

REPORT FOR: CABINET

Date:	20 June 2013
Subject:	Revenue and Capital Outturn 2012-13
Key Decision:	Yes
Responsible Officer:	Simon George, Director of Finance and Assurance
Portfolio Holder:	Councillor Thaya Idaikkadar, Leader and Portfolio Holder for Business Transformation and Communications, Finance, Performance, Customer Services and Corporate Service, Property and Major Contracts
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Appendix 1 - Revenue Directorates Summary Appendix 2 - Capital Monitoring Appendix 3 – Housing Revenue Account

Section 1 – Summary and Recommendations

This report sets out the Council's revenue and capital outturn position for 2012-13

Recommendations:

1. Note the revenue and capital outturn position for 2012-13;
2. Approve the contributions to reserves outlined in paragraph 3;
3. Approve the net remaining revenue under spend of £0.996m is utilised to increase the general reserves from £7.650m to £8.646m;
4. Approve the changes in quarter 4 and carry forwards on the capital programme outlined in paragraph 26 and set out at Appendix 2; and
5. Note the timetable for accounts completion and external audit review as outlined in paragraph 29.

Reason (for recommendation)

To confirm the financial position as at 31 March 2013.

Section 2 – Report

Executive Summary

1. The outturn of the Council at the end of the year is showing a net under spend of £0.996m after transfer to various reserves, which is a very significant achievement for the Council. The Council has not only been able to deliver services within the approved budget but has also contained the pressures arising from the challenging financial environment and the risks around service demands. This also meant that there were no calls on contingency as reported at quarter 3. In addition, there were favourable variance on income budgets resulting from parking enforcement, rents from the investment property portfolio, investment returns and grant income. This was offset by, additional contribution to the insurance provision of £0.900m for Municipal Mutual Insurance liability (MMI) as detailed in paragraph 15 of the main report.
2. As reported at quarter 3 to the February 2013 Cabinet, Managers were asked to implement the spending protocol right through to the year-end to deliver a significant under spend to fund the cost of change and delivery of future year savings. This was implemented by ensuring discretionary spend was only incurred if it was absolutely necessary and through vacancy management by implementing additional approval processes in respect of recruitment.
3. It is recommended that this under spend is used to set up specific reserves for the Medium Term Financial Strategy (MTFS) implementation cost of £4.849m, Carry Forwards totalling £3.268m and a Business Risk reserve amounting to £1.691m as detailed in paragraphs 16 to 19. It is recommended that the remaining balance of £0.996m is utilised to increase General Reserves from £7.650m to £8.646m.
4. The contribution to the Provisions, General and Other reserves as mentioned above will increase the Council's capacity to deliver services in a very challenging climate resulting from demographic pressures, economy, welfare reforms and pressures on formula grant funding.

Introduction

5. The total outturn for the Council after transfer to reserves for the financial year 2012-13 is £172.117m against the approved budget of £173.113m which represents an under spend of £0.996m, a 0.6% variation to budget.

Table 1 below summarises the position:

Original Budget	Directorate	Latest Budget	Provisional Outturn	Variation		2011-12 Outturn
				Outturn	%	
£000		£000	£000	£000	£000	
3,854	Assistant Chief Executive	3,333	2,429	-904	-27.1	-329
3,379	Legal and Governance	3,230	3,325	95	2.9	229
18,634	Corporate Finance	20,809	19,526	-1,283	-6.2	75
25,867	Resources	27,372	25,280	-2,092	-7.6	-25
48,674	Environment	37,694	34,696	-2,998	-8.0	1,881
3,547	Enterprise	3,618	3,560	-58	-1.6	444
52,221	Environment & Enterprise	41,312	38,256	-3,056	-7.4	2,325
66,431	Community, Health and Wellbeing	75,880	75,712	-168	-0.2	-50
39,475	Childrens' and Families	48,096	47,850	-246	-0.5	-2,545
183,994	Sub Total Directorate	192,660	187,098	-5,562	-2.9	-295
-946	Inflation and Corporate Items	1,118	-661	-1,779	-159.1	-907
1,000	Contingency	1,000	0	-1,000	-100.0	-300
-8,327	Capital Financing	-6,494	-8,303	-1,809	-27.9	-1,602
-2,608	Non Specific Grant	-12,733	-12,766	-33	-0.3	0
	Carry Forwards 2011-12	-2,438	-3,059	-621	-25.5	1,804
173,113	Sub Total	173,113	162,309	-10,804	6.2	-1,300
	Contribution to Reserves					
	MTFS Implementation cost		4,849	4,849		
	Carry Forward Requests 12-13		3,268	3,268		
	Business Risk		1,691	1,691		
173,113	Total Budget Requirement	173,113	172,117	-996	0.6	-1,300

Directorates' Position

6. The outturn for the Directorates is a favourable variance of £5.562m against the revised budget which represents 2.9% of the net budget of £192.660m. The position for each directorate is summarised below and further details are provided in Appendix 1 to this Report.

