

# REPORT FOR: CABINET

---

<b>Date of Meeting:</b>	12 September 2013
<b>Subject:</b>	Revenue and Capital Monitoring for Quarter 1 as at 30 June 2013
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Simon George, Director of Finance and Assurance
<b>Portfolio Holder:</b>	Councillor Thaya Idaikkadar (Leader and Portfolio Holder for Business Transformation and Communications, Finance, Performance, Customer Services and Corporate Service, Property and Major Contracts)
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	Appendix 1 - Revenue Directorates Summary Appendix 2 - MTFS Red Rated Items Appendix 3 - Debt Management

## Section 1 – Summary and Recommendations

This report sets out the Council's revenue and capital monitoring position as at 30 June 2013:

**Recommendations:**

1. Note the revenue and capital forecast outturn position at the end of June 2013;
2. Approve both the Revenue & Capital virements detailed in paragraphs 12, 15, 16 & 17; and 24

**Reason (for recommendation)**

To present the forecast financial position and actions required to be taken.

## Section 2 – Report

### Introduction

1. The 2013-14 quarter 1 revenue financial monitoring is reporting some early identified pressures to the revenue outturn position of £2.2m. This represents an adverse variance of 1.2% against the approved budget of £181.1m as summarised in the table below.

Directorate	Original Budget	Carry Fwds	Adjust ments	Latest Budget	Forecast Outturn Pd 3	Forecast Variance Pd 3	
	£000	£000	£000	£000	£000	£000	%
Resources	27,363	1,090	572	29,025	29,275	250	0.86
Environment and Enterprise	37,091	935	49	38,075	38,795	720	1.89
Community, Health and Wellbeing	77,722	686	-45	78,363	79,018	655	0.84
Children and Families	45,078	552	206	45,836	46,408	572	1.25
<b>Sub-Total Directorate</b>	<b>187,254</b>	<b>3,263</b>	<b>782</b>	<b>191,299</b>	<b>193,496</b>	<b>2,197</b>	<b>1.15</b>
Inflation and Corporate Items	1,912		-134	1,778	1,778	0	0.00
Contingency	3,171			3,171	3,171	0	0.00
Provision for Redundancies	1,000			1,000	1,000	0	0.00
Carry Forwards	0	-3,263		-3,263	-3,263	0	0.00
Contribution from Reserves			-480	-480	-480	0	0.00
Capital Financing	-6,907			-6,907	-6,907	0	0.00
Unringfenced Grants	-5,367		-168	-5,535	-5,535	0	0.00
Contribution to Reserves	0			0	0	0	0.00
<b>Total Budget Requirement</b>	<b>181,063</b>	<b>0</b>	<b>0</b>	<b>181,063</b>	<b>183,260</b>	<b>2,197</b>	<b>1.21</b>

2. The main areas of the £2.2m variance are summarised below :-
  - Resources directorate – customer services & legal savings behind schedule
  - Environment and Enterprise directorate – public realm services savings not progressing due to the pause of the PRISM restructure
  - Community, Health & Wellbeing – vacancy, agency & procurement savings plans still being developed and the delayed decision on the outsourcing of library services
  - Children and Families – Teachers’ Centre facing pressure on achieving income targets and Targeted Services additional demand for placements & referrals
3. Due to the challenging financial environment and the risks around service demands & delivery, directorates face a challenging time to manage and contain existing & future issues which may arise in year, management continue to take actions to mitigate these pressures which are monitored and reported in a timely way.

## **Directorates' Position**

### **Resources**

1. The Resources Directorate at Quarter 1 is forecasting an overspend of (£250k)
2. The main projected variances are set out below:
  - Customer Services
    - (£200k) overspend on Telephony which relates to a MTFS saving which is currently behind schedule.
    - (£30k) overspend on ITO Costs - £100k additional costs arising from an increase in the number of users of Harrow's systems, partially offset by service credits on the Capita contract.
    - £150k under spend on the Harrow Help Scheme - there has been a lower than anticipated call on the scheme. The scheme is being more widely promoted to encourage take up, although the delay in welfare reform will have helped relieve the anticipated pressure on the scheme so far.
  - Procurement
    - (£89k) overspend on staffing.
  - Legal and Governance
    - (£50k) overspend on Shared Legal Practice - startup costs associated with expanding the practice to another borough.
    - (£100k) overspend due to the extended practice saving which will not be achieved in 13-14.
  - Directorate Wide
    - £60k under spend anticipated on vacancy management savings across the directorate.

