is shown in table 4. The slippage identified in Table 4 and detailed in Appendix 2 has been agreed as carry forwards by the Chief Finance Officer in accordance with Financial Regulations.

Table 4 Capital Outturn 2015/16 Summary

Directorate	Original Programme	CFWD's	Adjustments	External	LBH	Total Budget	Actual	Variance	Slippage	Under spend
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Community	17,508	5,627	10,113	7,030	26,193	33,248	23,185	-10,063	8,490	-1,573
People	32,946	32,972	1,000	62,608	4,311	66,919	47,411	-19,508	19,295	-213
Resources	14,503	9,796	-2,216	18	22,065	22,083	7,819	-14,264	10,344	-3,920
Regeneration	2,248	0	2,225	198	4,275	4,473	1,208	-3,265	3,265	0
TOTAL GENERAL FUND	67,205	48,395	11,122	69,854	56,843	126,722	79,623	-47,099	41,394	-5,707
HRA	21,656	2,241	6,342	1,021	29,218	30,239	13,554	-16,685	16,685	0
TOTAL GENERAL FUND & HRA	88,861	50,636	17,464	70,875	86,061	156,961	93,177	-63,784	58,079	-5,707

33. The net underspend set out in Table 4 is £5.7m. However, the net usable underspend is only £457k as set out in the table below. Of the £5.7m, £5.25m relates to capital that was funded from grants, section 106 or relates to budget adjustments where a budget has already been increased in 2016/17. This leaves a net balance of £457k which is the genuine underspend in the capital programme for 2015/16. This £457k underspend has led to savings in treasury management as the Council's cash balances have remained higher due to the reduced amount of capital expenditure.

Table 5: Analysis of £5.7m underspend

	Section 106 with no budget	Grant funded	Budget transferred to 2016/17 - not usable	Sub total Unusable capital funding	Usable underspend	Offset against unbudgeted Expenditure	Net usable LBH underspend	Total Underspend analysed
	£000	£000	£000	£000	£000	£000	£000	£000
Resources								
<i>Resources sub total</i>	0	0	-3666	-3666	-391	136	-255	-3921
Community				0				
<i>Community sub total</i>	-183	0	0	-183	-616	616	0	-183
Housing				0			0	
<i>Housing sub total</i>	0	-1351	0	-1351	-64	24	-40	-1391
Adult				0				
<i>Adult sub total</i>	0	-50	0	-50	-163	0	-163	-213
Total	-183	-1401	-3666	-5250	-1233	776	-457	-5708

34. Reductions in the Capital Programme

The following reduction has been made to the Capital Programme in the Community Capital Programme.

Table 6: Reductions in Capital Programme 2015/16

Item	£000
The £2m budget (assumed to be TfL funding) for Harrow on the Hill Station was re-profiled to 16/17 due to the fact that we knew there wouldn't be funding provided by TfL in 15/16.	- 2,000

35. Virements in the Capital Programme

The following virements have been approved under delegated authority by the Director of Finance and the Portfolio Holder for Finance and Major Contracts for the Schools Capital Programme.

Table 7: Virements in the Capital Programme 2015/16

Item	£000
Amalgamation works at Stanburn school anticipated to cost in the region of £200k. Transfer £163k leftover on the Stanburn SEP1 expansion programme to the amalgamation budget	163
Amalgamation works at Stanburn school, the remaining shortfall of £37k to be vired from the capital maintenance line of the capital programme	37
Weald Rise school. Being rebuilt by the EFA under the Priority Schools Building Programme and as part of this the Council has requested that the school is rebuilt by an expanded 1FE. Since the EFA do not fund expansions, Harrow is meeting the additional cost. The original estimated cost was £2.189m and this has been built into the existing capital programme which went to Cabinet in September 2015. The final costs have come out higher due to an increase in contractor costs. The increase is £87k. A virement is approved to vire the additional £87k from the currently uncommitted SEP4 line in the capital programme.	87

36. As part of the outturn 3 further virements are requested to adjust the slippage carried into 2016-17 as follows:

- 1) Transfer £41,534 from capital maintenance to fund minor project overspends in respect of final accounts for :
 - a. SEN £32,460
 - b. SEP1 £9,074
- 2) Move the remaining budgets from the currently uncommitted SEP4 primary school expansion programme (as this is anticipated to be delivered from the Free School programme), into SEP2 (which includes Secondary and SEN budgets), in order to fund future spending requirements.

37. **Addition to 2016/17 Capital Programme**

Table 8: Additions to the Capital Programme

Item	£000
Section 106 funding to improve traffic flows on the highway surrounding Kodak site	50
Section 106 (Bentley Priory)	100

A proportion of S106 funding for the Kodak site (Phase 1B) has been received from the developer recently. £50k is allocated for the improvement of traffic flows on the highways surrounding the area. It is anticipated that this work will be carried out during 2016/17 and therefore it is requested that the capital budget (all S106 funded) under Highways is increased by £50k.

In addition, S106 funding (Bentley Priory) of £100k has now been released to refurbish the derelict former council depot to provide a weatherproof and secured building with facilities suitable for school visits to the site. It is anticipated that the project will be complete in 18 months. The funding profile over 2016/17 and 2017/18 will be confirmed in accordance with the project timetable and key milestones. It is therefore requested at this stage that the capital budget (all S106 funded) under Green Grid is increased by £100k in 2016/17.

