

REPORT FOR: CABINET

Date:	17 June 2015
Subject:	Revenue and Capital Outturn 2014-15
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Interim Director of Finance
Portfolio Holder:	Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 - Revenue Directorates Summary Appendix 2 - Revenue Carry forward Schedule Appendix 3 – Capital Monitoring Appendix 4 – HRA Revenue Outturn Appendix 5 –Reserves Movements 2014/15

Section 1 – Summary and Recommendations

This report sets out the Council's revenue and capital outturn position for 2014/15

Recommendations:

1. That Cabinet notes the revenue and capital outturn position for 2014/15
2. That Cabinet approves the contributions to reserves outlined in paragraphs 20 to 32.
3. That Cabinet approves the revenue carry forwards outlined at paragraph 34 and detailed in Appendix 2.

4. That Cabinet approves the Housing Revenue Account debt write off outlined in paragraph 38.
5. That Cabinet approve the additions to the capital programme outlined in paragraph 40.
6. That Cabinet note the changes in quarter 4 to the Capital Programme outlined in paragraph 41 to 42.
7. That Cabinet notes the carry forwards on the capital programme outlined in table 4 (paragraph 39) and set out at Appendix 3 that have been approved under delegated authority by the Director of Finance and Assurance
8. That Cabinet approve the virement in the 2015/16 capital programme detailed in paragraph 52.
9. That Cabinet notes the timetable for accounts completion and external audit review as outlined in paragraph 54.

Reason: (For recommendations)

To report the financial position as at 31 March 2015.

Section 2 – Report

EXECUTIVE SUMMARY

1. The revenue outturn position of the Council at the end of the financial year 2014/15 year is showing a net under spend of £5.381m before transfers to reserves. Carry forwards of £1.598m are requested which will reduce the net under spend after transfers to £3.783m. It is an achievement that the council has delivered services within the approved budget, contained the pressures arising from the challenging financial environment and the risks around demand pressures. The gross savings included within the 2014/15 budget totalled £12.939m.
2. It is recommended that the under spend of £5.381m is used to increase reserves as follows:

• Carry forwards	£1.598m
• IT Implementation Reserve	£2.854m
• Rapid Response Reserve	£75k
• Standing up for those in need	£0.800m
• MTFS Implementation	£54k
3. The recommended contributions to reserves will support the Council moving forward to deliver agreed services in the challenging financial environment facing local government.
2. All outturn positions detailed in this report are provisional until agreed by Cabinet and are subject to minor technical changes, prior to the finalisation of the Statement of Accounts.
4. Total spend on the capital programme for the year is £61.871m (£57.427m General Fund and £4.443m HRA). This compares to an approved budget of £117.877m (£107.402m General Fund and £10.476m HRA). The variance of £56.005m comprises of slippage of £48.372m General Fund

and £2.241m HRA and underspends of £1.600m General Fund and £3.792m HRA. The underspends will contribute to revenue savings on capital financing costs.

REVENUE OUTTURN

5. The revenue outturn on General Fund for the Council after transfers to ear marked reserves for the financial year 2014/15 is nil against the approved budget of £174.426m, and there is no addition or reduction to general reserves.

Table 1 Revenue Outturn 2014/15 Summary

Original Budget	Directorate	Latest Budget	Provisional Outturn	2014/15				2013/14 Outturn Variance
				Outturn Variance	%	Carry Fwd	Variance adj for Carry Fwd	
£000		£000	£000	£000		£000	£000	£000
24,866	Resources	27,011	25,881	-1,130	-4.2	288	-842	-2,645
39,897	Environment & Enterprise	37,424	36,916	-508	-1.4	338	-170	-2,374
75,204	Community, Health & Wellbeing	76,589	77,578	989	1.3	129	1,118	-625
46,258	Children & Families	43,918	43,239	-679	-1.5	843	164	-365
186,225	Sub Total Directorate	184,942	183,614	-1,328	-0.7	1,598	270	-6,009
1,896	Inflation and Corporate Items	1,947	3	-1,944	-99.8			-1,875
921	Contingency	921	0	-921	-100.0			-1,171
0	Welfare Reform contingency	0	0	0				-2,000
-7,730	Capital Financing and Interest	-944	-1,085	-141	-14.9			-917
-6,886	Grants	-7,261	-8,308	-1,047	-14.4			-1,187
	Carry Forwards from previous year	-4,008	-4,008	0	0.0			0
	Reserves Adjustments	-1,171	-1,171	0	0.0			0
174,426	Sub Total	174,426	169,045	-5,381	3.1			-13,159
	Contribution to Reserves							
	MTFS Implementation cost		54	54				2,796
	Carry Forward Requests 14/15		1,598	1,598				4,009
	IT Reserve		2,854	2,854				0
	Rapid Response		75	75				0
	Standing up for those in need		800	800				0
	Business Risk		0	0				2,000
	Transformation and Priority Initiatives Fund		0	0				3,000
174,426	Total Budget Requirement	174,426	174,426	0	0.0			-1,354