### **Environment and Enterprise**

3. The Environment & Enterprise Directorate at Quarter 1 is forecasting an overspend of (£720k)
4. The main projected variances are set out below:
  - Directorate Management
    - (£100k) overspend due to additional costs related to delay in PRISM.
  - Community Safety
    - £919k under spend mainly due to the over achievement of parking enforcement income.
  - Property and Infrastructure
    - £201k under spend on the salary budget mainly as a result of the property restructure.
    - (£135k) shortfall in staff car parking income.

- (£112k) overspend on building maintenance and landlord repairs
- (£16k) overspend on the re-tender of the cleaning contract.
- £24k under spend within Engineers due to addition capital project recharges mainly from the Town Centre project.
- £165k under spend within Traffic and Network management due to holding vacancies relating to PRISM £91k and additional income £74k relating to additional capital works & permits.
- £37k under spend within Climate change due to expected lower carbon emissions and consequently reduced CRC costs.
- Public Realm Services
  - (£1.026m) overspend due to the pause of the PRISM restructure.
  - (£324k) overspend within contract and hire lease – of which (£217k) is due to the PRISM pause impacting on the delivery of some of the MTFs savings.
  - (£220k) overspend due to pressures in achieving income targets across the service. These include trade waste (£81k) largely due to losing schools to a commercial provider; parks and open spaces (£56k), clinical waste income (£37k), CA site (£15k), Dry recyclable (£52k) due to lower tonnages, offset by more income from Allotments £21k
- Enterprise
  - (£79k) overspend within Planning Services as a result of reduction in planning (£127k) & building (£8k) fee income which is due to the new legislation 'neighbour notification', additional cost of appeals (£15k) for 73 Hinder Rd being offset by an under spend on salary £59k & additional Mayoral CIL admin fee £12k.
  - £45k under spend within Economic Development Research & Enterprise due to salary savings.
  - (£29k) overspend within Major Development Projects mainly due to salary costs.
  - (£75k) overspend within Corporate Estate due to salaries (£126k) pending the restructure of Property Services offset by over recovery of rental income £52k.

## **Community Health and Wellbeing**

5. The Community Health and Wellbeing Directorate at Quarter 1 is forecasting an overspend of (£655k)
6. The main projected variances are set out below:
  - Adult Services
    - (£140k) overspend - the forecast generally assumes demographic growth will be fully needed and savings achieved. However, some savings have been RAG rated as amber or red, e.g. day services as final decisions have yet to be taken; late savings targets totalling (£142k) for vacancy management and agency costs have been rag rated as red as clear plans need to be developed. These late savings targets are the principal reason for the forecast overspend reported at period 3.

- Community and Culture
  - (£380k) overspend - a significant part of the forecast overspend is due to delayed decision making for outsourcing Library and Leisure services, together with the ongoing income shortfall. The estimated impact of this is approximately (£189k). The other key areas of pressure at this stage are in relation to the MTFS efficiencies at the Arts Centre (£100k), together with the allocations in relation to agency and staff vacancy factors (£52k).
- Housing General Fund
  - £93k under spend on Housing General Fund services due principally to the Help to Let carry forward of £90k being approved and added into budget.
- Public Health
  - Of the £8.874m grant for 2013-14 it is expected that £545k will be available to be carried forward into 2014-15. This reflects the contingent items less a possible increase in cost of school nursing and the additional requirement around Infection Control (agreed after commissioning intentions were approved).
- Transformation
  - (£228k) overspend - principally reflecting the additional procurement savings across the division notionally held in this area. A number of projects are underway which it is hoped will enable this saving to be achieved but this will be monitored and reduced when the programme has been quantified with more certainty.

## Children and Families

7. The Children and Families Directorate at Quarter 1 is forecasting an overspend of (£572k)
8. The main projected variances are set out below:
  - Quality Assurance, Commissioning and Schools
    - (£250k) overspend - there is an estimated pressure on the Teacher's Centre mainly due to an expected shortfall of income resulting from the cessation of the rent and service charge from the Education Funding Agency (EFA) for the Avanti House Free School at the end of the academic year.
  - Targeted Services
    - (£151k) overspend - Placements pressure due to an additional 24 placements across in house fostering and external placements and is as follows:-
      - £150k under spend in Leaving Care
      - £56k under spend in House Fostering
      - £11k under spend in External Placements
      - (£283k) overspend in External Fostering
      - (£85k) overspend in Adoption
    - (£111k) overspend - due to a significant increase in referrals and overall activity the CIN and Access Services a combined potential budget pressure due to agency costs.
  - Special Needs Service
    - (£17k) overspend - there is a staffing pressure within the Children with Disability Team resulting from agency cover to resolve a current staffing issue.