DIRECTORATE PERFORMANCE ON CAPITAL

38. The capital programme by directorate is included at Appendix 2 showing performance against the latest approved budget for each programme line. Set out below is narrative to explain the capital outturn and the major variances:

RESOURCES

39. The directorate spent £7.8m against a budget of £22m, a 35.5% spend. £10.3m of the variance has slipped to 2016/17 with underspend of £3.9m. The key reason for slippage has been Capita delivery issues, although the new IT provider Sopros Steria has now taken over from Capita, the backlog of projects that was not finished by Capita is yet to be completed.

40. There has been slippage of £2.2m on the loan to West London Waste Authority due to delays in the progress of their investment programme.
41. The £3.9m underspend includes £3.7m in relation to Transition and Transformation budgets.. This £3.7m is shown as an underspend, but the 2016/17 budget was increased by the same amount as part of the Capital Programme report agreed by Cabinet in February 2016. The budget was realigned to represent the true spending plans and so this £3.6m which is shown as an underspend in 2015/16 will be spent in 2016/17, so is cost neutral across the 2 financial years.

COMMUNITY DIRECTORATE

42. The net variance for the Community Directorate (which includes Cultural Services and Housing) is an outturn of £23.2m against the budget of £33.2m, a variance of £10m. (£8.4m of slippage and £1.6m underspend).

Commissioning and Environmental Services

43. The services spent £19m against a budget of £19.6m, a spent of 97%. £453k of the variance has been slipped to 2016/17.
44. The capital funding was spent to invest in the Boroughs infrastructure and improve the place, both for residents and staff. Some of these improvements have led to the generation of additional income, particularly from disused parks buildings that were brought back into use. Others, such as the rationalisation of accommodation have yielded savings both on maintenance and utilities. Likewise, investment on the highways network including additional capital on street lighting to accelerate the replacement of old lamp columns will reduce both reactive maintenance and electricity costs in the future. Some projects contributed significantly to social regeneration by making available more facilities for community use.
45. Some of the key projects and outcomes were:
 - Highways: Re-surfaced 22.5 km of Harrow's 460km road network and carried out 2,000 repairs to carriageways including potholes related work. Reconstructed 22,129 linear meters of footways and carried out 3,500 repairs to footways to improve safety to residents and visitors.
 - Street Lights: Replaced around 2,150 lighting columns with LED technology to improve safety and energy efficiency
 - Parking Management Programme: All schemes agreed at TARSAP in February 2015 were implemented. These include the introduction of new CPZ zones in Headstone Lane Station area and Whitmore Road area.
 - Green Gym: Installation of 6 new green gyms to improve community access to healthy activities and promote physical exercises.
 - Trees: Planted over 200 street trees to green the environment.
 - Parks Buildings: Improvements made to a number of buildings including
 - The disused building in Centenary Park was refurbished to provide a new nursery and hence generates a rent income for the Council

- changing rooms within parks were refurbished including Roxbourne Recreation Ground, Roxeth Recreation Ground, Kenton Recreation Ground and West Harrow to provide better facilities for visitors and users.
- Refurbishment work at Headstone Manor pavilion
- Food waste: New food waste bins and kitchen caddies were provided to residents as part of the roll out of the separate food and garden waste collection, which has resulted in increased recycling of food waste.

Cultural Services

46. The service spent £1.336m against a budget of £2.544m, a 50% spend. £1.224m of the variance has been slipped to 2016/17. Headstone Manor project is on-going, and the Great Barn work has been completed in 15/16. The site will be used as for holding events and weddings, providing an income stream going forward.
47. Within the Community and Culture Capital programme, there is a £1m loan in 2016/17 to be provided to Cultura London which would contribute towards the £3.8m cost of a new extension to the Elliott Hall to replace the existing Hall, and provide a cinema at the Arts Centre. £2.8m of external funding is required to be raised by the Trust and therefore, in order to facilitate the project it is recommended that Cabinet agrees to replace the original £1m loan with a £1m capital grant. This will have no effect on the Capital Programme and the revenue implications will be covered within the MTFs. There will be a further update to Cabinet in July on the progress of the transfer of Arts and Heritage services.

Housing General Fund

48. The service spent £1.688m against a budget of £3.594m, a 47% spend. £509k of the variance has been slipped to 2016/17. Improvement Grants and Disabled Facilities Grants were substantially spent. Expenditure on Green Deal Communities relates to a grant to a private resident for energy saving improvements. The rest of the scheme is abortive and unutilised grant of £1.352m has been returned to the Department of Energy & Climate Change (DECC). Unspent Empty Property Grants, aimed at releasing empty properties held by private landlords for Council use, are expected to be carried forward.

Property Purchase Initiative

49. £1.193m was spent against a budget of £7.5m, a 16% spend. The full variance of £6.307m has been slipped to 2016/17. Two properties have been purchased to 31 March 2016, with a number of exchanges also made, one of which was an office to residential conversion containing 14 dwellings. Further properties are in the process of being identified for purchase and negotiations are in progress.