Resources

7. The provisional outturn position for the Resources Directorate is a favourable variance of £2.092m resulting mainly from Capita contract credits (£0.476m), Copier contract (£0.493m), Concessionary fares (£0.262m), additional income, External Audit Fees (£0.240m), slippage on one off projects and vacancy management. This has been offset by pressures resulting from Cross cutting efficiencies, Learning and Development commissioning, additional procurement staffing costs, increase in Insurance Provision (£0.900m) and increase in legal cost resulting from higher volume of child protection cases.

Environment and Enterprise

8. The provisional outturn is a favourable variance of £3.056m resulting mainly from additional parking enforcement income (£0.968m), rental income (£0.315m), slippage in the delivery of highways work following the migration to a new contractor (£0.649m), delays in the Public Realm Integrated Service Model (PRISM) project (£0.156m) and vacancy and spending management (£1.2m). This was offset by additional West London Waste Authority (WLWA) charges (£0.188m), shortfall of income on dry recyclables (£0.332m) and Building control fees (£0.248m).

Community Health and Wellbeing

9. The Directorate position is a net under spend of £0.168m. The main contributing factors are under spend on Personalisation and Reablement budgets (£0.371m), Housing Needs budgets (£0.134m) and vacancy and spend management. Some of these were offset by over spends on long term care (£0.202m) and Leisure Centre income shortfall (£0.481m)

Children's and Families

10. The outturn position is an overspend of £0.162m which is offset by an under spend on the Troubled Families ring fenced grant (£0.408m) resulting in a net under spend of £0.246m. The main areas of overspends are Targeted Services (£0.790m) due to agency staff and overtime and increase in Bad Debt provision (£0.286m). This is offset by an under spend on Commissioning budgets (£0.231m), DSG funding for the nursery provision (£0.208m), Special Needs Transport (£0.120m) and vacancy management.

Inflation and Corporate items

11. The position shows a favourable variance of £1.779m which is mainly in respect of unused energy inflation, provisions and additional funding in respect of winter pressures.

Contingency

12. As previously reported there are no calls on the contingency and therefore £1m is contributing to the overall position.

Capital Financing

13. The outturn is a favourable variance of £1.809m resulting from increase in Investment returns (£0.909m) and Minimum Revenue Provision (£0.900m) due to slippage in delivery of the 2011-12 capital programme.

Provisions

14. The Council must hold adequate provisions against known events and in respect of its statutory duties as appropriate. All the provisions are reviewed on a quarterly basis and in 2012-13 additional contributions were made to Bad Debt, Employees and Litigation provisions.
15. Additionally, £0.900m contribution was made to the Insurance provision for Municipal Mutual Insurance (MMI) liability which was not budgeted for. MMI was the insurer of Harrow Council prior to ceasing its underwriting operations in September 1992 and entering into a Scheme of Arrangement in 1993. Council has been taking advice of the actuary, who has reviewed the position recently and considers it to be wholly appropriate and justifiable to provide for the £2.000m minimum future liability in relation to MMI claims. The Council made a provision of £1.100m in 2011-12 and has

made additional contribution of £0.900m in the current year, which will bring the provision for MMI liability to £2.000m.

MTFS Implementation Cost

16. The Medium Term Financial Strategy for 2013-14 identified one off implementation costs and potential redundancy costs of £5.694m to deliver the savings. These costs were not included in the MTFS and the main funding source identified was the in year (2012-13) under spends arising from the spending protocol. At the February 2013 Cabinet, as part of the MTFS the Members approved a revised policy on General Reserves as outlined below:

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

17. At year end the redundancy costs were reviewed along with the existing provisions which resulted in reduction of the overall implementation cost by £0.845m as detailed below. In line with the strategy, part of the under spend is deployed to set up a reserve for the implementation cost.

		£000
One off implementation costs		904
Potential Redundancy costs	7,363	
Less Provisions (2011-12 provision not utilised due to slippages)	<u>-2,418</u>	4,945
Less Budget provision in 2013-14 MTFS	-1,000	<u>-1,000</u>
Net requirement		4,849

Carry Forwards 2011-12 and 2012-13

18. The under spend on 2011-12 carry forwards is £0.621m which mainly represents savings and slippages on the one off projects. The 2012-13 carry forward request of £3.268m mainly relates to ring fenced grants of £0.532m, slippages on projects funded by 2011-12 carry forwards (£0.347m) and also projects that were not completed in 2012-13 which is contributing to the overall directorates under spends. The carry forward request is summarised below:-

Directorate	Council Funding	Grant Funding	Total
	£000	£000	£000
Resources	1,074	12	1,086
Environment and Enterprise	782	33	815
Community, Health and Wellbeing	235	79	314
Childrens' and Families	38	408	446
Corporate Items	260	0	260
2011-12 roll forward	347	0	347
Total	2,736	532	3,268

Business Risk

19. This is a new reserve established to contain contractual risk amounting to £1.691m. This represents additional funds required to cover potential risks around social care PCT pressure (£0.750m), Waste related costs (£0.381k) and other business risks (£0.560m).