Directorates' Position

6. The outturn for the Directorates is an under spend of £1.328m against the approved budget of £184.942m which represents a 0.7% variance. The position for each directorate is summarised below and further details are provided in Appendix 1.

Resources

7. The outturn position for Resources is an under spend of £1.130m. The key reasons are detailed below:

- Finance and Assurance – Increase in SLA income from Schools (£45k), an under spend on the finance transformation project and

previously anticipated contribution to Insurance provision (£144k.), and a reduction in staff cost and delay to delivery of new anti-fraud system (£79k) all contribute to an under spend of £268k

- HRD & Shared Services – Savings on staffing and operational activity (£63k), delay to delivery of Management training (£30k), delay to change for SAP account receivable invoice /credit note (£28k), other staffing underspend from Trade Union (£20k) and (£12k) additional income from HR services contribute to an under spend of £153k
- Strategic Commissioning – Over recovery of SIMS income (£29k), Operation activity and staffing underspend in Performance Management Team, Strategy & Performance and Policy and Partnership (£180k), Local Area Agreement (LAA) Grant (£44k) contribute to an under spend of £252k
- Customer Services – There are a number of variances that have contributed to the overall under spend of £325k. The key variances are:
 - Business Transformation Programme (BTP) payments not required due to delays in Mobile and Flex project (£249k).
 - Saving on new Print contract and carried forward budget for the old print contract not needed (£168k)
 - BTP staffing and operational underspend (£66k)
 - The Housing Benefit overpayment bad debt provision was £100k overspent
 - Access Harrow staffing overspend and reduction in expected income 58k
- Legal & Governance – HBPL Public Law deliver a contribution, of £105k of which £102k has been moved to a Legal Expansion Reserve and uncompleted user acceptance testing (£86k) of a Case management system contribute to an underspend of £89k.

8. The under spend is reduced to £0.842m after accounting for carry forwards of £288k which this report recommends (Appendix 2)

Environment and Enterprise

9. The outturn position for Environment & Enterprise is an under spend of £0.508m. The key reasons are detailed below:

- Additional income and one-off under spends - Parking enforcement (£0.764m), delays in the project implementation costs of Towards Excellence (£277k), additional rents from corporate estates (£164k), additional recycling and Civic Amenity site income (£181k) and additional income from cemeteries (£110k).

- Offsetting these underspends is anMTFS saving not achieved in relation to the delay in Leisure Centre car parking charging (£300k) which will be started in April 2015, spend on Neighbourhood Investment Schemes reclassified as revenue expenditure (£219k), a shortfall on Building Control fee income (£179k) and a shortfall on trade waste income (£281k)

10. The under spend is reduced to £170k after accounting for carry forwards of £338k which this report recommends (Appendix 2)

Community Health and Wellbeing

11. The outturn position for Community Health and Wellbeing is an over spend of £0.989m. The key reasons are detailed below:

- Housing General Fund services are over spent by £1.271m, due mainly to increased demand for Bed & Breakfast accommodation driven by rapidly increasing rents in the Private Rented Sector combined with the impact of Government's on-going Welfare Reforms, lower than anticipated Discretionary Housing Payments and higher contributions to the bad debt provision. The worsening position means that there is also a very real risk of a significant over spend in 2015-16.
- Public Health. A nil variance is reported at year end, however this is a result of adjustments as detailed below.
 - The outturn underspend of £593k against Public Health Grant was reported at quarter 3 and remains unchanged.
 - Of the underspend, £351k is reflected within Adult Social Care representing the wider public health responsibilities being delivered.
 - The balance of £241k will be transferred into the specific Public Health Reserve to fund, taking the total to £907k at 31st March 2015
- Community and Culture is reporting an underspend of £224k against a total net budget of £6.629m. The underspend of £224k largely relates to a lower level of repairs and maintenance costs on libraries and leisure (£90k), senior management vacancy for 3months in Community Sector Support (£26k) and unspent grants of £122k.
- Adult Services is underspent by £54k. This position reflects overspends across the directorate including those associated with unfunded legislative requirements around Deprivation of Liberty Safeguards (DoLs) and Mental Health in part as a result of Harrow Clinical Commissioning Groups decision to close Roxbourne (resulting in increased costs for social care), however these pressures were mitigated by fully utilising the Business Risk reserve of £0.750m set aside for the purpose of continuing health care cases, use of the public health grant to fund wider determinants of health and other health funding.

12. The directorate over spend is increased to £1.118m after accounting for carry forwards of £129k which this report recommends (Appendix 2).

Children's and Families

13. The outturn position for Children and Families is an under spend of £0.679m. The key reasons are detailed below:

- Commissioning and Schools is under spent by £0.860m. Under spends relating to Troubled Families Grant (£0.573m) and Early Years Pupil Premium and Integrated Review Grant (£18k) have been requested for carry forward. The remainder of the under spend relates to the closure of the Teachers Centre in July (£70k), a recharge to Whitchurch Infant School for the Early Years Professional Lead's cover for the Head Teacher (£33k), Service Manager and Senior Commissioner posts being held vacant for part of the year (£104k) and 0.5 FTE Health Post at Ealing Hospital NHS Trust not being filled (£44k).
- The Early Intervention Service is under spent by £276k. The under spend results from the Divisional Director and Service Manager posts being held vacant for part of the year (£98k), a Team Manager's post being held vacant for part of the year and a Counsellor post being funded by Troubled Families Grant (£79k) and an under spend on Children's Centres running costs (£98k).
- Targeted Services is over spent by £1.090m. The overspend results from agency staffing being used to cover vacancies, sickness and additional caseloads (£437k) and non-staffing mainly in children's placements and other client spend (£0.700m). A Social Care Innovation Grant has been requested for carry forward (£47k)
- Management and Business Support is under spent by £1.117m. Uncommitted budgets and unringfenced Adoption Reform and SEND Implementation Grants were held as management actions to offset pressures across the Directorate (£0.578m). Early savings for 2015/16 were identified and held as a one off in year action to offset pressure on the placements budget (£365k). There was an under spend in Business Support resulting from 3 posts being held vacant for the year and an under spend on postage and printing (£180k).
- Special Needs is over spent by £0.525m. The overspend is in two main areas. Special Needs Transport from delays in delivering MTFS savings and growth in demand (£409k) and Children with Disability Client costs (£313k). A carry forward of SEN Reform grant has been requested (£205k).

14. The Directorate under spend of £0.679m becomes an overspend of £164k after accounting for requested carry forwards in relation to Social Care Innovation Grant (£47k), Troubled Families Grant (£0.573m), Early Years

Pupil Premium and Integrated Review Grant (£18k) and SEN Reform Grant (£205k).

INFLATION

15. The Pay and Energy Inflation reserve stood at £1.4m. £0.734m has been allocated to fund the pay award leaving an underspend of £0.666m which contributes to the overall position. The contingency stands at £350k for 2015/16 to cover additional utility inflation pressures.

CORPORATE ITEMS

16. Centrally held corporate items give an underspend of £1.278m to contribute to the overall position. £0.757m relates to additional Communities and Local Government grants, principally a s31 grant to compensate for lost business rates as a result of the autumn statement 2013 measures. £290k relates to additional Education Services Grant. £231k relates to a surplus on the Goods Received, Invoice Received suspense code.