PEOPLE DIRECTORATE

Children & Families

50. The final outturn in 2015-16 for the schools capital programme was a spend of £46.969m against a total budget of £62.916m. This represented expenditure of 75% against the budget. This is slightly lower than the figure of 84% reported at Q3. The main reasons for the slippage are as follows:

The main reasons for the slippages are as follows:

Capital maintenance £1.012m

Condition and measure surveys have been carried out across the whole school estate and when this is finalised it will provide a programme of work against which this budget will be committed

Primary Expansion 2, Secondary & Special Educational Needs £3.178m

The majority of the school expansion programme has been carried out by Keepmoat, the Council's Framework Partner, under Phase 1 (SEP1) and Phase 2 (SEP2). This is a complex programme and at the height of the programme there were 29 live sites. Unfortunately, there have been delays and challenges across the SEP1&2 programmes which have inevitably impacted adversely on schools and the completion of the programme. Most of the SEP1&2 projects in the current programme are now reaching Project Completion. The Children's Capital Project Team are working to resolve a number of building issues which have come to light during the 12 months defects liability period and are liaising with Keepmoat on these issues to seek an urgent resolution. Keepmoat will continue to have direct liability for building defects during the defects liability period and beyond should the defect be found to be a major issue. Harrow's Technical Advisors MACE and T&T are currently reviewing the SEP1&2 final accounts.

Primary Expansion 3 £9.016m

Planning applications for three of the school expansion projects were approved by Planning Committee in February 2016. The fourth project is on a slightly later timeline. However, the completion of these projects is still planned to be by Summer 2017. Within the programmes, there will be appropriate accommodation for the additional intakes of pupils in September 2016. This may require provision of temporary accommodation for a few weeks.

School Expansion Programme overview

- 26 additional permanent Reception forms of entry have been created through the expansion of existing schools, which is over half of Harrow's primary schools;
- six additional permanent Year 7 forms of entry have been created through the expansion of two existing schools;
- six schools have opened additional special educational needs places.

Adult Services

51. The service spent £452k against a budget of £4.003m, a 11.3% spend. £3.351m of the £3.531m variance has been slipped to 2016/17 with an underspend on the programme of £200k. There have been delays on a number of schemes within the programme resulting in slippage. The most significant ones are:
- a. Mosaic £0.606m. Delivery is planned in 2016/17. Discussions with taken place with new IT provider as to how the asset will be delivered.
 - b. Remodelling and refurbishment of Adult Residential Care and Day Care services £0.508m. Budget is to be slipped into 2016/17 whilst a review of deliverables and asset development is reviewed.
 - c. Safeguarding Quality Assurance Quadrants (QAQ) £168k. Deployment of new IT solutions for reporting of social care information have slipped owing to delays in the delivery of the Mosaic Implementation Project. Monies to be slipped in order to support delivery in 2016/17.

- d. Reform of Social Care Funding £0.800m. Development of assets through WLA has slipped.

Regeneration, Enterprise and Planning

52. The division has embarked on a major regeneration programme which will see a new civic centre and some 5,500 new homes within the Heart of Harrow Opportunity Area and will provide a major impetus for business development, creating around 3,000 new jobs overall.

The division spent £1.209m against a budget of £4.473m, a 27% spend. £3.265m of the variance has been slipped to 2016/17.

Some of key projects and outcomes were:

- Harrow Deal: an online platform for local businesses to promote their businesses and offer discounts to Harrow residents
- Station Road (High Street Fund): Improvement to the public realm, creating an identity for the Station Road corridor and engaging businesses and their employees to achieve a sense of ownership, relevance and sustainability. The project is on-going into 16/17.
- Regeneration Programme: Master planning work has commenced at various sites. A design team has been appointed for Station Road Quarter to take forward the scheme. A PRS pilot scheme at Haslam House started in 15/16 and is planned to be completed during 16/17

Housing Revenue Account

53. HRA spent £13.554m against a budget of £30.239m, including Homes-4-Harrow, a spend of 44.8%. £4.950m of the variance has been slipped to 2016/17. A further £11.735m, shown as underspend was included in the 2016/17 programme approved by Cabinet in February. With regard to Homes-4-Harrow, demolition notices have been served for the Council's Grange Farm Estate and right to buy applications have been suspended to enable the regeneration of the estate to proceed. The scheme is in the design phase with the planning application due to be submitted June 2016. Properties are being brought back from leaseholders. A second tender has been issued for the Council's Infill programme which is aimed at developing under-utilised pockets of Council land in and around the Borough and further planning applications submitted and permissions obtained.

TIMETABLE FOR ACCOUNTS COMPLETION AND EXTERNAL AUDIT REVIEW

54. For the 2017/18 financial year, all Local Authorities must produce their draft Statement of Accounts by 31st May (currently 30th June) and have the accounts audited by 31st July (currently 30th September). In preparation for this, Harrow is having a "dry run" at the early closure of accounts for 2015/16, before the legislation becomes mandatory. Work is progressing on the production of the 2015/16 Statement of Accounts and Pension Fund Accounts with an expected completion date of early June, which will be a good achievement for this practice run.
55. The draft accounts will be considered by the Governance, Audit, Risk Management and Standards Committee (GARMS) at their July meeting. The external auditors will start the audit on Monday 4th July. The final accounts will be considered by the (GARMS) on 8th September 2016 and must be signed off by the Council and the Auditor by the end of September 2016.

LEGAL IMPLICATIONS

56. 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”
57. 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

58. Financial matters are integral to the report.

PERFORMANCE

59. 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.
60. Financial performance is considered quarterly at Cabinet.