Transformation and Priority Initiatives Fund (TPIF)

20. The total of £66k has been funded in respect of Harrow Card and Pot Holes from the TPIF fund resulting in a year end balance of £1.117m. A total of £0.584m is committed against this fund in 2013-14 in respect of Pot Holes, Harrow Card, Circles of support and Welfare Reforms which will leave an uncommitted balance of £0.533m.

General Reserves

21. After assigning the under spends to fund MTFs implementation costs, Carry Forward Requests and Business Risks, it is recommended to allocate the balance of £0.996m to General Reserves which will increase the balance from £7.650m to £8.646m as detailed below.

	General Fund
	£000
Balance b/fwd as at 01.04.2013	7,650
Contribution	996
Balance as at 31.03.2013	8,646

Housing Revenue Account (HRA)

22. The surplus is £0.383m against a budget of £0.415m. Main contributing factors are the revaluation losses of £0.490m relating to non dwellings, reduction in Service Charges income and increase in depreciation cost due to revised policy. This is offset by savings resulting from vacancy management, reduction in utility and supplies and services costs, slippage in the Customer Initiative project and repairs expenditure.

Capital

23. The total capital programme at the end of the financial year stands at £31.842m (£24.288m General Fund and £7.554m HRA). This is funded from Grants (7.389m, 23.20%), Capital Receipts (£5.157m, 16.20%), Revenue Contribution (£8.068m, 25.34%) and Borrowings (£11.228m, 35.26%).

Directorate	Revised Budget	Outturn	Total Variance	Slippage	Under spends
Resources	12,472	4,415	-8,057	-8,057	0
Environment & Enterprise	18,494	11,220	-7,274	-7,006	-268
Community Health & Wellbeing	5,912	2,035	-3,877	-2,542	-1,335
Children's Services	18,616	6,618	-11,998	-11,998	0
Total Exp General Fund	55,494	24,288	-31,206	-29,603	-1,603
Funding:					
Grant	21,575	7,329	-14,246	-14,076	-170
Section 106	469	42	-427	-427	0
RCCO	739	676	-63	-63	0
Capital Receipt	5,013	5,013	0	0	0
Borrowings	27,698	11,228	-16,470	-15,037	-1,433
Total Funding General Fund	55,494	24,288	-31,206	-29,603	-1,603
HRA	9,083	7,554	-1,529	-757	-772
Funding:					
Grant	386	60	-326	-42	-284
Section 106	0	34	34	0	34
RCCO	8,697	7,392	-1,305	-715	-590
Capital Receipt	0	68	68	0	68
Total Funding HRA	9,083	7,554	-1,529	-757	-772

24. The total variance on General Fund is £31.206m against a revised programme of £55.494m. This represents slippage of £29.603m resulting mainly from Schools expansion programme (£5.7m), Primary Schools Development programme (£2.9m), Devolved Formula Capital (£1.0m), Information Technology (IT) projects (£7.7m), Closed Circuit Television (CCTV) camera extension project (£0.5m), Highways, street lighting programme (£2.5m), Environmental Improvement schemes (£2.2m), City Farm (£0.342m), Day Centre refurbishment and remodelling (£0.9m), IT systems for social care (£0.4m) and Headstone Manor project (£0.3m). The balance of £1.603m is an under spend resulting from the Disabled Facilities Grant and various minor under spends within Environment and Enterprise directorate.

25. The HRA capital programme is showing a spend of £7.554m against the revised programme of £9.083m resulting in a variance of £1.529m which includes a slippage of £0.757m and an under spend of £0.772m.

26. The capital programme by directorate is included at Appendix 2 which provides an analysis of the changes during quarter 4 and slippage of £29.603m on GF and £0.757m on HRA. The slippage is recommended for carry forwards and will be funded from Grants £14.118m (46.50%), Borrowing £15.037m (49.53%), Capital Receipts £0.427m (1.41%) and Revenue Contribution £0.778m (2.56%).

Collection Fund

27. The actual surplus for 2012-13 is £1.124m against an estimated surplus of £1.319m resulting in a small adverse variance of £0.195m. This mainly resulted from lower billing (£0.298m) than estimated which was offset by decrease in bad debt provision requirement (£0.103) due to an improved collection rate as detailed below.