CONTINGENCY AND RESERVES

17. The main Contingencies and Reserves are summarised in table 2 below and supported by a narrative explanation:

Table 2: Contingencies and Reserves 2014/15

	Budget Available 2014/15	In year contribution	In year draw down	Budget to carry forward into 2015/16
	£'000	£'000	£'000	£'000
Unforeseen Contingency	921		0	N/A
Transformation and Priority Initiatives Fund (TPIF)	3,370	801	-352	3,819
Business Risk Reserve	2,859		-750	2,109
Medium Term Financial Strategy Implementation Reserve	6,074	1,066	-4,390	2,750
Carry Forward	4,203		-4,008	195
General Reserves	10,008			10,008
TOTAL	27,435	1,867	-9,500	18,881

18. **Unforeseen Contingency** - There have been no calls on the contingency for unforeseen items therefore an under spend of £0.921m is

contributing to the overall position. This contingency stands at £1.248m in 2015/16.

Reserves

19. Set out in paragraphs 20 to 32 below are the movements in the key reserves, either built in to the Outturn or proposed from the revenue underspend for the year. A full list is included in appendix 5.

20. **Transformation and Priority Initiatives Fund** - The balance at 1 April 2014 was £3.370m. During the year £0.801m was added to the fund from early MTFs savings and bids of £352k were approved:

- Arboricultural works £100k
- Helping you event £30k
- Pothole repairs £150k
- Sports Development £50k
- Harrow Mutual Support Network £13k
- Housing Lettings agency £9k

21. This leaves a balance of £3.819m. No increase in this fund is recommended for 2015/16.

22. **Business Risk Reserve** - This reserve was established as part of the 2012/13 outturn to provide for a number of identified business risks. £2.859m was available at the start of 2014/15 and a drawdown of £0.750m has been made in-year in respect of Adults continuing care cases.

23. This leaves a balance of £2.109m which will be retained to fund new and emerging business risks and any new contractual risks.

24. **Medium Term Financial Strategy Implementation Reserve** – This reserve was established to facilitate the achievement of MTFs savings. The balance at the start of the year was £6.074m, to which was added £1.066m in-year from early MTFs savings. £4.390m has been drawn down as follows:

- Severance costs £2.696m
- Project Minerva / IT procurement £1.282m
- Civic 2 demolition works £174k
- Redeployment co-ordinator £29k
- IT category management £57k
- Resident consultation £62k
- Community, Health & Wellbeing project management of savings £90k

25. It is recommended that £54k is added to this reserve from the year end underspend.

26. Legal Expansion Reserve

A key element of the Legal Services MTFs proposals is for the provision of Legal Services to other boroughs to be expanded, reducing the net cost of Legal Services. It is recommended that Cabinet agree to the contribution of £102k to this reserve in order to finance the costs of gaining new business

and implementation costs. This contribution is reflected in the reported outturn position for Legal and Governance.

27. Children's Social Care Reserve

It is proposed to establish a Children's Social Care Reserve to help defray anticipated future budget pressures in relation to Social Care costs and Special Needs costs. The recommended contribution is £0.866m, which is funded from grant flexibility for one year only, and has been factored in to the Children and Families Outturn position.

28. Harrow Schools Improvement Partnership (HSIP) Reserve

HSIP has an accumulated surplus of £1.261m arising from the contributions to costs made by schools. The surplus is being maintained to fund potential termination costs and it is recommended that this is contributed to a reserve. There has been a change in the accounting treatment of this item and in previous years it was treated as an accrual rather than a reserve. The contribution has been factored in to the Children and Families Outturn position.

29. Standing up for those in need Reserve

The administration committed in its manifesto to stand up for those in need by targeting more support towards carers and tackling the increase in domestic violence across the borough. In July 2014 Cabinet approve the use of £200k from early savings implemented in-year to tackle domestic violence. It is now recommended to contribute £0.800m from the 2014/5 underspend to this reserve taking the total funding allocated in 2014/15 and 2015/16 to £1m.

30. Borough Elections Reserve

A reserve is maintained to equalise the cost of local elections every 4 years. The drawdown of the balance of £318k has been factored in to the Outturn position for Resources, in order to fund the 2014 elections.

Rapid Response Reserve

31. It is recommended that this reserve is established with a contribution of £75k from the reported underspend in 2014/15. The purpose of this is to fund responsive minor works, of a non-recurrent nature, in a rapid and efficient manner.