RISK MANAGEMENT IMPLICATIONS

61. 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

62. There are no direct equalities impacts arising from the decisions within this report.

CORPORATE PRIORITIES

The Council’s vision is:

Working Together to Make a Difference for Harrow

The administrations priorities are:

Making a difference for the vulnerable

Making a difference for communities

Making a difference for local businesses

Making a difference for families

The robust stewardship of funds to ensure expenditure is contained within budget.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Director of Finance
Date: 6 June 2016		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 6 June 2016		

Ward Councillors notified:	NO
EqlA carried out:	NO
EqlA cleared by:	N/A

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels (Sharon.daniels@harrow.gov.uk)

Back ground Papers:

[Capital Programme 2016/17 to 2019/20](#)

[Revenue and Capital Monitoring for Quarter 3 as at 31 December 2015](#)

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call –in applies]</i>
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Revenue Carry Forward Requests

Appendix 1

Service	Description	Council Funding £000	Ring Fenced Grant Funding £000	Non Ring Fenced Grant Funding £000	Total £000	Reason for Carry Forward & Consequences of not carrying forward.
Resources						
Strategic Commissioning	Carry forward Edward Harvist unspent allocation		18		18	Carry forward of unspent allocation
Customer Services	E Learning (Share Point)	9			9	This is for the development of the SharePoint elearning module which will be ready in May 2016 as part of the Mobile & Flexible Working project. Unfortunately, the delay of rolling out SharePoint due to technical difficulties has resulted in this work slipping into next year.
Customer Services	SharePoint Administrator - contingency	19			19	This is to fund an interim systems administrator for the rollout of SharePoint. Our intention is to make a case for a permanent member of staff over the next few months.
	Total 2015-16	28	18	0	46	
	Rolled forward from 14-15[or prior year]c/fwd					
Customer service	Toward Excellence	59			59	On-going prject
	Total 2014-15 [or prior year]	59	0	0	59	
Total Resources		87	18	0	105	

Community Directorate	Description	Council Funding £000	Ring Fenced Grant Funding £000	Non Ring Fenced Grant Funding £000	Total £000	Reason for Carry Forward & Consequences of not carrying forward.
ESD	Carry Forward Request 2015-16	60			60	Funding posts for these posts was previously carried forward in 2015/16 and has not been utilised in full due to systems issues and the move to a new IT provider. As TE has still not been implemented, the funding is still required to pay for 2 additional Technical Support Officer posts until the TE project is finalised. If funds are not carried forward, then these two posts will be deleted and this will lead to a commensurate reduction in service to services, residents and businesses and a reduction in SLA's. Alternatively, there will be an overspend on this in 2016/17 that will have to be covered by the services.
Community Engagement	Neighbourhood Investment Schemes	5.1			5	Funding has been allocated to a specific project to support the North Harrow Library volunteer management. Due to delays in lease transfer out of our control the project is not yet complete.
Community Engagement	Neighbourhood Investment Schemes	4.4			4	Funding has been allocated to a specific project to support the North Harrow Library Volunteer Management scheme. Due to delays in lease transfer out of our control the project is not yet complete.
	Total 2015-16	69.5	-	-	69.0	
	Rolled forward from 14-15[or prior year]c/fwd					
Directorate Mgt	TE revenue costs	46			46	System Design work in relation to TE which was due to be carried out in 15-16 by Capita [signed off]. Due to the move to the new contractor this work was not carried out in 15-16 and will be carried out by Sopra Steria in 16-17.
Environment & Culture	carry forward of CSPAN money	22			22	
Environment & Culture	carry forward of S106 funding for Football development		11		11	
Environment & Culture	carry forward of London Sport money		2		2	
Aids & Adaptations	FILT - Warm at Home Service	0	3	0	3	External ring fenced grant funding already allocated to cases in progress.
	Total 2014-15 [or prior year]	68.0	16.0	-	84.0	
Total Community		137.5	16.0	-	153.0	

	Description	Council Funding £000	Ring Fenced Grant Funding £000	Non Ring Fenced Grant Funding £000	Total £000	Reason for Carry Forward & Consequences of not carrying forward.
People						
Adults	Care Act Grant			10	10	Committed expenditure to be funded by 15/16 care act grant re purchase of clients finances system to accomadate changes as a result of the care act.
Public Health carry forward	Health Education England grant		1,350		1,350	Harrow Public Health are administering Academy for Public Health via HEE
Total People	Total 2015-16	0	1,350	10	1,360	

Regeneration Enterprise & Planning Directorate	Description	Council Funding £000	Ring Fenced Grant Funding £000	Non Ring Fenced Grant Funding £000	Total £000	Reason for Carry Forward & Consequences of not carrying forward.
	Carry Forward Request 2015-16					
LDF	HNDU Round 4 Grant Funding (Energy Masterplan)		11		11	Successful consultancy tender was for a lower cost than budgeted / bid-for, resulting in an underspend against the grant. Grant requires any underspend to be spent on related purposes (i.e. energy feasibility work). HNDU has agreed for underspend to be allocated to Harrow's successful Round 5 bid. Not carrying forward would contravene grant conditions and also result in shortfall for Round 5 project.
LDF	HNDU Round 5 Grant Funding (Energy Masterplan)		98		98	This is a 15/16 determination and DECC / HNDU made it clear it needed to be paid to LAs in 15/16 or lost. The money was paid to LBH mid February & appropriate use of the funding could not be made by 31 March 2016.
Economic Devt	Apprenticeships Revs and Bens	34			34	The Council has a statutory duty to place apprentices. Revenue and Benefits provided the funding for 2 apprentices, only 1 was appointed in 15-16 and the remainder is required for funding in 16-17.
Economic Devt	Skills Training - Skills Escalator		12		12	Training underspent. Grant funded, return the grant if not carried forward
Economic Devt	Salary cost Skills Escalator		20		20	Funding received from Hounslow. Funding related to post - project delayed in 2015/16
Total Regeneration Enterprise & Planning Directorate	Total 2015-16	34	141	0	175	