28. The in-year Council tax collection rate for 2012-13 was 97.7% which is 0.7% above target and a tremendous achievement in the current economic climate. Business rate collection was 95.46% which was below the target of 96.5%, however this was expected as the Council's predominant rate payers are Small Medium Enterprise and these businesses are most affected by the current economic climate.

Timetable for Accounts completion and external audit review

29. The draft accounts will be completed by the statutory deadline of 30th June. The audit will commence in early July. The final accounts will be considered by the Governance, Audit and Risk Management Committee (GARM) on 24 September 2013 and must be signed off by the Council and the Auditor by the end of September.

Legal Implications

30. There are none directly related to this report.

Financial Implications

31. Financial matters are integral to the report.

Performance Issues

32. 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.

33. The financial performance is integrated with the strategic performance of the Council through quarterly Improvement Boards for each Directorate where the financial position is considered at the same time as performance against key projects, service Key Performance Indicators (KPIs) (including customer data and complaints) and workforce. Monitoring of finance and performance is reported regularly to the Corporate Strategic Board and Cabinet and is also considered by the Council's Performance and Finance Scrutiny Sub-Committee.

Environmental Impact

34. There are none directly related to this report.

Risk Management Implications

35. 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

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

Corporate Priorities

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

Section 3 - Statutory Officer Clearance

Name: Simon George	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 24 May 2013		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 05 June 2013		

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	Divisional Director Strategic Commissioning
Date: 24 May 2013		

Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker	<input checked="" type="checkbox"/>	on behalf of Divisional Director (Environmental Services)
Date: 24 May 2013		

Section 6 - Contact Details and Background Papers

Contact: Simon George (simon.george@harrow.gov.uk)

Background Papers:

<http://moderngov:8080/ieListDocuments.aspx?CId=249&MIId=60645&Ver=4>

<http://moderngov:8080/ieListDocuments.aspx?CId=249&MIId=61076&Ver=4>

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

Appendix 1 – Revenue Monitoring

Resources	Original Budget	Budget Adj.	Latest Budget	Outturn	Variance		COMMENTS
	£'000		£'000		£'000	£'000	
	Assistant Chief Executive						
Assistant Chief Executive	1,089	-166	924	1,029	105	11.36	Balance of directorate's corporate savings not achieved during 2012-13, but contained within the total budget for the directorate.
Customer Services & IT Client Team	815	-723	92	-809	-901	-979.35	In the main the favourable variance results from savings on Capita contract £-360k and Delayed projects £-508k for which carry forward is requested.
Human Resource Dev. & Shared Services	-253	263	10	-555	-565	-5,942.1	Print contract saving £-493k and Vacancy management £-108k.
Strategic Commissioning	2,127	-76	2,052	1,884	-168	-8.16	Vacancy management
Risk Audit & Fraud	74	-12	62	702	640	1,032.26	£900k additional provision for MMI liability, Occupational Health contract saving £86k and vacancy management £134k.
Corporate Items	2	192	194	178	-16	-8.25	
Sub-Total Assistant Chief Executive	3,854	-522	3,333	2,429	-904	-27.12	
Legal & Governance	3,379	-149	3,230	3,325	95	2.94	Increased income offset by increase in cost and delayed start to set up Shared Legal service.
Corporate Finance							
Finance & Director of Finance	226	526	752	659	-93	-12.37	Delays in transformation project requested as a carry forward
Revenue Benefits & Traffic and Parking Operations	4,105	288	4,393	4,402	9	0.20	
Procurement	-604	601	-3	-85	-82	2,733.33	
Finance Other	5,490	760	6,250	5,422	-828	-13.25	Audit Fee saving £-238k, Levies £-53k, Goods Receipt Invoice Receipt (GRIR) and old debt recovery £-363k, Pension augmentation £-131k reduction in number of pension augmentation payments.
Concessionary Fares	9,417	0	9,417	9,128	-289	-3.07	Reduction in takeup of taxicard scheme following changes to trip limits and increased contribution made at the start of the year.
Sub-Total Corporate Finance	18,634	2,175	20,809	19,526	-1,283	-6.17	
Directorate Total Net	25,867	1,504	27,372	25,280	-2,092	-7.64	