IT Implementation Reserve

32. When considering the ICT Procurement award of contract in March, Cabinet agreed to fund £2.854m of transformation and transition costs from the MTFs Implementation reserve. In view of the size of the expenditure it is recommended that a separate reserve is established funded from the underspend in 2014/15.

CAPITAL FINANCING

33. The outturn on capital financing is an underspend of £140k. This has resulted from more investment income as a result of higher cash balances than anticipated.

REVENUE CARRY FORWARDS

34. Carry forward requests were received, mainly in relation to projects not completed and government grants not yet spent. The carry forward requests are summarised below and listed in appendix 3:-

Table 3 Summary of Revenue Carry Forwards

	Council Funding	Grant Funding	Total
	£000	£000	£000
Resources	244	44	288
Environment & Enterprise	332	6	338
Community, Health & Wellbeing	50	79	129
Children & Families	0	843	843
Carry Fwd Total	626	972	1,598

GENERAL RESERVES

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

HOUSING REVENUE ACCOUNT (HRA)

36. The HRA has a surplus of £1.011m against a budgeted surplus of £0.902m. The main contributing factors are underspends in operating expenditure, including repairs, utilities and employee costs, offset by valuation losses on garages of £1.765m. The outturn also includes additional depreciation charges of £0.773m which result in only a transfer of resources to the Major Repairs Reserve which is used to finance capital expenditure.

DEBT WRITE OFF

37. The Council has written off 505 debts totalling £400k during the year under delegated authority, where they are either irrecoverable or uneconomic to pursue.

38. The reported outturn for the Housing Revenue Account includes a contribution to the provision for bad & doubtful debts of £347k. This is after allowing for the write off of £169k HRA debt owed by tenants but which is not recoverable. The Council maintains a dialogue with tenants using all means available followed by formal correspondence offering repayment plans. Where this is unsuccessful, preparations for legal proceedings are put in place and ultimately eviction as a last resort. The majority of write offs in 2014/15 relate to former tenants who have left no forwarding address. Although checks are made with Revenues and Benefits and Experian, there is often no alternative but to write off. Approval of Cabinet is sought to write off this irrecoverable debt.

CAPITAL

39. Total spend on the capital programme for the year is £61.871m (£57.427m General Fund and £4.443m HRA). This compares to an approved budget of £117.877m (£107.401m General Fund and £10.476m HRA). The variance of £56.005m comprises of slippage of £48.372m General Fund and £2.241m HRA with underspends of £1.600m General Fund and £3.792m HRA. The underspends on capital will contribute to a revenue saving on capital financing costs. The summary position and funding of the programme is shown in table 4. The slippage identified in Table 4 and detailed in Appendix 3 has been approved under delegated authority as carry forwards by the Chief Finance Officer.