- (£34k) overspend - a review of client costs in relation to respite care indicates a potential pressure.
- (£9k) overspend from pressures identified from the rent and service charges for the Alexandra Avenue Offices.

### **MTFS Savings**

9. The final approved budget for each Directorate includes the 2013-14 MTFS efficiency savings approved by Council on 28<sup>th</sup> February 2013 of £22.8m and at present a 2014-15 MTFS saving target of £14.0m.
10. Appendix 2 attached is a table listing only the red rated items (those unlikely to be delivered in-year) for either 2013-14 or 2014-15. These currently total £5.542m (24.3%) in 2013-14, with a further £2.598m (18.6%) in 2014-15.
11. Officers are working to deliver the MTFS savings as soon as is practical.

### **Inflation & Corporate Items**

12. A budget virement transferring £134k from the corporate items balance in respect of SSC adjustments and funding for Children's Services and Business Support has been requested and included within the directorate's budgets.

### **Contingency**

13. At this stage there are no calls on the contingency by the S151 Officer. While not factored in to the forecast at this stage, there is a possibility that the £2m Welfare Reform contingency not being required.

### **Carry Forwards, Earmarked Reserves & Grants**

14. The cabinet approved 2012-13 carry-forwards of £3.268m have now been included within individual directorate budgets.
15. Earmarked reserve balances including the Local Authority Area (LAA) Grant £339k and the Housing Benefit PFI grant £41k have now been included within the directorate's budgets.
16. The balance on the Transformation and Priority Initiatives Fund (TPIF) brought forward from 2012-13 is £1.117m. A total of £584k has been committed against this fund in 2013-14 in respect of Pot Holes, Harrow Card, Circles of Support and Welfare Reforms of which £100k has now been included within the directorate's budgets this currently leaves an uncommitted balance of £533k.
17. The balance on unringfenced grant has been increased by £168k due to additional Educational Services grant monies to be received in 2013-14 and this has been included within the directorate's budgets.

### **Capital Financing**

18. At this early stage there is no variation to the forecast outturn.

## **Housing Revenue Account (HRA)**

19. The forecast surplus for the year at quarter 1 is £444k which is £71k lower than the budget. This deterioration results from a technical adjustment between revenue and capital.
20. This technical adjustment, although having no impact on overall HRA balances, has the effect of transferring resources from revenue to capital reserves thereby reducing flexibility on revenue initiatives in the short term and increasing investment capacity in Major Works. This reflects the results of discussions, after the budget was finalised, with the Council's external auditors. The impact of this will be that in subsequent years, revenue contributions to fund capital expenditure will be reduced by an equivalent amount, and the HRA balance therefore restored to the levels previously assumed.

## **Reserves and Provisions**

21. The Council must hold adequate provisions and reserves balances against known and anticipated events and in respect of its statutory duties as appropriate. General balances stand at £8.646m. All the provisions are reviewed on a quarterly basis. As at quarter 1 the Council has adequate provisions in respect of Insurance, Litigation and Employment cases.

## **Debt Management**

22. The latest position on Council Tax, NNDR and Housing Benefits bad debts provisions is included within Appendix 3.

## **Capital Programme**

23. The General Fund 2013-14 Capital Programme approved at council on 14<sup>th</sup> February 2013 was £29m and carry forwards of £30m were approved as part of the 2012-13 outturn report by the Cabinet at their 20<sup>th</sup> June meeting, increasing the overall programme to £59m.
24. Quarter 1 budget adjustments of £5.080m increase the General Fund Capital Programme further to £64m, the adjustments include:
  - CH&W - The DoH (Department of Health) have confirmed additional allocation of grant monies than budgeted
    - £522k - Community Capacity Grant to local authorities to support development in three key areas: personalisation, reform and efficiency
  - Children's - The DfE (Department for Education) have confirmed additional allocation of grant monies than budgeted
    - £381k - Devolved Formula Capital Grant
    - £4.413m - Capital Maintenance & Basic Need Capital Grant.
  - E&E – (£240k) reduction in the TfL (Transport for London) grant to bring inline with claims