Capital Programme Outturn 2015-16

	Original Budget	15-16 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 2016-17	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Resources									
BTP - Public Realms		1,251	134	1,385	12	-1,373	1,373	0	On going delay
Capital cost of transition and transformation of ICT service	8,300	0	-2,600	5,700	500	-5,200	2,206	-2,994	Projects that were originally scheduled for completion by Capita were delayed - this has resulted in a lot of projects slipping to 16/17 for the new partner to deliver. The underspend of £3m budget has been re-profiled into future years because it was front loaded into 15/16. The impact of non-delivery is the risk of running out date software which is no longer supported by the supplier which could in turn have impact on service and security.
Council Tax Support	0	0	0	0	38	38	0	38	n/a
ITO Transformation	0	2,119	0	2,119	1,612	-507	370	-137	SIP and Hardware refresh project that were originally scheduled for completion by Capita were delayed, together with some contingency budget will be slipped into 16/17 . Underspend was as a result of reducing project scope. The impact of non-delivery is the risk of running out date software which is no longer supported by the supplier which could in turn have impact on service and security.
My Harrow Services Account Dev Prog	0	74	0	74	62	-12	8	-4	n/a
IT Improvement Project	0	300	0	300	0	-300	200	-100	Updating dating of EOL Hardware and Software originally scheduled for completion by Capita was delayed; this will now be slipped 16/17. Underspend relates to telephony project not deliver by Capita, a planned budget is available for this project in 16/17. The impact of non-delivery is the risk of running out date software which is no longer supported by the supplier which could in turn have impact on service and security.
SAP: Financial Leger/Systems Control Imp	0	241	0	241	70	-171	172	1	Slippage of £172k has arisen because further work was paused following performance issues on SAP Business Warehouse.
BTP - Mobile & Flex	320	1,248	0	1,568	500	-1,068	1,068	0	Due to delays in delivery of SharePoint, budget is ben slipped into 2016/17 to cover off completion of rollout and potential development costs. Impact will be delay in service improvement.
BTP - Corporate Resources	0	20	0	20	19	-1		-1	n/a
BTP Minor Projects	0	171	0	171	151	-20	0	-20	Project management cost not required as project was managed internally by existing team.

Capital Programme Outturn 2015-16

	Original Budget	15-16 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 2016-17	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
SAP Minor Developments	0	31	0	31	32	1	0	0	n/a
ICT Infrastructure & Corporate Applications	0	374	0	374	303	-71	55	-16	Slippage for Metacompliance software which was not delivered due to Capita Delays.
IT Corporate System Refresh	0	1,033	0	1,033	204	-829	829	0	Civica upgrade, SAP Customer Relationship Management upgrade and OHMS Oracle upgrade projects originally scheduled for completion by Capita was delayed - this has resulted in a lot of project slipping to 16/17.
LAA Performance Reward Grant	0	124	0	124	0	-124	124	0	There has been no call on this budget this year.
BTP - Hardware Refresh	0	263	0	263	114	-149	35	-114	Waste project has come in cheaper than expected and the scanning project has been outsourced rather than upgrade, the £35k spillage is to fund higher than estimated cost of Metacompliance. No Impact on organisation or community.
West London Waste Authority Loan	3,883	2,219	0	6,102	3,943	-2,159	2,159	0	There has been slippage of £2.1m on the loan to West London Waste Authority due to delays in the progress of their investment programme. The impact on organisation is the interest that could have been earned.
Small Schemes (Council wide)	0	310	-250	60	11	-49	49	0	This is an ad-hoc budget - £49k has not had any call on it this year. This budget will be slipped into next year There is no implication on either organisation or community.
IER Grant	0	18	0	18	18	0	0	0	n/a
Ongoing refresh & enhancement of ICT	2,000	0	0	2,000	132	-1,868	1,196	-672	Funding was provided for on-going ICT improvement. Capita delays moved the delivery of these projects into 16/17. Underspend was due to front loading of funds which are not re-aligned to 18/19.
FM Minor Work			500	500	0	-500	500	0	There was no project identified this year.
My Harrow Service Account					98	98		98	This project was approved in-year with no budget allocated, it was anticipated that Resources underspend will fund this project this year. There is no impact on organisation or community.
Resources Total	14,503	9,796	-2,216	22,083	7,819	-14,264	10,344	-3,921	
Regeneration Programme									