Table 4 Capital Outturn 2014/15 Summary

Directorate	Original Programme	CFWD's	Adjustments	External	LBH	Total Budget	Actual	Variance	Slippage	Under spend
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Community, Health and Wellbeing	5,428	3,588	1,553	4,227	6,342	10,569	3,443	-7,126	6,572	-554
Children & Families	42,296	11,767	-711	52,442	910	53,352	23,057	-30,295	30,295	0
Environment & Enterprise Resources	14,790	10,583	-474	4,996	19,903	24,899	21,915	-2,984	2,984	0
	9,413	9,322	-127	161	18,447	18,608	9,012	-9,596	8,549	-1,047
TOTAL GENERAL FUND	71,927	35,260	241	61,826	45,602	107,428	57,427	-50,001	48,400	-1,601
HRA	9,527	949		0	10,476	10,476	4,443	-6,033	2,241	-3,792
TOTAL GENERAL FUND & HRA	81,454	36,209	241	61,826	56,078	117,904	61,870	-56,034	50,641	-5,393
TOTAL CAPITAL PROGRAMME	81,454	36,209	241	61,826	56,078	117,904	61,870	-56,034	50,641	-5,393
NOTE:										
General Fund Funding:										
Grant	-46,331	-12,067	-66	-58,464		-58,464	-25,466	32,998	-31,060	0
Section 106	0	-1,362	0	-1,362		-1,362	-692	670	-1,153	0
RCCO	-2,000	0	0	-2,000		-2,000	-2,538	-538	-344	0
Capital Receipt		0	0	0		0	-2,356	-2,356	0	0
Borrowing	-23,596	-21,831	-175		-45,602	-45,602	-26,375	19,227	-15,843	1,601
TOTAL GENERAL FUND	-71,927	-35,260	-241	-61,826	-45,602	-107,428	-57,427	50,001	-48,400	1,601
HRA Funding:										
Revenue (MMR)	-7,427	-949			-8,376	-8,376	-4,003	4,373	-1,707	2,666
Grant					0	0	-42	-42	0	-42
Contribution	-100				-100	-100	-344	-244		-244
Main Programme	-7,527	-949	0	0	-8,476	-8,476	-4,389	4,087	-1,707	2,380
Affordable Housing (Sec 106)	-367				-367	-367		367	0	367
Capital Receipt - Right to buy	-1,383				-1,383	-1,383	-54	1,329	-534	795
CGRIA	-250				-250	-250		250		250
Affordable Housing	-2,000				-2,000	-2,000	-54	1,946	-534	1,412
TOTAL HRA	-9,527	-949	0	0	-10,476	-10,476	-4,443	6,033	-2,241	3,792
TOTAL CAPITAL PROGRAMME	-81,454	-36,209	-241	-61,826	-56,078	-117,904	-61,870	56,034	-50,641	5,393

40. Additions to Programme

Additional external funding has been received for the following in Quarter 4 and Cabinet is recommended to add these items to the programme.

Table 5: Additions to Capital Programme 2014/15

Item	£000
Additional Department of Health funding for improving access to information for people with autism	19
Additional Highways funding from TFL for LIP programme	10
Total	29

41. Reductions in Programme

Table 6: Reductions in Capital Programme 2014/15

Item	£000
Whitmore High School pitch. Work not proceeding and funding returned to school.	-90
2 Year old entitlement – removed from capital as grant used for revenue spend in accordance with grant conditions	-438
Total	-528

42. **Virements.** The following virements have been approved under delegated authority.

Table 7: Virements Approved in Quarter 3

Item	£000
ITO Transformation – reduction in work undertaken	-210
IT Corporate systems refresh – reduction in work undertaken	-100
Mobile and flexible working – Accommodation works to facilitate mobile and flexible working	310

DIRECTORATE PERFORMANCE ON CAPITAL Resources

43. The directorate spent £9.012m against a budget of £18.607m, a 48.4% spend. £8.547m of the variance has slipped to 2015/16 with an underspend of £1.047m. The key reason for slippage has been Capita delivery issues. In addition, given the impending end of the Capita contract, some work that previously would have been placed with Capita is being held over until the new contractor is in place.

44. There has been slippage of £2.219m on the loan to West London Waste Authority due to delays in the progress of their investment programme.

Environment and Enterprise

45. The directorate spent £21.915m against a budget of £24.874m, a spend of 88.1%. All of the variance of £2.959m has been slipped to 2015/16.

46. The capital funding was spent to invest in the Boroughs infrastructure and improve the place, both for residents and staff. Some of these improvements have generated additional income, particularly from disused parks buildings that were brought back into use. Others, such as the rationalisation of accommodation have yielded savings both on maintenance and utilities. Likewise, investment on the highways network will reduce reactive maintenance costs in the future. Some projects contributed significantly to social regeneration by making available more buildings for community use.