DIRECTORATE	Original Programme	Carry Fwds	Adjust ments	TOTAL BUDGET	Forecast	Forecast Variance
	£000	£000	£000	£000	£000	£000
CH&W	3,545	2,543	526	6,614	5,685	-928
CHILDREN & FAMILIES	6,404	11,997	4,794	23,195	23,195	0
E&E	13,798	7,007	-240	20,564	20,565	1
RESOURCES	5,390	8,059	0	13,449	13,449	0
<b>TOTAL GENERAL FUND</b>	<b>29,137</b>	<b>29,605</b>	<b>5,080</b>	<b>63,822</b>	<b>62,895</b>	<b>-927</b>
TOTAL HRA	7,633	757	0	8,390	8,139	-251
<b>TOTAL GENERAL FUND &amp; HRA</b>	<b>36,770</b>	<b>30,362</b>	<b>5,080</b>	<b>72,212</b>	<b>71,034</b>	<b>-1,179</b>
TOTAL BELOW THE LINE ITEMS	12,411	0	-4,413	7,998	0	-7,998
<b>TOTAL CAPITAL PROGRAMME</b>	<b>49,181</b>	<b>30,362</b>	<b>667</b>	<b>80,210</b>	<b>71,034</b>	<b>-9,177</b>

**NOTE:**

<b>General Fund Funding:</b>						
Grant	-8,747	-14,076	-5,080	-27,903	-27,870	33
Section 106		-427		-427	-427	0
RCCO		-63		-63	-63	0
Capital Receipt		0		0	0	0
Borrowing	-20,390	-15,039		-35,429	-34,535	894
<b>TOTAL GENERAL FUND</b>	<b>-29,137</b>	<b>-29,605</b>	<b>-5,080</b>	<b>-63,822</b>	<b>-62,895</b>	<b>927</b>
<b>HRA Funding:</b>						
Grant		-42		-42	-42	0
DRF	-7,633	-715		-8,348	-8,097	251
<b>TOTAL HRA</b>	<b>-7,633</b>	<b>-757</b>	<b>0</b>	<b>-8,390</b>	<b>-8,139</b>	<b>251</b>

25. The only area of significant under spend within the General Fund is Community, Health & Wellbeing Directorate who are forecasting an under spend of £928k. This mainly results from Cultural services as they are anticipating a slippage on both the Headstone Manor £470k and Tithe Barn £425k project as they were awaiting a decision on Heritage Lottery funding.

26. The HRA capital programme currently forecasts an under spend of £251k compared to the overall programme budget of £8.390m.

27. At this stage it is anticipated there will be no call on below the line items.

### Legal Implications

28. There are none directly related to this report.

### Financial Implications

29. Financial matters are integral to the report.



## Performance Issues

30. Good financial performance is essential to achieving a balanced budget. 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 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

31. There are none directly related to this report.

## Risk Management Implications

32. 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

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

## Corporate Priorities

34. 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: 14 August 2013		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 19 August 2013		

## Section 4 – Performance Officer Clearance

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	Divisional Director, Strategic Commissioning
Date: 15 August 2013		

## Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker

on behalf of the  
Corporate Director  
(Environment & Enterprise)

Date: 14 August 2013

## Section 6 - Contact Details and Background Papers

**Contact:** Simon George

Tel: 020 8420 9269

Email: [simon.george@harrow.gov.uk](mailto:simon.george@harrow.gov.uk)