Capital Programme Outturn 2015-16

	Original Budget	15-16 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 2016-17	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Harrow Card	200		-100	100	74	-26	26	0	Harrow Deal went live during 15/16. Further improvements are being made to the online facility to install an email marketing tool to continue the promotion of Harrow deals. Due to the delay in obtaining the final quote from IT, this work will be completed in early 16/17.
Station Road Highway and Environmental Improvements	298			298	161	-137	137	0	The improvements works to the final parade on Station Road was delayed due to intrusive works required following an unknown stat identified when trial holes were dug. This project is partially funded by the GLA (High Street Fund), to which a carry forward request is made.
Regeneration Programme	250		1,100	1,350	662	-688	688	0	Delay in master planning work at various sites led to actual spend less than budget.
Haslam House Redevelopment	1,500		-750	750	239	-511	511	0	This PRS pilot scheme is a 2 year project. The cost of demolition was less than budgeted. Design work is on-going, but the spend in 15/16 was less than that originally profiled for 15/16.
Wealdstone Site Scheme			1,525	1,525	0	-1,525	1,525	0	The budget was allocated for land assembly but the acquisition did not go ahead in 15/16.
Station Road Quarter			450	450	72	-378	378	0	The design team was successfully appointed during 15/16, and this element of work will continue into 16/17 as this is a 2 year contract.
Regeneration Total	2,248	0	2,225	4,473	1,208	-3,265	3,265	0	
Community									
Carbon Reduction Programme 2014/15	0	0	0	0	11	11	0	11	Please see below for explanation
Carbon Reduction Programme 2015/16	300	0	-134	166	227	61	0	61	Please see below for explanation
Carbon Reduction School			35	35	35	0		0	Please see below for explanation

Capital Programme Outturn 2015-16

	Original Budget	15-16 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 2016-17	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Public Realm Services – Parks, Open Spaces & Cemeteries	990	0	545	1535	1,310	-225	0	-225	Please see below for explanation
High Priority Plan Maintenance Corporate Property	420	0	282	702	469	-233	0	-233	Please see below for explanation
Corporate Accommodation Maintenance	246	0	0	246	737	491	0	491	Following the procurement of Total Facilities Management contract in early 2015, conditions survey was carried out on all corporate buildings which provided the basis for prioritising capital investment across corporate portfolio. The capital budgets for Corporate Accommodation, Carbon Reduction, Parks Infrastructure and High Priority Planned Maintenance were pooled to ensure that the financial resource was targeted on the buildings which were in urgent need for capital improvement to meet H&S requirements and/or would provide commercial opportunities.
CCTV Crime Reduction Cameras 14/15	0	0	90	90	90	0	0	0	n/a
City Farm/Pinner Park Farm	0	538	0	538	24	-514	514	0	The project was put on hold under the instructions of the Leader and Deputy Leader.
Harrow Green Grid	343	350	0	693	387	-306	128	-178	Stanmore Marsh flood defence work is a 2 year project and partially funded from Green Grid S106 funding. Other external funding (time limited) was utilised first to avoid any loss of grant.
Harrow On Hill Station	2,000	0	-2,000	0	0	0	0	0	
Highway Drainage Improvements & Flood Defence Infrastructure	525	0	182	707	663	-44	0	-44	
Highway Improvement Programme	5,500	0	2,220	7720	8,120	400	-419	-19	The highway programme was accelerated to improve highway infrastructure thereby reducing revenue burden.
Neighbourhood Investment Scheme	0	27	25	52	47	-5	0	-5	n/a
Parking Management Programme	300	0		300	307	7	0	7	n/a
Public realm Services – Waste and Recycling	1,190	0	-522	668	569	-99	16	-83	CA Site improvement works did not go ahead in 15/16.
Queens House	0	0	55	55	101	46	0	46	Extra cost in lifts improvement work was carried out.

Capital Programme Outturn 2015-16

	Original Budget	15-16 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 2016-17	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Section 106 Schemes	0	148	95	243	134	-109	105	-4	The S106 money is allocated specifically for highway projects for Camrose Avenue and Wealdstone CPZ, and the work has been programmed for early 2016/17.
Street Lighting Improvement Programme	1,500	0	1,500	3000	3,083	83	-83	0	The street lighting programme was accelerated to improve highway infrastructure thereby reducing revenue burden.
TfL Principal Roads	870	0	0	870	862	-8	0	-8	n/a
TfL Transport Capital	1,204	664	106	1974	1,791	-183	191	8	All commitments raised in 15/16 to be delivered in early 16/17, and the final funding claim for 15/16 schemes is in August 2016.
Town Centre Regeneration	0	7		7	0	-7	0	-7	n/a
Environment Total	15,388	1,734	2,479	19,601	18,967	-634	452	-182	
	0								
Disabled Facilities Grants	1,500	0	0	1,500	1,469	-31	31	0	Underspend due to delays in referrals from Occupational Therapists, carry forward requested to discharge statutory obligations of Council and assist in keeping vulnerable residents safe without recourse to more expensive care facilities.
Empty Properties & Private Sector Initiatives Grants	250	220	134	604	166	-438	391	-47	Lower than expected uptake in grants which are partly externally funded, grants encourage landlords to give Council nomination rights to alleviate homelessness costs, carry forward requested to assist in achievement of MTFS savings 2016-17 onwards
Green Deals Communities Funding	0	1,357	0	1,357	6	-1,351	0	-1,351	Abortive grant funded scheme, grant repaid, no impact on organisation or MTFS objectives
Improvement grant	70	0		70	10	-60	60	0	Discretionary Council funded grants to private residents with disabilities, carry forward requested to keep residents safe without recourse to more expensive care facilities.
Housing Property Purchase		0	7,500	7,500	1,193	-6,307	6,307	0	Delays in implementation of Council's commercialisation strategy resulting in few property acquisitions, carry forward requested to increase supply of temporary accommodation in 2016-17 onwards to alleviate increasing homelessness costs thereby assist in achievement of MTFS savings.
Renovation Grants	0	63	0	63	38	-25	25	0	Discretionary Council funded grants to private residents with disabilities, carry forward requested to keep residents safe without recourse to more expensive care facilities.