Appendix 1 – Revenue Monitoring

Environment and Enterprise	Original	Budget	Latest		Variance		Comments
	Budget	Adj.	Budget	Outturn			
	£'000	£'000	£'000	£'000	£'000	%	
Environment							
Community Safety	-1,495	-172	-1,667	-3,242	-1,575	-94.48	Favourable variance mainly resulting from additional income from parking enforcement (£968K), Licensing & housing enforcement (£107k) and Car Parks (£49k). In addition underspend on budgets resulting from vacancy and spending management of £501k.
Property & Infrastructure	17,332	-1226	16,106	14,893	-1,213	-7.53	Underspend is mainly due to slippages in the delivery of highways works in the final quarter following from migration to a new contractor and various project delays. Additional income for SLAs, Depot rental, Civic Centre car parking, Street Works and Major Works. There was also salary savings in Property Services. This was offset by £85k MTFs saving in respect of Property Repairs and Maintenance Procurement Value Chain which did not materialise.
Public Realm Services	22,512	-120	22,392	22,401	9	0.04	The service has been overspending due to pressure arising from under achieving the corporate income target for dry recyclables (£332k) resulting from lower market prices for the recyclable waste & additional WLWA charges (£188k). This is contained by salary savings due to transformation programme (£209k) & spending management across the services (£146k).
Directorate Management	940	-77	863	644	-219	-25.38	Variance resulting mainly from spending protocol and salary savings.
Community and Culture	9,385	-9385	0	0	0		
Sub-Total Environment	48,674	-1,595	37,694	34,696	-2,998	-7.95	
Enterprise							
Planning Services	2,709	106	2,815	2,903	88	3.13	Overspends resulting mainly from under recovery of Building control fees (£248k) which is offset by underspent on Building Control salaries £139k.
Economic Dev. Research & Ent.	1,197	47	1,244	1,256	12	0.96	
Major Development Projects	320	-97	223	360	137	61.43	
Corporate Estates	-679	15	-664	-959	-295	-44.43	Additional £315k for rental and other income and underspend on premises related expenses. This is offset by overspend resulting from increase in various provisions (£117k).
Sub-total Enterprise	3,547	71	3,618	3,560	-58	-1.60	
Directorate Total	52,221	-1,524	41,312	38,256	-3,056	-7.40	

Appendix 1 – Revenue Monitoring

Community Health and Wellbeing	Original Budget	Budget Adj.	Latest Budget	Outturn	Variance		Comments
	£'000	£'000	£'000	£'000	£'000	%	
	Adults Services						
Commissioning & Partnerships	18,290	-493	17,797	17,710	-87	-0.49	Variance due to under spend in carers grant of £97k, contract savings on Service Level Agreement (SLA) of £92k, offset by an overspend on Consortium of North West London (CNWL) of £120k.
Long Term Care	25,359	-1256	24,103	24,275	172	0.71	The overspend is mainly due to purchasing in relation to additional continuing care cases £105k, £96k for in house residential due to agency costs to cover sickness and increased utility costs.
Personalisation and Reablement	19,229	140	19,369	18,999	-370	-1.91	The underspend in the main relates to £116k for the decommissioning of the Greenview contract and £195k in relation to reablement.
Strategic Management	- 1,343	407	-936	-1,032	-96	10.26	Under spend mainly results from implementation of spending protocol.
Sub-Total Adults Services	61,535	-1,202	60,333	59,952	-381	-0.63	
Housing General Fund							
Housing Needs	2,800	-156	2,644	2,510	-134	-5.07	Underspend due mainly to higher levels of homelessness prevention resulting in reduced requirement for Bed & Breakfast (families in B&B 70 at end of year, expected to exceed 100 in 2013-14). Help 2 Let (H2L) placed 48 families resulting in underspend, offset by lower than expected income from Private Sector Leasing (PSL) scheme.
Housing Partnerships	818	111	929	838	-91	-9.80	Favourable variance resulting from vacancy management.
Travellers Site	25	0	25	6	-19	-76.00	Reduced officer time spent
Other Housing GF Services	350	1,167	1,517	1,467	-50	-3.30	Underspend due mainly to lower than expected spend on staff training
Resident Services	461	-2	459	495	36	7.84	Agency cover for leave and suspended staff
Sub-Total Housing GF	4,454	1,120	5,574	5,316	-258	-4.63	
Community and Culture							
Community & Development	0	2,320	2,320	2,258	-62	-2.67	Underspend in relation to cancellation of the Under One Sky festival and vacant post held on the grants support unit.
Cultural Services	0	1,462	1,462	1,943	481	32.90	Overspend mainly in relation to Leisure Centre income shortfall.
Libraries	0	5,709	5,709	5,736	27	0.47	Overspend due to later than anticipated implementation of the Terms & conditions savings offset in part by a rent free period on Gayton Libraries.
Sub-Total Comm.& Culture	0	9,491	9,491	9,937	446	4.70	
Transformation	442	1	443	468	25	5.64	
Public Health	0	39	39	39	0	0.00	
Directorate Total	66,431	9,449	75,880	75,712	-168	-0.22	