**Background Papers:** [Agenda for Cabinet on Thursday 14 February 2013, 7.30 pm](#)

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

**NOT APPLICABLE**

*[Call –in applies]*

## Appendix 1: Revenue Directorates Summary

Directorate / Service	Original Budget	Carry Fwds	Adjustments	Latest Budget	Forecast Outturn Pd 3	Forecast Variance Pd 3	
	£'000	£'000	£'000	£'000	£'000	£'000	%
<b>Resources</b>							
Director of Resources	969	100	0	1,069	1,056	-13	-1.22
Strategy & Commissioning	1,784	31	401	2,216	2,173	-43	-1.94
Customer Services	14,907	508	147	15,562	15,633	71	0.46
HRD & Shared Services	-402	260	9	-133	-124	9	-6.77
Finance & Assurance	6,517	151	15	6,683	6,668	-15	-0.22
Legal & Governance	3,594	0	0	3,594	3,745	151	4.20
Procurement	-6	40	0	34	124	90	264.71
<b>Total</b>	<b>27,363</b>	<b>1,090</b>	<b>572</b>	<b>29,025</b>	<b>29,275</b>	<b>250</b>	<b>0.86</b>
<b>Environment &amp; Enterprises</b>							
Directorate Management	708	609	-459	858	958	100	11.66
Community Safety	-2,479	12	7	-2,460	-3,379	-919	37.36
Property & Infrastructure	15,502	164	463	16,129	15,967	-162	-1.00
Public Realm Services	21,321			21,321	22,883	1,562	7.33
Enterprise	2,039	150	38	2,227	2,366	139	6.24
<b>Total</b>	<b>37,091</b>	<b>935</b>	<b>49</b>	<b>38,075</b>	<b>38,795</b>	<b>720</b>	<b>1.89</b>
<b>Community, Health &amp; Wellbeing</b>							
Adult Services	61,960	384	-23	62,321	62,461	140	0.22
Community & Culture	7,839	90	62	7,991	8,371	380	4.76
Housing (GF)	7,099	108	0	7,207	7,114	-93	-1.29
Public Health	753	74	0	827	827	0	0.00
Transformation	71	30	-84	17	245	228	1,341.18
<b>Total</b>	<b>77,722</b>	<b>686</b>	<b>-45</b>	<b>78,363</b>	<b>79,018</b>	<b>655</b>	<b>0.84</b>
<b>Children &amp; Families</b>							
Children's Services Management	616			616	616	0	0.00
Quality Assurance, Commissioning & Schools	6,091	461	161	6,713	6,963	250	3.72
Early Intervention Service	5,722	91	-5	5,808	5,808	0	0.00
Targeted Services	17,879		50	17,929	18,191	262	1.46
Special Needs Service	9,841			9,841	9,901	60	0.61
Schools	4,929			4,929	4,929	0	0.00
<b>Total</b>	<b>45,078</b>	<b>552</b>	<b>206</b>	<b>45,836</b>	<b>46,408</b>	<b>572</b>	<b>1.25</b>
<b>TOTAL DIRECTORATE</b>	<b>187,254</b>	<b>3,263</b>	<b>782</b>	<b>191,299</b>	<b>193,496</b>	<b>2,197</b>	<b>1.15</b>

## Appendix 2: MTFS Red Rated Items

### MEDIUM TERM FINANCIAL STRATEGY 2013-14 and 2014-15 Progress Monitoring

	2013-14	2014-15	RAG	Comments	Officer Lead
	£000	£000	Status		
<b>Resources</b>					
<b>IT / PMO</b>					
Recharge utility costs for computer room to Capita - allocated to Resources	-95		R	Alternative savings have been identified to replace this item	Rahim St John
Reduction in Telephony Costs utilising SIP	-200		R	No significant progress on the procurement exercise to achieve this saving. Alternative compensatory savings being identified.	Rahim St John
Future trading with Academies	-25		R	Academies cannot benefit from the Council's self-insurance arrangements hence the appetite from academies to purchase their insurance through the Council is low, however we are working with the Insurance London Consortium to develop a product specifically	Karen Vickery
<b>Legal and governance</b>					
Reduced Number and Frequency Formal Committees		-70	R	Difficulties in reaching agreement on the meetings to be identified.	Hugh Peart
Efficiency savings in Mayor's office	-26		R	Agreement has not been reached on implementation of the savings required.	Hugh Peart
Expansion of Legal Practice Shared Service	-100	-100	R	Decision by potential partner delayed until November, will not deliver saving in 13-14	Hugh Peart
<b>Resources subtotal</b>	<b>-446</b>	<b>-170</b>			
<b>Environment &amp; Enterprise</b>					
Additional planning fees income following change from central government		-290	R	Outcome not deliverable. Alternative funding to close budget gap via income generation being explored	Stephen Kelly
Introduction of Civic Centre staff car parking charges and other free car parks	-135	-45	R	Deliverable however subject to consultation and approval.	Andy Parsons
PRISM efficiencies	-1,500	-350	R	Project pause and restart means that savings will be realised from April 2014.	Philip Hamberger
Review of loss making car parks	-150		R	Review of car parks commenced re-phasing of savings	Finlay Flett
Returning Parks to Open Space	-350		R	Plans to achieve savings drawn up and now awaiting agreement to commence. Linked to PRISM and the deliverability of various proposals will be delayed in line with impact of the PRISM pause	Jerry Hickman