Capital Programme Outturn 2015-16

	Original Budget	15-16 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 2016-17	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
	1,820	1,640	7,634	11,094	2,882	-8,212	6,814	-1,398	
Headstone Manor	0	1,086	97	1,183	1,207	24	0	24	Project is now completed. Overspend is due to construction costs being greater than planned. However, this is only 2% of total spend, so this is a relatively minor underspend given the size of the project. The Barn will
Sec 106 Banister Sport Pitch	0	1,004	0	1,004	0	-1,004	1,004	0	S106 monies have not been received and development has yet to start, therefore project is delayed.
Leisure Centre Capital Infrastructure	300	0	0	300	129	-171	0	-171	This is due to implementation of open plus technologies. Nil impact as Leisure Centre and libraries are still serving the community as before.
Leisure Capital Investment	0	163	-97	66	0	-66	220	154	This is due to implementation of open plus technologies. Nil impact as Leisure Centre and libraries are still serving the community as before.
Culture Total	300	2,253	0	2,553	1,336	-1,217	1,224	7	
Community and Culture Total	17,508	5,627	10,113	33,248	23,185	-10,063	8,490	-1,573	
People									
Adults Social Care-Framework-I & IT Integration	0	131	0	131	1	-130	130	0	Budget to be slipped into 2016/17 whilst a review of deliverables are asset development is reviewed. Nil impact on community as users of service are not impacted, possible revenue implications of not going ahead with project this year but this cannot be quantified.
MOSAIC Implementation - Adults & Children's Services	0	606	0	606	0	-606	606	0	Budget to be slipped into 2016/17 whilst a review of deliverables are asset development is reviewed. Nil impact on community as users of service are not impacted, possible revenue implications of not going ahead with project this year but this cannot be quantified.
Mental Health Supported Housing Repairs	0	44	0	44	31	-13	0	-13	n/a
Adults Personal Social Services - Community Capacity Grant		341	0	341	185	-156	157	0	Budgets to be carried forward into 2016/17 whilst specific activities are planned. Nil impact on community as users of service are not impacted, possible revenue implications of not going ahead with project this year but this cannot be quantified.

Capital Programme Outturn 2015-16

	Original Budget	15-16 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 2016-17	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Capital Strategic Reviews	100	422	0	522	14	-508	508	0	Development of assets through the WLA has slipped - budget to be slipped into 2016/17. Nil impact on community as users of service are not impacted, possible revenue implications of not going ahead with project this year but this
Quality Outcome for People With Dementia	0	150	0	150	0	-150	150	0	Budgets to be carried forward into 2016/17 to provide funding for ongoing and future maintenance works. Nil impact on community as users of service are not impacted,
Reform Of Social Care Funding	575	225	0	800	0	-800	800	0	Budget to be slipped into 2016/17 whilst a review of deliverables of asset development is reviewed. Nil impact on community as users of service are not impacted, possible
Maintenance of Adults Properties	49	100	0	149	0	-149	149	0	Budget to be slipped into 2016/17 whilst a review of deliverables of asset development is reviewed. Nil impact on community as users of service are not impacted, possible revenue implications of not going ahead with project this year but this cannot be quantified.
Integrated Health Model	500	142	0	642	220	-422	422	0	Development of integrated health and social care services are being established. Budget to be carried forward in full to support planned activities. Nil impact on community as users of service are not impacted, possible revenue implications of not going ahead with project this year but this
Carers Services Charges	100	100	0	200	0	-200	0	-200	Budgets to be carried forward into 2016/17 whilst specific activities are planned. Nil impact on community as users of service are not impacted, possible revenue implications of not going ahead with project this year but this cannot be quantified.
Market Shaping And Development	0	250	0	250	0	-250	250	0	Budgets to be carried forward into 2016/17 whilst specific activities are planned. Nil impact on community as users of service are not impacted, possible revenue implications of not going ahead with project this year but this cannot be quantified.
Safeguarding Quality Assurance Quadrants (QAQ)	0	168	0	168	0	-168	168	0	Deployment of new IT solutions for reporting of social care information have slipped owing to delays in the delivery of the Mosaic Implementation Project. Monies to be slipped in order to support delivery in 2016/17. Nil impact on community as users of service are not impacted, possible revenue implications of not going ahead with project this year but this cannot be quantified.
	1,324	2,679	0	4,003	451	-3,552	3,340	-213	
<i>Children & Families</i>			0						

Capital Programme Outturn 2015-16

	Original Budget	15-16 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 2016-17	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Schools Expansion Programme - Phase 1		2,287	971	3258	3,072	-186	186	0	Work outstanding and in negotiation with contractor
Schools Expansion Programme - Phase 2	8,815	11,645	-953	19507	17,667	-1,840	1840	0	Buildings handed back to schools. Final accounts being negotiated
SEN Provision	4,758	2,905	589	8252	7,793	-459	459	0	Buildings handed back to schools. Final accounts being negotiated
Secondary Expansions	6,582	9,615	243	16440	15,712	-728	728	0	Buildings handed back to schools. Final accounts being negotiated
School Amalgamation		1,089	0	1089	356	-733	733	0	Rolling programme and work underway at amalgamating schools over 2015-16 and 2016-17
Bulge Classes		44	250	294	77	-217	217	0	Rolling programme
Free School Meals		157	0	157	151	-6	6	0	n/a
Schools Capital Maintenance	906	807	-100	1613	601	-1,012	1012	0	Proactive programme of maintenance to be informed by condition & measure surveys in 2016-17
Schools Expansion Programme Phase 3	9,780	300	0	10080	1,064	-9,016	9016	0	Planning applications for three of the school expansion projects were approved by Planning Committee in February 2016. The fourth project is on a slightly later timeline. However, the completion of these projects is still planned to be by Summer 2017.
Schools Expansion Programme Phase 4	420		0	420	0	-420	420	0	Currently uncommitted in light of the free school programme
Devolved Formula Non VA Schools	361	560	0	921	417	-504	504	0	Held by LA on behalf of schools
IT Development		848	0	848	49	-799	799	0	Contains multiple programmes including social worker "tools for the trade" underway and continuing into 2016-17
Whitmore School		36	0	36	1	-35	35	0	n/a
	31,622	30,293	1,000	62,915	46,960	-15,955	15,955	0	
PeopleTotal	32,946	32,972	1,000	66,918	47,411	-19,507	19,295	-213	
Total General Fund	67,205	48,395	11,122	126,722	79,623	-47,099	41,394	-5,707	
HRA									