Appendix 1 – Revenue Monitoring

Children's and Families	Original Budget	Budget Adj.	Latest Budget	Outturn	Variance		Comments
	£'000		£'000		£'000	£'000	
	Quality Assurance, Commissioning Schools	4,694	2,200	6,894	6,052	-842	
Early Intervention Service	2,824	4,740	7,564	7,176	-388	-5.13	The variance results from early delivery of MTFS savings in respect of Children's centres (£132k) and the Connexions contract. In addition vacancy management contributed (£270k) to the under spends and support from the Dedicated Schools grant to support areas of pressure within the nursery provision to a sum of £208k.
Targeted Services	16,996	-148	16,848	17,638	790	4.69	The adverse variance results mainly from Staffing costs due to interim cover and agency staff in respect of qualified social workers. In addition there was a net overspend on Placement budgets due to pressures around the adoption allowance and Childrens placements. These were offset by underspends on the leaving care placements and Asylum budget.
Management	340	298	638	752	114	17.87	The overspend relates mainly to procurement savings relating to the Childrens and Families Service as a whole.
Special Needs	9,167	962	10,129	10,214	85	0.84	The overspend relates to an increase in the Bad Debt provision of £286k offset by underspends on Special Needs Transport (£120k) and vacancy management.
Schools	5,454	569	6,023	6,018	-5	-0.08	
Directorate Total	39,475	8,621	48,096	47,850	-246	-0.51	

Appendix 2 – Capital Monitoring

Resources	Original Budget	Changes in Q4	Revised Budget	Outturn	Total Variance	Slippage	Under Spend	Reasons for Variance
ITO Transformation	3,247	0	4,441	585	-3,856	-3,856	0	Change in delivery times of various parts of the project ie some set back and some parts brought forward - Balance of spend to be carried forward into 13-14
SAP Server Refresh	413	0	413	413	0	0	0	
Business Transformation Programme (BTP)	2,368	80	4,424	2,326	-2,098	-2,098	0	Ongoing projects
BTP - SAP Financial Ledger	0	0	250	118	-132	-132	0	Ongoing project
BTP - Mobile & Flex	1,148	0	1,148	133	-1,015	-1,015	0	Ongoing project
BTP - Cash Receipting system	701	0	701	469	-232	-232	0	Ongoing project
My Harrow Services	0	0	100	0	-100	-100	0	Implementation delayed as a result of redesign of new systems coming in due to the Welfare Reform.
Council Tax Support	200	0	200	63	-137	-137	0	Ongoing project
Local Area Agreement (LAA) Performance Reward Grant	0	10	663	344	-319	-319	0	A number of projects are mid delivery including Telehealth - The Clinical Commissioning Group (CCG) reached agreement on proceeding with the Telehealth project in March and it will be delivered by the Hospital Trust during 2013-14; the current e-caf solution is due to be user- tested by Childrens and Families with the Early Intervention Service (EIS) and refinements may be needed. The balance is unallocated LAA monies which have been set aside for consideration by the Partnership Board on how to allocate for future partnership projects.
Small Schemes (Council wide)	0	0	132	-36	-168	-168	0	The unspent monies needs to be c/fwd to fund projects in 2013/14.
Total	8,077	90	12,472	4,415	-8,057	-8,057	0	

Appendix 2 - Capital Monitoring

Environment and Enterprise	Original Budget	Changes in Q4	Revised Budget	Outturn	Total Variance	Slippage	Under spends	Reasons for Variance
Highway, Drainage & Flood Defence Infrastructure	349	0	403	370	-33	-33	0	A significant part of this year's Capital programme has backed up to last quarter delivery, mainly through the introduction of the new Highways Contract, mobilisation and establishing and approving the supply chain. This does cause contractor resourcing problems and a consequence is that not all the scheduled work have been completed in the financial year.
Highway Improvement	4,340	0	5,023	4,828	-195	-206	11	
Parks, Open Spaces & Cemeteries	300	0	300	99	-201	-201	0	
Waste and Recycling	200	0	218	132	-86	-84	-2	
Harrow traffic and parking schemes	300	0	300	221	-79	-79	0	
Street Lighting Improvement	1,000	0	1,702	1,374	-328	-328	0	
Harrow Green Grid	350	0	350	118	-232	-41	-191	
Transport Local Implementation Plan 2	2,223	-123	2,247	1,019	-1,228	-1,218	-10	
CCTV and Car Parks	715	0	715	0	-715	0	-715	Due to complex procurement conclusions there has been delays on the project.
Section 106 Schemes	0	0	469	42	-427	-427	0	Contributions from the BAE site carry forward into 2013/14 requested for undertaking annual reviews of the bus route on Wood Lane in 2013/14 and 2014/15 & to install the necessary infrastructure to facilitate development with street lighting and junction improvements in Warren Lane.
Affordable Warmth	110	0	120	10	-110	-90	-20	In the absence of a capital budget in 2013/14, the roll-over of all unspent allocation is sought to continue to support this programme.
Carbon Reduction	500	217	717	754	37	-289	326	Energy saving retrofits at civic centre complex. Projects rephased to allow future of (some) buildings to be decided, following consultation on budget, and to allow additional consultation with building manager on implementation.
High Priority Planned Maintenance	300	0	300	269	-31	0	-31	
Corporate Business Office Accommodation	100	-40	60	56	-4	0	-4	
Neighbourhood Investment Scheme	210	0	229	88	-141	-140	-1	Project based on Member spending budgets
City Farm/Pinner Park Farm	350	0	350	9	-341	-342	1	Late approval of capital and lengthy procurement process Pinner Park Farm Master Planning runs to at least
Asset Development	250	0	250	0	-250	0	-250	Feasibility Studies not to be capitalised
Development of an Integrated Civic One	750	174	1,591	1,033	-558	-462	-96	£409,779 committed expenditure for works that are due to be completed by the end of May 2013.
College Road Environmental Imp scheme	100	0	25	9	-16	-16	0	This project is extensive and complex in terms of works and funding, planning has taken much longer than
Harrow Town Centre and OLF	2,722	500	2,975	789	-2,186	0	-2,186	
Civic Centre Parking	0	150	150	0	-150	-150	0	Consultation is being carried out with regards to charging for parking and will be completed in 2013/14.
Development of strategic sites	500	-500	0	0	0	0	0	
Total	15,669	378	18,494	11,220	-7,274	-7,006	-268	

