

REPORT FOR: CABINET

| | |
|-------------------------------------|---|
| Date: | 20 June 2013 |
| Subject: | Revenue and Capital Outturn 2012-13 |
| Key Decision: | Yes |
| Responsible Officer: | Simon George, Director of Finance & 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"/> | Head of Climate Change |
| 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 electricty 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 | | | |