Capital Programme Outturn 2015-16

	Original Budget	15-16 Carry Forward	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 2016-17	Over / Underspend	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Housing Programme	21,656	1,707	-11,779	11,584	9,037	-2,547	2,547	0	Variation relates to unallocated budget, and underspends on internal and external works, carry forward requested to fund planned works in 2016-17 in line with Housing Asset Management Strategy.
Grange Farm Redevelopment			7,647	7,647	2,093	-5,554	5,554	0	Variation relates to delays in regeneration of Grange farms estate, carry forward requested to ensure regeneration scheme progresses
Affordable Housing	0	534	10,474	11,008	2,424	-8,584	8,584	0	Variation relates to Infill and Purchase & Repairs schemes, underspends requested to be carried forward in full to ensure scheme progresses into 2016-17.
Total HRA	21,656	2,241	6,342	30,239	13,554	-16,685	16,685	0	All HRA Capital schemes are funded through HRA capital resources, no impact on General Fund, slippage of schemes will result delays in major works and regeneration projects affecting Council tenants.
Total Council Capital P	88,861	50,636	17,464	156,961	93,177	-63,784	58,079	-5,707	

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Movement in Reserves 2015/16

Appendix 3

	Balance b/f	Drawdown	Contribution	Balance c/f
	1.4.15	£	£	31.3.16
	£			£
Revenue grant reserve	346,125	-47,000	1,005,386	1,304,511
Revenue Carry Forwards	1,598,000	-1,598,000	1,793,000	1,793,000
Business Risk	2,109,000			2,109,000
MTFS Implementation cost	2,804,287	-2,692,534	844,796	956,549
TPIF	3,818,750	-629,822		3,188,928
Public Health (cfwd)	908,000	-9,805		898,195
CIL Harrow	200,225		527,344	727,569
CIL Mayor	39,396			39,396
POCA	160,000		125,000	285,000
Libraries	153,000		97,000	250,000
Legal expansion reserve	102,000		249,639	351,639
Children's Social Care Reserve	866,202	-647,337		218,865
Insurance reserve	500,000	-500,000	500,000	500,000
Borough Elections	0		105,930	105,930
Harvist reserve_harrow Share	19,495			19,495
NW London Education Business Partnership	10,000	-10,000		0
Personal Injury Reserve	110,147			110,147
Standing up for those in need	800,000			800,000
Rapid response	75,000			75,000
IT reserve	2,854,000	-1,000,000		1,854,000
Compensatory Added Years	722,782	-80,000		642,782
PFI Schools Sinking Fund	2,953,724	-163,234		2,790,490
PFI NRC Sinking Fund	1,154,260		135,805	1,290,065
HSIP	1,260,778	-107,454		1,153,324
Commercialisation Reserve	0	-479,380	1,000,000	520,620
Welfare Reform Reserve	0	-1,000,000	2,000,000	1,000,000
Total	23,565,172	-8,964,566	8,383,900	22,984,506

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Housing Revenue Account 2015-16	Outturn 2014-15	Original budget	Revised budget	Outturn	Variance		Comments
	£000	£000	£000	£000	£000	%	
Operating Expenditure : Employee costs, Estates & sheltered, Utilities & other	4,966	7,047	7,016	6,039	-977	-13.93%	Variety of expenditure items underspent including utilities, cleaning, tenant expenses and grounds maintenance
Repairs Expenditure : Response, void, cyclical, other associated costs	5,599	6,748	6,746	7,153	407	6.04%	Increased spend mainly on response repairs
Other Expenditure : Impairment allowance, Grants to Move, Affordable Housing, Other expenditure	184	1,091	991	404	-586	-59.19%	Higher than expected capitalisation of professional fees for H4H, lower bad debt provision requirement, mainly for commercial properties, contingency and investment in services not fully spent.
Income : Dwelling rents, Leasehold charges	-28,584	-32,249	-32,249	-32,111	138	-0.43%	Lower than expected rental income
Controllable	-17,835	-17,363	-17,497	-18,515	-1,019	5.82%	
Non controllable (SSC, depreciation, financing costs)	16,824	16,796	16,896	16,267	-628	-3.72%	Lower dwelling depreciation charges following agreement with auditors.
Net (surplus) deficit	-1,011	-567	-601	-2,248	-1,647	274.18%	
Balance b/fwd	-3,574	-4,395	-4,395	-4,585			
Balance c/fwd	-4,585	-4,962	-4,996	-6,833			

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