Appendix 2 - Capital Monitoring

Community Health and Well Being	Original Budget	Changes in Q4	Revised Budget	Outturn	Total Variance	Slippage	Under Spends	Reasons for Variance
Bentley Day Centre Remodelling and Refurbishment	657	0	1,004	94	-910	-910	0	Changes on hold awaiting outcome of strategic review in July 2013 which is likely to have capital considerations.
MOSAIC Social Care and Community Health System	180	100	530	274	-256	-256	0	Project funding agreed late in financial year, and initial release dates from Core Logic also delayed.
Upgrading the People's Network and Installing Wi-Fi	135	45	180	62	-118	-118	0	Delays by Capita, Roll out of computers will be completed in 2013/14, A decision was made to delay Wi-Fi until a decision on commissioning of service had been made. Upgrading printers delayed as is linked to Council's new print contract that is being rolled out currently.
Upgrading Library Management System	154	6	160	31	-129	-129	0	Delayed until 13/14 due to delays by Capita completing the internal IT work.
Leisure Centre Capital Infrastructure	100	-172	146	94	-52	-6	-46	
Delivering a new Harrow Museum Programme	250	0	250	0	-250	-250	0	This relates to match funding for the Heritage Lottery Fund (HLF) programme in 2012-13. The initial submission was rejected and a second submission made; the outcome will be known in July 2013 and, if successful, match funding will be required.
Headstone Manor (2011-12)	0	0	300	0	-300	-300	0	
Harrow Arts Centre & Hatch End Library	65	-39	26	26	0	0	0	
Empty Property Grants/Better Homes Grant	100	122	441	113	-328	-328	0	Delays due to planning and building control inspections and therefore will be completed in 2013-14.
Renovation Grants	70	0	70	16	-54	0	-54	
Disabled Facilities Grants (DFG)	2,000	0	2,421	1,151	-1,270	-50	-1,220	DFG additional Grant of £135k received to be carried forward for additional Hoist project.
Residential Homes (2011-12)	0	12	98	95	-3	0	-3	
Supported Housing (HIV 2011-12)	0	-112	190	0	-190	-190	0	The agreement was reached in March resulting in delays in allocation of these funds.
Misc Projects (2011-12)	0	0	67	50	-17	-5	-12	
Music Education Hub	0	25	25	25	0	0	0	
NRC PFI Lifecycle Costs	0	4	4	4	0	0	0	
Total	3,711	-9	5,912	2,035	-3,877	-2,542	-1,335	