## Appendix 2: MTFS Red Rated Items

### MEDIUM TERM FINANCIAL STRATEGY 2013-14 and 2014-15 Progress Monitoring

	2013-14	2014-15	RAG	Comments	Officer Lead
	£000	£000	Status		
Public Realm service reduction	-644	-110	R	Linked to PRISM and the deliverability of various proposals will be delayed in line with impact of the PRISM pause.	Jerry Hickman
Establishing the Harrow Home Improvement Agency as a stand alone organisation. Transformation Project	-75	-75	R	Not proceeding business plan being developed and savings to be found from elsewhere in the service	Andy Parsons
Reduce the number of off-street car park sites and dispose of selected car park sites		-100	R	linked to wider strategies of disposal and regeneration, that are being reviewed	Finlay Flett
Soft Market testing of statutory animal services and review of commercial animal services	-60		R	Linked to PRISM and the deliverability of various proposals will be delayed in line with impact of the PRISM pause.	Finlay Flett
Review Trade Waste	-220		R	The option to cease trade waste will lose the council £220k contribution to overheads. Seeking to retain the service and develop the service. A detailed business case is being developed.	Jerry Hickman
Undertake maintenance and cleaning of corporate premises only to the minimum standard necessary for statutory compliance.	-100		R	Savings could be achieved through aggregation of budgets based on actual costs from 2012/13 from all corporate buildings	Andy Parsons
Procurement Savings – others	-140	-273	R	Possible targets being identified	Procurement
Procurement – Category Management savings	-76		R	Source of savings to be identified	Procurement
Agency Staff – reduction in usage	-160		R	Working to reduce agency spend across the directorate & business cases are now required for agency staff	All
Staffing – Vacancy management	-150		R	Not expected to be delivered via vacancies, being delivered as part of the overall staff MTFS savings	All
<b>Environment &amp; Enterprise Subtotal</b>	<b>-3,760</b>	<b>-1,243</b>			

## Appendix 2: MTFS Red Rated Items

### MEDIUM TERM FINANCIAL STRATEGY 2013-14 and 2014-15 Progress Monitoring

	2013-14	2014-15	RAG	Comments	Officer Lead
	£000	£000	Status		
<b>Community Health and Wellbeing</b>					
Older People Integrated Care		-800	R	Concern over the PCT financial position and the capacity within the PCT to work with the Council to deliver savings across both organisations.	Carol Yarde
Commercialisation Hatch End Pool, Arts Centre, Museum & Bannister stadium	-117	-238	R	The income targets were extremely challenging and will not be fully achievable for either the Museum [which will be closed until potentially November 2014 due to Tithe Barn works] or the Arts Centre. A Commercialisation project has been set up to develop and identify how the savings can be delivered in a longer time frame, requiring compensatory savings to be identified in the shorter term.	Ian Mc Nicol
Late savings – vacancy management	-110		R	Not expected to be delivered via vacancies given low level of vacant posts but expected to be delivered through management of compensatory savings across the directorate	All
Late savings – agency costs	-117		R	Unlikely to be delivered via this route given that the agency spend in this area is lower than the target allocated. Expected to be delivered through management of compensatory savings across the directorate.	All
Procurement Efficiencies	-207	-77	R	This includes procurement savings within Community and Culture as well as additional procurement savings targets agreed in February 2013. Work is underway with the Procurement Business Partner to identify savings across the directorate to deliver the overall savings target.	Procurement
<b>CHW Subtotal</b>	<b>-551</b>	<b>-1,115</b>			