47. Some of the key projects and outcomes were:

- a. Town Centre Improvements: The heart of the town centre has been revitalised with work around St Ann's road, Havelock Place, and the new urban park and cafe at Lowlands. This has bolstered the feel and economy of the town centre.
- b. Park buildings: Improvements made to a number of buildings including
- c. Byron Recreation refurbishment of changing rooms
- d. Renovation of a disused toilet block to become a West Harrow café and provide rental income for the council
- e. Pinner Cemetery Chapel refurbishment which results in increased bookings
- f. Renovation of a disused building at the Croft to create a sports venue to host the Boxing Club
- g. Green gyms: Installation of 13 new green gyms to improve community access to healthy activities and promote physical exercises
- h. Street Lights: Replaced around 1,000 lighting columns with LED technology to improve safety and energy efficiency
- i. Trees: Planted over 500 street trees to green the environment.
- j. Parking: Introduction of 20 minutes free parking at district centres to encourage footfall and support local businesses' growth.
- k. Highways: Re-surfaced 30.7 km of Harrows 460km road network and carried out 1,781 repairs to carriageways including potholes related work. Reconstructed 15,639 linear meters of footways and carried out 3,174 repairs to footways to improve safety to residents and visitors.
- l. Corporate Accommodation: Refurbishment works across the Civic Centre to consolidate buildings into Civic 1 Complex and improvements to toilets and car parking / cycling facilities were made to improve security, staff welfare and energy efficiency.

Community, Health and Wellbeing

48. The directorate spent £3.443m against a budget of £10.569m, a 32.6% spend. £6.572m of the £7.126m variance has been slipped to 2015/16 with an underspend on the programme of £0.553m. There have been

delays on a number of schemes within the programme resulting in slippage. The most significant ones are:

- a. Mosaic £0.606m. Delays in the availability of software from the supplier.
- b. Headstone Manor £1.086m. Delay in agreement of Heritage Lottery fund grant.
- c. S106 Bannister Sports Pitches. £1.004m. There has been a delay in the S106 funding being received by the Council due to delays in the redevelopment of the Kodak site.
- d. Green Deals Community Funding £1.357m. Delays in identifying suitable properties.

Children & Families

49. The directorate spent £23.057m against a budget of £53.352m, a 43.2% spend. All of the variance has been carried forward to 2015/16. The delay was as a result of the increase in construction work activity in the country as a whole which caused some problems in obtaining competitive quotes and employing sufficient resources to deliver a large scale building programme and delayed the process of agreeing prices and starting works on site.

50. The capital programme by directorate is included at Appendix 3 showing performance against the latest approved budget for each programme line.

Housing Revenue Account

51. The HRA spent £4.443m against a budget of £10.476m, a spend of 42.4%. £2.241m of the variance has been slipped to 2015/16. A further £3.097m, shown as underspend was included in the 2015/16 programme approved by Cabinet in February.

2015/16 CAPITAL PROGRAMME

52. Following a review of capital requirements under the recently signed IT contract operational from November 2015, it has been identified that the total provided in the capital programme exceeds the amount required by £2.600m. It is recommended that this is vired from the IT capital budget to the following areas:

- a. Environment & Enterprise Highways Programme £2.100m
- b. Minor works responsive capital programme £0.500m

53. The capital investment in these areas will result in the achievement of on-going revenue savings.

TIMETABLE FOR ACCOUNTS COMPLETION AND EXTERNAL AUDIT REVIEW

54. The draft accounts will be completed by 24th June before the statutory deadline of 30th June and the audit will commence on 29th June 2015. The draft accounts will be considered by the Governance, Audit, Risk Management and Standards Committee (GARMS) at their July meeting. The final accounts will be considered by the (GARMS) on 10 September 2015 and must be signed off by the Council and the Auditor by the end of September.

LEGAL IMPLICATIONS

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

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

FINANCIAL IMPLICATIONS

57. Financial matters are integral to the report.

PERFORMANCE

58. 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.

59. Financial performance is considered quarterly at Cabinet.

RISK MANAGEMENT IMPLICATIONS

60. 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

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

CORPORATE PRIORITIES

The Council's vision is:

Working Together to Make a Difference for Harrow

The administrations priorities are:

Making a difference for the vulnerable

Making a difference for communities

Making a difference for local businesses

Making a difference for families

The robust stewardship of funds to ensure expenditure is contained w

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Interim Chief Financial Officer
Date: 4 June 2015		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 5 June 2015		

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

Section 6 - Contact Details and Background Papers

Contact: Steve Tingle (steve.tingle@harrow.gov.uk)

Background Papers:

[Cabinet reports 13 February 2014, Housing revenue Account Budget 2014-15 and Medium Term Financial Strategy 2015-16 to 2017-18, Final Revenue Budget 2014/15 and Medium Term Financial Strategy 2014-15 to 2016-17, Capital Programme 2014-15 to 2017-18](#)

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