Appendix 2 - Capital Monitoring

Childrens and Families	Original Budget	Changes in Q4	Revised Budget	Outturn	Total Variance	Slippage	Under Spend	Reasons for Variance
Schools Expansion Programme	7,550	-77	7,573	1,883	-5,690	-5,690	0	School places required for Sept in School Expansion Programme
Schools Capital Maintenance	1,350	-262	1,088	858	-230	-230	0	£230k commitment school roofs being repaired
Special Education Needs Provision	650	0	650	73	-577	-577	0	Required for School Expansion Scheme (on going scheme and growth)
EMS - Data Exchange	17	0	17	0	-17	-17	0	Business case completed late in financial year
IT Strategy & integration	150	0	150	0	-150	-150	0	Business case completed late in financial year
Devolved Formula Capital	0	397	1,772	724	-1,048	-1,048	0	Ring fenced 3 yr rolling programme. Bal c/f req'd for proposed classroom expansion
Short Breaks Capital	0	147	294	67	-227	-227	0	Projects part of Short Breaks Programme -c/f required for support of schemes within programme
Catering in schools (2011-12)	0	0	1,217	1,138	-79	-79	0	Required for School Expansion Programme
Whitmore School - Sports Pitch	0	0	63	-2	-65	-65	0	Delays in planning permission
Project Fees During Defect Period	0	0	23	0	-23	-23	0	Project fees
School Amalgamation (2011-12)	0	0	1,265	1,048	-217	-217	0	Part of School Expansion Programme
Primary Development - Marlborough phase 1 (2011-13)	600	0	2,500	397	-2,103	-2,103	0	Delays in project construction and planning
Primary Development - Weald School (2011-12)	0	-647	849	86	-763	-763	0	Part of School Expansion Programme
High School Development (2011-12)	0	0	340	53	-287	-287	0	Projects in construction
Capital Maintenance (2011-12)	0	-419	84	0	-84	-84	0	Support of further capital maintenance works
2 Year Old Entitlement Grant (2012-13)	0	438	438	0	-438	-438	0	Capital grant in support of 2 year old funding of revenue grant
Independent Schools Works (2011-12)	0	44	133	133	0	0	0	
Schools PFI Lifecycle Costs	0	160	160	160	0	0	0	
Misc Projects (2011-12)	0	-27	0	0	0	0	0	
Total	10,317	-246	18,616	6,618	-11,998	-11,998	0	

Appendix 3 - Housing Revenue Account (HRA)

Description	Original Budget	Revised Budget	Outturn	Variation		Explanation
	£'000	£'000	£'000	£'000	%	
Employee Costs	2,095	1,925	1,808	-117	-6.1	Variation due mainly to to various vacant posts
Supplies & Services	707	779	658	-121	-15.5	Variation includes underspends on IT equipment & development
Utility cost	551	782	630	-152	-19.4	Variation includes agreement of credits form electricy suppliers and budget
Estate & Sheltered Services	2,207	1,972	2,004	32	1.6	Unbudgeted consultancy cost for Sheltered Services restructure offset by fees received
Central Recharges	3,346	3,478	3,478	0	0.0	
Operating Expenditure	8,906	8,936	8,578	-358	-4.0	
Repairs - Voids	689	689	715	26	3.8	Variation due to completion on of small number of high value void properties
Repairs - Responsive	2,437	3,339	3,329	-10	-0.30	Variation due to lower unit costs as result of reprocurement exercise partially offset by exit costs payable to Kier
Repairs – Other	2,366	2,227	1,813	-414	-18.6	Variations relate mainly to external decorations programme and cyclical works partially offset by lower number of repairs attracting leasehold service charges
Repairs Expenditure	5,492	6,255	5,857	-398	-6.4	
Contingency	200	215	126	-89	-41.4	Utilised for Business Planning & Project Officer
Investment in Services	900	460	119	-341	-74.1	Underspend due mainly to Getting Closer to Customer initiative taking longer to implement than anticipated (restructuring).
Impairment	200	200	147	-53	-26.5	Based on preliminary review of rent arrears
HRA Subsidy	0	0	-15	-15	-100.0	Over accrual 2011-12
Charges for Capital	6,420	6,420	6,363	-57	-0.9	Variation due to slightly higher than budgetted interest rate
Impairment of fixed assets	0	0	490	490	100.0	Valuation adjustment for shops & businesses which may not be reversed to capital adjustment account under HRA Self Financing
Depreciation	5,991	5,991	6,629	638	10.6	Revised componentisation policy for Council dwellings
Other Expenditure	13,711	13,286	13,859	573	4.3	
Total Expenditure	28,109	28,477	28,294	-183	-0.6	
Rents – Dwellings	-26,206	-26,206	-26,150	56	-0.2	Variation due to void rent loss higher than expected.
Rents – Non Dwellings	-684	-343	-349	-6	1.7	Part year vacancies in commecial lets.
Service Charges -	-686	-686	-685	1	-0.1	
Service Charges – Leaseholders	-549	-549	-370	179	-32.6	Income is an initial estimate pending receipt of additional data from grounds
Facility Charges	-516	-516	-538	-22	4.3	
Interest	-4	-4	-5	-1	25.0	Comprises mortgage interest
Other Income	-83	-425	-417	8	-1.9	Inludes rents from garages & car ports
Recharge GF	-163	-163	-163	0	0.0	
Total Income	-28,891	-28,892	-28,677	215	4.0	
In Year Deficit /	-782	-415	-383	32		
BALANCE b/fwd	-2,422	-2,792	-2,792			
BALANCE c/fwd	-3,204	-3,207	-3,175			