## Appendix 2: MTFS Red Rated Items

### MEDIUM TERM FINANCIAL STRATEGY 2013-14 and 2014-15 Progress Monitoring

	2013-14	2014-15	RAG	Comments	Officer Lead
	£000	£000	Status		
<b>Children &amp; Families</b>					
Procurement Savings including placements	-500	-70	R	Procurement savings currently underway working in conjunction with the Procurement team and budget holders	Catherine Doran
<b>Share of £1.92m ADDITIONAL SAVINGS - Children's Allocation</b>					
Prices	-105		R	Work being undertaken with budget holders in agreement of 0.5% reduction.	Catherine Doran
Vacancy Rate 0.5%	-62		R	Work being undertaken with budget holders in agreement of 0.5% reduction	Catherine Doran
Agency savings	-66		R	Work being undertaken with budget holders in agreement of late agency cost savings	Catherine Doran
Procurement	-52		R	Work being undertaken with budget holders on Pro Class Expenditure 2011/12 saving allocations	Catherine Doran
<b>Children &amp; Families Subtotal</b>	<b>-785</b>	<b>-70</b>			
<b>Total Reds Across The Council</b>	<b>-5,542</b>	<b>-2,598</b>			

**Council Tax**

Currently, bad debt provisions (BDP) of £3.624m exist [£3.849m- £0.225k; w/off's done 01/04/13-30/06/13] for Council Tax against a potential BDP of £2.976m for debts accrued to 31 March 2013.

<b>COUNCIL TAX</b>	Arrears as at 1 <sup>st</sup> of April	Arrears as at Qtr 1	BDP	BDP as at Qtr 1
	£000	£000	%	£000
Pre 2009-2010	663	642	100	642
2009-2010	552	517	86	443
2010-2011	826	753	73	550
2011-2012	1,128	938	54	506
2012-2013	2,688	1,942	43	835
<b>Total</b>	<b>5,857</b>	<b>4,792</b>		<b>2,976</b>

**National Non Domestic Rates (NNDR)**

Currently, bad debt provisions of £2.15m [£2.211m- £0.50k; w/off's done 01/04/13 to 30/06/13] exist for business rates (NNDR) against a potential BDP of £2.327m. Under Business Rates retention, the effect on the local authority is 30% of any surplus or deficit.

<b>NATIONAL NON DOMESTIC RATES (NNDR)</b>	Arrears as at 1 <sup>st</sup> of April	Arrears as at Qtr 1	BDP	BDP as at Qtr 1
	£000	£000	%	£000
Pre 2012-2013	750	773	100	773
2012-2013	2,320	2,072	75	1,554
<b>Total</b>	<b>3,070</b>	<b>2,845</b>		<b>2,327</b>

**Council Tax and Business Rates Court Cost**

Currently, bad debt provisions (BDP) of £710k (CT £620k+ NDR £90k) exists for Court Costs against a potential BDP of £706k. From previous years trends, this amount of provision appears to be adequate and in line with our overall provisions policy.

<b>Court Cost</b>	Arrears as at 1 <sup>st</sup> of April	Arrears as at Qtr 1	BDP	BDP as at Qtr 1
	£000	£000	%	£000
Pre 2010-2011	240	128	100	128
2010-2011	144	102	85	87
2011-2012	221	138	75	104
2012-2013	453	394	60	236
2013-2014	0	301	50	151
<b>Total</b>	<b>1,058</b>	<b>1,063</b>		<b>706</b>



**Housing Benefits**

Currently, bad debt provisions of £3.2m [£3.258m - £0.58k w/off's 1/4/13 to 30/06/13] exist for Housing Benefit overpayment debt against a potential BDP of £3.675m (£2,712 + £963m = £3,675m). The under provision will be partly funded from improved collection on overpayments although this may still leave a balance that will need to be met from revenue.

<b>Housing Benefit DEBTORS</b>	Outstand as at 1 <sup>st</sup> of April	Outstand as at Qtr 1	BDP	BDP as at Qtr 1
	£000	£000	%	£000
Pre 2011-2012	1,169	1,075	100	1,075
2011-2012	822	827	100	827
2012-2013	1,529	1,011	50	506
2013-2014	0	1,013	30	304
<b>Totals</b>	<b>3,520</b>	<b>3,926</b>		<b>2,712</b>

<b>Housing Benefit LIVE CASES</b>	Outstand as at 1 <sup>st</sup> of April	Outstand as at Qtr 1	BDP	BDP as at Qtr 1
	£000	£000	%	£000
Pre 2011-2012	241	190	100	190
2011-2012	492	413	75	308
2012-2013	1,451	1,063	30	319
2013-2014	0	732	20	146
<b>Totals</b>	<b>2,184</b>	<b>2,398</b>		<b>963</b>